

THE FURTHER EDUCATION CORPORATION OF MIDDLESBROUGH COLLEGE
CONFIRMED MINUTES OF CORPORATE SERVICES MEETING 17.03.2025

PRESENT: J Castor (Chair, CG), R Davies (CG), M Lamb (CG), Z Lewis (Principal/Chief Executive), D Lusardi (CG), S Mirsalehi (CG), A Pajura-Jaszczak (Staff Governor),

OFFICERS: Z Foster (Head of Governance), S Langstaff (VP), K Parkinson (VP), G Potts (VP), S Marshall (VP), O Rodley (VP), B Robinson (Deputy Principal), R Shuttleworth (CTO).

For Item 5 – L Jones (Head of T&L – Health and Social Care), C Duggan (Dir), L Boyd (Head of Registry), S Leigh (Lecturer), J Fields (Dir.), M Telling (Dir.), A Waller Amos (Dir.) via Teams, J Wells (Dir.).

Key: CG – College Governor CO – Co-opted Governor VP – Vice Principal
CTO – Chief Technology Officer AP – Assistant Principal Dir. – Director

1. Apologies for Absence

I Anwar (CG), S Brown (CO), P Sharp (CG), R Shuttleworth (CTO).

2. Declarations of Interest – no declarations were noted.

3. Unconfirmed Minutes of 09.12.2024 – were approved as a correct record.

4. Matters Arising – all either complete or due for attention later in the year.

5. Business Support Department KPIs and QIP Presentations

Each of the following departments shared presentations (in advance) which detailed: organisational structure; overview of services; SAR grade, key strengths and priorities for the current year.

5.1 Teaching, Learning and Assessment – L Jones presented to the slides shared with the Committee.

Questions included: how the faculty was doing where it was confirmed there had been very positive feedback from both students and staff and progress of learners was in-line with targets/expectations; and differences in support/CPD for new teachers and established team members depending on individual need - both of which were valued by staff (as indicated by survey and also retention).

5.2 Additional Learning Support – C Duggan presented to the Committee drawing attention to the mechanisms of how High Needs was managed for students and of the complex funding attached to this, the range of students who received support (and the graduated support offered) and the wider value to all faculties the department gave in terms of exam access and wrap around care. He also outlined the key priorities including managing the risk of the high needs budget and the medical High Risk process.

Governors' sought assurance on resources with confirmation that High Needs was well resourced especially with the additional SENCO support. C Duggan also outlined the pinch points in relation to the increased numbers of low level learners requiring support and of the multiple factors affecting the range of support; and clarification was given on the index of multiple deprivation and correlation with SEND which was specific to the North East/Tees Valley (with a similar profile only seen in a couple of pockets in Wales and Glasgow).

5.3 Business Engagement and Bids – M Telling gave an overview to his presentation.

Discussion focussed: on how the CRM was linking up with Marketing including better use of data leading onto improved future utilization of the website for new employers particularly in relation to testimonials and good news stories; and other general developments and progress for wider social media use and the commercial arm more widely.

5.4 Campus Services – S Marshall detailed positive progress with the campus team on the 'here to help' approach being taken; and of the successful completion of the capital projects.

Governors formally acknowledged the work by the team resulting in the completion of the capital projects.

Governors discussed potential future investments in the current climate and confirmation was given that should opportunities arise there was a good team in place to action any projects.

5.5 Digital Services – S Marshall updated the Committee (in the absence of R Shuttleworth) drawing particular attention to the successful implementation of the Digital strategy, stability of IT systems, team development over recent years as demonstrated through positive KPI results and customer service outcomes from staff and students; and the Microsoft Showcase College work.

5.6 Digital Innovation and Support – J Wells drew attention to the two discreet purposes performed by the department (digital and LCR Services). He also outlined key achievements which included the digital upskilling of the College staff, success of the student VLE, alongside the Showcase College success.

Governors had questions in relation to AI both in terms of strategic development/associated challenges and also whether teacher development on AI would be a question on the staff survey (which it could be albeit there would not be the ability to benchmark).

5.7 Finance – S Langstaff gave an overview to the main presentation, drawing out the recognised need to increase the team to support the higher turnover and associated pressures over recent years, and of a pivotal appointment currently being advertised for Executive Director of Finance to assist with this. She also detailed a capital investment which was supporting the new finance system; and further digitization of processes in collaboration with the HR team in developing pay forecasting.

Discussion focused on the benefits of the upcoming digitization on overall productivity and improved reporting capacity.

5.8 HR/Workforce Development – K Parkinson presented her department report.

5.9 Marketing – A Waller Amos gave a brief appraisal of her presentation.

The Committee discussed stakeholder engagement both with the Marketing team and also the Employer Development team including case studies for FE+ brochure and wider partnerships and relations. Softer methods of engagement with key community stakeholders were also discussed. Governors also asked about the use of AI in Marketing with confirmation that this was being widely used (within a clear set of parameters) by the team.

5.10 Quality, Data and Exams – O Rodley presented for the department with clarification received on what was included within the maladministration reduction priority.

5.11 Registry – L Boyd gave a comprehensive account of the wide ranging role of the Registry department.

Questions and discussion included: digitization timeline which was progressing well; ensuring changes to systems for invoicing and pay were sufficiently robust during implementation; improvements with destination data; and ILR data reporting/actions.

5.12 Sports Academies – S Leigh gave an overview of the department focussing on the high regional and national successes, career sports and recreational pathways, high sporting and coaching calibre of the department staff, and being 1 of only 4 colleges nationally with ECFA 3* accreditation.

Governors' questions and discussion concentrated on the marketing of the department's successes through social media and other PR avenues.

5.13 Student Services – J Fields gave full detail to the work of the department across its range of services. She drew out the increased number of students receiving financial assistance (750 more than last year), winning the AoC Careers Beacon Award, and positive retention figures for key safeguarding areas. Within priorities for the current year, she detailed positive steps for improvements to the data collection for mental health (at enrolment), and social action work.

J Castor, on behalf of the Committee, thanked all presenters who then left the meeting. **Post meeting note** – this was followed up by an email to all presenters from O Rodley, on behalf of the Committee.

Business Support Department Growth – Z Lewis shared a graph detailing Business Support Department growth over a ten year period (66% overall growth with 91 extra staff), with the stark exception of the Finance team which was the only department which had gone down (as outlined in the Finance presentation above).

Discussion included: the positive effect of the increase in Workforce Development, and ongoing consideration of the investments into departments by SLT.

B Robinson and O Rodley left the meeting.

6. Strategic Overview

6.1 Principal/Chief Executive's Verbal Overview and Risk Summary

Z Lewis briefly outlined the five red risks highlighting the Finance risk, including the pay award, as the primary focus for the Committee meeting, in the increasingly uncertain climate with further less positive updates anticipated from the DfE/Government on funding/cuts etc.

7.1 Finance Presentation Update (*this item was taken next on the agenda*)

S Langstaff gave a full presentation to bring the Committee up to speed which centred on i) remaining funding uncertainties, revised forecast and expected dates of confirmation ii) capital update assumptions, updates and status of progress iii) a detailed list of risks (bootcamp delivery, NI, teacher pension grant, growth in student numbers, pay award, TVCA allocation, Outwood lease, capital grant and staff savings) and opportunities (bursary/FSM uplift, in-year growth funding, ALS apprenticeships, OfS grant, MC Click, T Level reduction, Post 16 budget grant) and iv) a variety of pay award scenarios and related operating surplus and cash days impact.

Z Lewis gave further background and detail on: the unprecedented situation in respect of in-year growth (350 more students than last year) which would be at 1/3 rather than the historical 1/2 and how this transferred into monetary reductions and effect on any current surplus; and the general lack of information on the various funding streams and of expectations in relation to these (some of which could be positive).

Governors' questions and discussion on funding uncertainties included: whether TVCA's funding terms may decrease (yes by 3%) and the potential knock on effect of this going forward which would be detailed in procurement information due within a few weeks; an update on the sign off for TVCA; that both the NI support and Teachers Pension grant may be delayed until May; assurance on delivery of the adult programme; bootcamp delivery delay timeline (within 2024-2025) and methodology on payment if delayed, and procurement allocations; Project S contract and subcontractor delays and actions (including DfE approval which was due this week) and uncertainty on the project continuing into 2025-2026; 10% uplift on T Levels which had not been assumed for 2025-2026; the differing stances taken by the national associations (Sixth Form Colleges Association and AoC) to which the College was part of; the impact on FE and students on the legal challenge by Sixth Form Colleges on pay; and current retention figures for the College (which were stable) ahead of the usual time of movement (April – June) for staff.

Capital Update – in addition to the presented slide, Z Lewis informed Governors that the outcomes of the capital grant and Outwood support would enable some appropriate planning towards the Pay Award but neither were yet confirmed.

Questions included: the use of Salix funding (the bid of which had been successful) and required movement of matched funding to best support the College plans; and Outwood accommodation support clarification which was in addition to current rent and related accounting requirements (cash flow).

The Salix bid was discussed in more detail under *Item 9*.

Risks and Opportunities – Z Lewis detailed the work by SLT to ensure both in-year and longer term savings in relation to freezing roles as staff leave (if not student facing) and the process of floating vacancies was discussed which potentially would be utilized. Curriculum planning was still in the early stages but was being informed by savings whilst balancing any potential student growth.

Pay Scenarios – after the presentation by S Langstaff, the various scenarios were discussed in full by the Committee including: clarification on cash days target set by the FE Commissioner and possibility of this being extended to 30 days with **agreement** by the Committee that a greater number of cash days would be more appropriate for this size college, and the related requirement to save heavily to enable this strategy; the historic reasons for a 1 January pay award which were no longer applicable and a possible move to 1 August permanently; potential staff perception of the various options and associated risks; differential difficulties for some of the low salary campus teams; the sectoral expectations placed on Colleges in relation to financial health and cash days; the pros and cons of one off payments and alternatives (additional holidays); additional reasons for retention (security etc.); union opinion and possibility of industrial action; social consequences and reduction of student choice of a capped enrolment; and the effects of the economic uncertainty, government changes to law etc. on the wider business community.

After the discussion, the Committee outlined their preference to be shared with SLT for their detailed discussion on the Pay Award which was 3.8% from August 2025, with alignment to the financial year and the benefit of certainty of funding of that option. All subject to affordability once all information was made available.

Z Lewis confirmed that a full update would be given and discussed at the May Strategic Planning Day.

Outwith the above, an update on Eton was given where no formal decision had yet been reached.

6.2 Strategic Projects Update including TTE Update

The Committee received this report for information.

7. Finance Matters 2024-2025

7.1 Management Accounts (January 2025)

The accounts were received for information

7.2 Procurement Update

The report was received for information.

7.3 Subcontractors Update

G Potts gave an update to his report where the College were planning to increase the contract for Uplift Associates in NECA to £800k, from £707k, due to their excellent progress against current contract in Sunderland.

8 Human Resources and Workforce Development

08.1 Human Resources Update including progress on new HR System

K Parkinson updated the Committee on a small number of restructures within the College and the Committee discussed redeployment in such situations.

9 Campus Update

The report was received for information.

Salix – S Marshall informed the Committee (as per her update in the weekly bulletin) that the Salix bid had been successful and that this had been confirmed earlier than anticipated. The College was expected to respond to the offer by Friday 21 March 2025.

S Marshall detailed the limitations of the scheme and how the grant could be drawn down; the 20% matched funding expectations on the College and how this could be paid; the cost of replacement of boilers if the grant was not taken and timeline; and £50K abortive cost payable to the Technical Consultants for the outline design works that formed the application if the College did not go ahead.

The Committee discussed: the costs and benefits of the green approach; energy cost going forward; the benefits of solar panelling (attached to the scheme); the priority of the project and cost (£1.25M) at the current time; the importance of the capital plan grant in the decision making; and the significant change in certainty of funding since the initial decision making on the bid in November resulting in this review.

Action – for S Marshall to seek an extension to the decision to take part in the Salix Scheme.

Action - the Committee **agreed** that SLT needed further discussion about the level of commitment and priority of this scheme and should update the Governing Body on the outcome of their discussion at the March Governing Body meeting.

Post Meeting Note: a tabled document was presented to the Governing Body at its 24 March 2025 meeting confirming SLT's unanimous agreement and recommendation that the £1.25m match would be better in the College bank account at the current time and the reasoning behind this. In addition, it was confirmed that an extension had been given to mid-April by SALIX which would allow the College to exhaust any additional avenues of external support before determining the final position.

After consideration, the Governing Body **approved** the approach (the detail of the discussion to be found within the minutes of 24 March 2025 meeting).

Further Post Meeting Note: the College received the DfE capital grant on the 2 April 2025 which indicated that the £2.3m allocation could be spent over a three year period, could not be used for expansion or IT equipment and must be prioritised on estates condition and sustainability initiatives. This development meant that it once again makes sense to fund the SALIX match fund of £1.25 – Chair, Vice Chair and Chair of Corporate Services Committee informed of decision before the grant was signed.

D Lusardi left the meeting at 4.35pm.

10 Digital Services Update

S Marshall gave a brief update to the main report.

Z Lewis then outlined the MC Click proposal (outlined below) which would result in a tailored provision for students whilst enabling some greater efficiencies and ensuring value for money principles were observed as required for a public organisation. The savings should the proposal be implemented would reduce the overall

MC Click budget from c£690k (24/25) to £560k in 25/26 including a 3% demographic growth allowance.

The Committee then discussed the proposal in full: including: detail of the bursary (which would be available for more students) including the marketing of this; clarification on the older models (2 yrs +) specification which was not conducive for Windows 11; possible additional support from Microsoft; and the importance of observing value for money within the initiative.

After discussion, the Committee **approved** the proposal below:

1. Remove eligibility from the following departments
 - Music
 - Computing
 - HE

Reasoning behind this being that these departments use high powered software that the student laptops are incapable of running without accessing through an enhanced desktop login. Those areas also have high powered PCs in classrooms. There would be continuation of payment for the enhanced desktop access to allow students to log in from home on their own device.

2. Introduce an application form pre-enrolment which will indicate eligibility and also ask for a £50 'warranty fee' per application. Bursary students will have this deducted from annual allowance and a hardship application will also be available. Students will still collect laptops at enrolment, but the fee will need to be paid by a certain date tbc. Walk-in students would apply on the day.
3. Existing Windows 10 laptops which will not meet Cyber essentials criteria from Nov 2025 will be 'gifted' to progressing students and removed from the Colleges asset list. They will become a BYOD device, minimising our purchase numbers and also WEEE waste.

Post Meeting Note: The Digital Transformation Strategy was taken directly to the Governing Body for approval at its 24 March 2025 meeting (confirmation of approval to be found within the minutes of that meeting).

11 Business Development

11.1 Marketing and Communications Update – the report was noted for information

11.2 Employer Engagement Update – was noted for information

11.3 International Update – the report was noted for information

The Committee discussed the current low margins against significant effort/time resource and G Potts outlined the pipeline which should be coming through within the next year. Action by G Potts/team to outline the longer term expectations for the next report.

12 Committee Review of Top Risks

The Committee agreed that there had been no change in risk from the start of the meeting due to the current volatile and uncertain environment, noting the significant effect of the range of decisions as yet unknown on progressing the budget/finalising the pay award

Z Lewis confirmed that should the two big decisions come through (the capital grant sum and Outwood confirmation) before the May strategy day, a possible written resolution in respect of the pay award may be instigated.

13 Date and Time of Next Meeting

- Monday 7 July 2025 at 2pm

14 Any other Business – none taken.

The meeting ended at 4.50pm