

Minutes

Meeting of the SEG Resources Committee

Governor Meetings

Date 18/03/2025
Time 17:00 - 19:00
Location Southport College (Morningson Road, Southport, Merseyside, PR9 0TT)

Governors Present Margaret Boneham (Independent Member)
Michelle Brabner - Principal – (Ex-Officio Member)
Colin Davies (Independent Member)
Claire Moffat-Lonsdale (Independent Member)
Paul Walker (Independent Member - Corporation Chair)

Invited Attendees Paris Bonwick (Vice Principal - Business Services)
Mark Burrows (Deputy Principal)
Lisa Farnhill (Dir. Governance and Compliance)
Stephen Musa (Vice Principal Curriculum and Support)
Paula Smith (Dir. Finance)

Apologies Rob Firth (Associate Member)

Absent Rebecca Matchett (Independent Member)

Agenda

1 - Welcome & Apologies for Absence

The Chair welcomed all attendees to the meeting, expressing appreciation for their presence despite their busy schedules. Attendees introduced themselves for the benefit of newer members.

Members thanked Board member, Diane Hutchinson, who is not a member of this Committee, for joining online to support the HR items including presentation of new policies which had been reviewed as part of a link visit.

The Dir Governance and Compliance presented the apologies of associate member, Rob Firth, which were accepted by the Committee. The Committee Chair confirmed no apologies for absence had been received for Rebecca Matchett, who had indicated her availability would improve in March. The Committee Chair confirmed she had contacted Rebecca to introduce herself as the new Committee Chair, and as part of the discussion, Rebecca had indicated she was considering her ability to continue in the role. The Chair advised she had asked Rebecca to contact the Dir. Governance and Compliance, however, she had not yet responded. Members noted the matter will be addressed by the Governance Committee.

Item 1: Resolved – The Committee resolved to accept the apologies of Rob Firth and noted that Rebecca Matchett would be marked as absent.

2 - Declaration of Interests

Standing interests were noted, including the Dir. Governance and Compliance's role as DPO and Colin's role within local education Boards.

Item 2: Noted

3 - Minutes/Matters Arising

The minutes of the previous meeting held on 28th January 2025 were reviewed and approved. Members were advised that all corrections as advised by the Chair following circulation of the draft had been made. Attendees were reminded the highlighted areas were recommended for redaction.

Item 3: Approved – The Committee approved the minutes of the meeting of the Committee held on 28th January 2025.

4 - Reflections on the Last Meeting: Impact & Actions

The Director of Governance & Compliance presented a summary of the actions and matters arising from the previous meetings, highlighting where matters would be addressed by agenda items, as well as those not yet due.

The discussion included the confidential nature of highlighted items, with an update given on progress to date, with the Committee being advised a report would be presented in June.

The impact statement summary was approved.

Item 4: Approved – The Committee approved the impact statements from the meeting of the Committee held on 28th January 2025.

5 - Confidential Business

The Chair asked for agreement that the highlighted sections from the minutes from the meeting on 28th January 2025 should be held as confidential, noting that items 8.3 and 8.4, as highlighted in the impact summary should be redacted from the minutes.

It was determined that no items of business on the current agenda needed to be marked as confidential. The Chair proposed the Dir. Governance and Compliance should highlight for redaction any minutes or impacts statements during the drafting process should any sensitive matters arise.

Item 5: Approved – The Committee approved the redaction of items 8.3 and 8.4 for the Minutes and Impact statements.

6 - KPI Score Card

Members were reminded the KPI Score Card as presented by the VP Business Services was not intended for discussion during but to be used as a form of information to support and direct other items on the agenda, being referenced throughout the reports. The VP Business Services confirmed any questions that were unanswered following the presentation of reports could be addressed at the end of the meeting.

Item 6: Noted

7 - Risks Updates

The Director of Finance provided a summary of the overall risk register and updated the Committee on changes to the risk register related to the Resources Committee Terms of Reference.

Members were advised of the dates of the most recent SLT review and the rationale for the changes made. The discussion included detailed movements in risk scores, with members advised of the increase to the risk relating to the management of capability, recognising the need for improved consistency across the two College sites.

In considering the reduced risk in relation to the apprenticeship targets, members were advised that although remaining below target, the risk rating had reduced as the financial impact of failing to meet the financial target was 0.3% of total income, therefore considered to be a low risk.

Item 7: Noted

8 - HR Update

The Director of HR presented an update of the report, reassuring the Committee that the follow up action in relation to updating advertisement literature to highlight employment benefits had been completed.

HR data, including recruitment, staff turnover, application of HR procedures, and sickness absence were summarised and interrogated by the Committee.

Members were advised that recruitment continued to face challenges in skill shortage areas, with occasions where recruitment campaigns needed to be rerun to attract sufficient interest from applicants. Members were advised it was too early to establish the impact of improving the way benefits such as pension schemes and holidays, were incorporated into the adverts. They did however note that recent adverts had seen a higher number of applicants. Members asked about the calibre of the applicants, being advised for a recent Director role, the quality of applications had been very high. In response to questions about the contingency plans for unfilled positions, the Committee was assured the impact on student experiences was minimised by the use of agencies, with the challenges associated with this approach discussed.

Members discussed staff turnover, noting this remained similar to the previous year, with ongoing developments in an online questionnaire for leavers. Members noted an increase in sickness absence rates compared to the previous year, with both short-term and long-term absences contributing, with reassurances provided that this mirrored national trends for flu-like hospital admissions. Members were informed that the benchmarking data for absence in the sector was outdated, however, the Unions had provided details of absence rates for the local authority, with the College absence rates being significantly below this. Members were provided with reassurances relating to the support offered for staff off on long-term sickness and efforts to support their return to work. Staff hours efficiencies were highlighted, with overstaffing of some areas also used to support in areas where absence or where there are known skills shortages.

Item 8: Resolved – The Committee resolved to accept the assurance provided by the HR report.

9 - HR Policies

The Director of HR presented two new policies for approval: the Sexual Harassment Duty Policy and the Menopause Policy.

The Dir. HR explained that the Sexual Harassment Duty Policy ensured the College was fully compliant with the new requirements for proactive measures to prevent sexual harassment in the workplace. Members were advised of the need to risk assess and raise awareness around events linked to, but outside of the workplace, including training and social events, with a need to also consider third-party harassment. Members asked how this would be delivered to students, with it confirmed the student policy was already in place, with awareness raised at induction.

Following an outline of the roll-out of training for managers and staff, risk assessments, and procedures for raising complaints, the Committee asked about training for governors. Members were informed this would not be on SmartLog, but may be developed from the training package for managers and built into the EDI training planned for the pre-meeting training sessions for the summer meeting.

Members were given an outline of the amendments suggested by the Unions. These included referencing LGBTQ+, highlighting that anyone, irrespective of their orientation can be a victim of sexual harassment. Other changes included widening the occasions where it may be more appropriate for a case to be raised with HR, as opposed to a line manager, as well as removing any reference to 'senior' managers, enabling staff to report to any manager, irrespective of their seniority to the referrer. The Committee endorsed all of these changes.

The Menopause Policy, although not mandatory, was recommended for approval to support staff and provide guidance for managers. The Committee expressed concern that this may lead to requests for other health or condition-specific policies, with members advised any additional policy requests would be evaluated individually. The HR Link Governor confirmed the risks associated with the introduction of this policy, including the potential for misuse and requests for other policies relating to other conditions had been discussed. Assurances were given, highlighting the supportive approach, balancing improved education and reasonable adjustments with the need to fulfil roles and alternative policies to be invoked should there be any suspicion of misusing the supportive approach.

Both policies were approved, with the Committee acknowledging the importance of raising awareness and supporting staff.

Item 9: Resolved – The Committee resolved to recommend the two policies to the Corporation for approval, to include the verbal updates as suggested within the Union Management Forum.

10 - Employer Engagement Strategy Update

The Deputy Principal provided a summary of progress against KPIs related to employer engagement.

In response to a summary of the targets and presentation of the revised target, the figures were interrogated at length, with members seeking to understand how the targets were formed, the reason for underperformance, rationale for the updated target and the financial impact.

Members were reminded of the strategic decision to focus on quality, with it clarified that the annual target had been intentionally set lower than the previous year, to take account of the reduced offer, with the College having withdrawn from some areas and pausing in others. Members were advised that this prevented the provision of year on year comparative data, with it confirmed that the target had seen two in year revisions, now reduced to 97.

Members were given a detailed overview of work to improve stakeholder engagement. Efforts to engage with larger employers and deliver leadership and management training were highlighted. Members were advised of actions to recover ground and meet targets, with ongoing events and engagement with business groups and policymakers.

The Committee discussed the importance of maintaining relationships with key employers and the impact of policy changes on training requirements, asking how the College was adapting the offer to meet with future skills needs. Members asked about staff training, querying whether the CPD budget was sufficient to ensure staff were prepared for delivering courses in developing areas. The Vice Principal Business Services outlined the potential grant funding options, advising that any additional training outside of the scope of grants would need to be self-funded.

Item 10: Resolved – The Committee resolved to accept the update, endorsing the revised KPIs.

11 - Enrolment Update/Marketing Report

The enrolment update was summarised by the Vice Principal Curriculum and Support, with key data presented, including updated figures, providing details on new applicants, including partner high schools, and internal progression data.

Members commended the work of the staff involved, asking if the positive outcomes had been analysed to establish what had driven up the applications. The discussion highlighted the success of the college's marketing strategy, which focused on individual learner success and strong relationships with providers. Efforts to improve teacher-to-teacher relationships were emphasised as a future focus to strengthen recruitment further. The positive metrics were attributed to the college's strategic changes in marketing and relationship-building with learners and providers. The discussion concluded with an acknowledgment of the need to continue these successful strategies and explore new avenues for improvement.

Item 11: Resolved – The Committee resolved to accept the update, expressing their gratitude to those involved for the positive data.

12 - Sustainability Strategy Progress Report

The Vice Principal Business Services confirmed that the request to withdraw from the Public Sector Decarbonisation Grant application process had been accepted

Members were reminded the existing strategy was set to run until 2030 with a goal of net zero, with members agreeing this was now unrealistic. The Vice Principal Business Services outlined a recommendation to rewrite the strategy, aligning with the AOC's template and reporting methods, and setting a more achievable goal of net zero by 2050, contingent on government funding, with the Committee endorsing this approach. The discussion emphasised the need for a comprehensive rewrite of the strategy to reflect realistic goals and the importance of securing funding to achieve net zero.

Members noted the update against the current strategy, which included a slight reduction in electricity usage due to solar panels and a minor decrease in gas usage. The college's increased utilisation of buildings and changes in layout were noted as factors affecting energy consumption. Questions were raised about specific variances in gas usage, with it explained this was likely attributed to temperature changes, with members indicating the increase was higher than would be expected, with it proposed it could be a potential double-counting in invoices when the suppliers were changed. Following a discussion about the process for invoicing and payments, made via the consortium, members were advised this had been queried and would be followed up.

Item 12: Resolved – The Committee resolved to accept the update, endorsing a rewrite of the Sustainability Strategy in line with the AOC Sustainability Roadmap.

13 - Estates Report

The VP Business Services presented a summary of accommodation matters, highlighting significant changes and improvements across the site. This included the refurbished restaurant, Link and Wellbeing Hub, with new sensory rooms, as well as collaborations with external organisations like the NHS, resulting in entrance road repairs.

The Committee reviewed budget lines, with assurances that virements would ensure the overall estates budget would not be exceeded. Concerns were raised over the limited budget remaining for reactive maintenance and proposals to utilise planned maintenance budgets should any further reactive needs arise. Members highlighted the risks associated with forgoing planned maintenance to cover the costs of reactive maintenance, suggesting the long-term costs of this would be higher. Members asked about the condition appraisal survey, with assurances that reactive and planned maintenance budgets would be increased to cover some areas identified in the survey, however, investment or grant funding would be essential to cover all the requirements as outlined in the survey, which included the repurposing and rebuilding of areas, requiring significant investment.

Questions were raised about the impact of project delays on premises costs and the sufficiency of contingency plans. It was confirmed that capital projects like T Level and LSIP were within budget, with ongoing quality issues being addressed through retention and warranty periods. The report concluded with a reassurance that the college was managing its budgets effectively and addressing reactive maintenance needs as they arise, with a more detailed report due in June, which would include the final update on the grant projects.

Item 13: Resolved – The Committee resolved to accept the update.

14 - Staff Utilisation Report

The VP Business Services provided an update on staff utilisation statistics, revealing a current utilisation rate of 95.06%, highlighting this was an improved position which was within the accepted range.

Members were advised of the methodology for calculating staff utilisation based on teaching timetables and highlighted significant improvements since the 2022/23 academic year. Specific areas with lower utilisation rates, were discussed, with explanations provided for these variances, highlighting where this was an intentional strategic decision to maximise student experience, or counteract any issues in relation to staff turnover.

Members queried the data, seeking to understand whether it was based on actuals or predicted to year end, and following an explanation it was agreed this detail should be included in future reports. In confirming the significant number of hours taught did not capture everything, with progress tutor sessions, one to ones and other activities not included, the Committee suggested this needed to be celebrated as the number of hours was astonishing, and should be celebrated as a significant commitment to educating the local area.

The discussion concluded with an acknowledgment of the positive progress in staff utilisation and the need to continue monitoring and adjusting plans to maintain high utilisation rates.

Item 14: Resolved – The Committee resolved to accept the update.

Task: Ensure an explanation of actuals and predicted rates are included in future reports

15 - IAS Reports Relevant to Resources Committee

The Committee was advised that during the reporting period, there were no IAS reports relevant to the work of the Resources Committee.

Item 15: Resolved – The Committee resolved to accept the update.

16 - Contract Report

The Director of Finance and VP Business Services provided a summary of contracts held by the College, highlighting those that fall within the remit of Resources or the Corporation.

In summarising the data from the spreadsheet listing contracts along with their respective committees for approval, including current contract costs, start and end dates, and notice periods, with the cost of each tendering exercise highlighted. It was noted that a number of contracts were due to end in the coming year, with plans to run the procurement exercises concurrently to combine and reduce the costs associated with procurement. Members were advised that the college is considering alternatives to CPC, including the use of a Procurement Specialist to minimise procurement costs.

Members expressed concern over the budgetary impact, proposing new contracts would result increased costs due to rising national insurance and other associated costs, with the increase expected to be significant for contracts that have been in place for several years. In acknowledging the potential for significant cost increases members insisted early preparation was essential. Members discussed mobilisation periods, and the importance of pre-market engagement to ensure a smooth transition and avoid budget overruns or issues with TUPE. Members encouraged the SLT to begin the process as early as possible to ensure there was sufficient opportunity to receive a range of bids, with increased time expected to result in higher quality bids.

Item 16: Resolved – The Committee resolved to accept the update.

Task: Ensure all contract tendering exercises are run as early as possible to ensure the widest range of high-quality bids.

Matters Arising: Advise the Committee whether CPC/procurement specialist is to be used.

17 - Financial Reports

17.1 - Management Accounts

The Director of Finance reported that February's management accounts showed a year-to-date operating deficit of £454,000, exceeding the planned deficit of £412,000, with an adverse variance of £42,000.

The budget lines were highlighted, reflecting on earlier discussions relating to apprenticeship income and premises costs.

Members noted income was £35,000 behind, with pay costs were favourable by £48,000, including a 3.25% pay award and forecasted NI contributions.

An adverse variance of £65,000 in non-pay costs was attributed to the premises overspend, assuring the Committee that this was a profiling issue, with it expected this would fall within the overall annual budget.

Attention was drawn to depreciation, interest payable, and pension interest, highlighting the financial health grade, which remained good, with staff pay as a percentage of income at 70.02%, slightly over the target. Members noted this was a reasonable outcome with the higher than budgeted staff pay award.

Members acknowledged the positive cash position, being £4.4 million at the end of February, ahead of forecast, however, sought assurances over the impact of apprenticeships and premises costs on the budget.

Following an overview of recent funding announcements, members were advised of prudence in the budget, noting the National Insurance (NI) grant would be allocated in the next financial year, expected in September and to be backdated to April. In noting the lack of details of this and other funding changes and grants, with further information essential to allow it to be incorporated into the budget, members questioned the impact on the cash flow, and were assured the delay in the issuing of the NI grant would not be detrimental.

Members thanked the Dir. Finance for the clear reporting and update and approved the January and February Management Accounts.

Item 17.1: Approved – The Committee resolved to approve the management accounts for January and February.

17.2 - Cash Flow

The Director of Finance presented the cash flow report, with projections to April 2026. Members were advised this had been updated to include the 3.25% pay increase, increased NI contributions and associated grant, but did not include the in-year grant for 24/25 or increased allocation for 25/26, with the funding allocation having been received that day and yet to be fed through the CFFR. Members expressed concerns about the potential impact of additional funding and questioned the accuracy of the projections given the current economic climate.

Members noted the reduction in the decline and confirmed that this was the position ahead of the increased funding allocation and grants. Members discussed the projected deficit for July 2026, with the volatility of funding outlined with members noting the number of recent changes had been unprecedented, highlighting the difficulty in planning and budgeting and additional work created by the uncertainty and constant changes.

The Principal reminded the Committee of the lagged funding model and summarised discussions with the Combined Authority on supporting the FE sector, particularly in relation to the adult budget and apprenticeship provision. Members reflected on earlier reports, discussing the benefits of increased learner numbers, improved apprenticeship quality, the increase to the base funding rate and the opportunity for additional grants, agreeing this provided the opportunity to reverse the decline in the cash flow. Members agreed the priority following the reversal of the decline would be to ensure staff pay is addressed.

The item concluded with reassurances from the Deputy Principal relating to ongoing efforts to source additional sources of income, highlighting the community benefits of the College within the local area.

Item 17.2: Noted – The Committee resolved to note the update.

Task: Provide an update inclusive of the updated funding rate allocation and grants once details are finalised

17.3 - New Finance System

The Director of Finance provided an update on the new finance system, confirming this was due to go live on 1st April.

In response to questions from members, the Dir. Finance confirmed the new system was an upgrade from the current one, with enhanced features such as automated bank reconciliation and invoice processing, which had been initiated as support for the old version was being withdrawn.

Members were advised that user testing was underway, with no significant issues reported, with the transition plan outlined, which involved running March transactions on the old system and starting April transactions on the new system.

The Committee discussed the challenges of remote implementation and data transfer. Following discussions and concerns about potential data migration issues and the readiness of staff for the new system, reassurances were given over the processes and support in place. Members expressed confidence in the approach by the Dir. Finance and her team, and their readiness for the live date, highlighting this was evidence of a positive change management approach.

Members asked about contingency planning and reviewed the benefits, with the new system expected to improve efficiency and support the finance team's operations.

Item 17.3: Noted – The Committee resolved to note the update.

Task: Provide a brief post implementation update to the Committee at the next meeting.

17.4 - Write Offs

The Director of Finance reported no proposed write-offs for the period. A summary of debts over 90 days was provided, totalling £3,000. Members discussed the details, noting apprenticeship employer contributions would continue to be chased and cannot be written off due to compliance requirements. The committee was assured that these debts would be actively pursued.

Members noted that the actual write off therefore would not exceed £100, thanking the Dir. Finance for the update.

Item 17.4: Noted – The Committee resolved to note the update.

18 - Meeting Reflection

18.1 - Risk Register Review

The Committee reviewed the details included in the report of the risk register items assigned to the Committee, and discussed potential changes based on the papers reviewed and discussions held. The discussion noted the earlier detailed movements in risk scores, such as the increase in risk related to addressing capability issues and the financial impact of apprenticeship targets. Members agreed that there were no recommended updates based on the information reviewed.

18.2 - Items to be Presented to the Board

The Committee discussed the reports to be presented for the information or approval of the Corporation. It was agreed that the HR policies on sexual harassment and menopause, due to their importance and need for oversight, would be included, requesting approval by the Corporation.

Members considered the benefit of advising the Corporation of the implementation of the new finance system. Whilst agreeing this was operational, members proposed that the significance in terms of the positive approach towards change, evidenced the positive cultural shift in the team, therefore agreed it should be highlighted.

19 - Date of Next Meeting & Closing Comments

The Chair confirmed the date of the next meeting as Wednesday, 11th June 2025, and provided closing comments.

The meeting closed at 7pm, with thanks extended to all participants.