

THE TRAFFORD COLLEGE GROUP

**Minutes of the Meeting of the Resources Committee
held on Wednesday 3 March 2022 at 5.30 pm via MS Teams**

Present:	Janet Grant James Scott Louise Richardson Ayodele Oyebode Jeremy Woodside	(Chairperson) (Principal and CEO)
In Attendance:	Barry Watson Alison Duncalf Kal Kay Michelle Leslie Natasha Bintley Anthony Gribben-Lisle Naomi Harrop Kelly Wright Dave Fitton	(Corporation Secretary) (Deputy Corporation Secretary) (Chief Finance Officer) (Vice Principal Corporate Services & Planning) (Director of Finance) (ELT Consultant) (Director of HR and Performance) (Assistant Principal – Planning, Funding & Performance) (Director of IT and Digital Services)

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RES/01/22 Apologies for Absence

The Corporation Secretary (CS) reported that apologies for absence had been received from Jill Bottomley, Graham Luccock, Alison Hewitt and Sabine Van der Veer.

It was also advised that the Deputy Principal had informed the CS that she was unable to attend the meeting.

RES/02/22 Declarations of Direct or Indirect Interest in any of the meetings business items

There were no declarations of either direct or indirect interest in any of the meetings business items.

RES/03/22 Minutes of the meeting held on 17 November 2021

The minutes of the meeting were approved and accepted as a correct account of the meetings proceedings.

RES/04/22 Matters Arising from the Minutes

There were no matters raised by members arising from the minutes that were not on the agenda for the meeting.

RES/05/22 Learner Numbers and Funding 2021/2022 Update

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The Assistant Principal Funding Performance and Planning (APFPP) referred members to the previously circulated papers and a summary update in relation to the current and expected year end position for recruitment in relation to student numbers and funding. The APFPP highlighted the following key issues:

- A significant increase in 16-19 ESFA funded learner numbers for which an in-year business case had been submitted arising from which there had been an allocation increase to 5,406 and additional in-year programme funding of £1,033,624. It was further advised that the current actual enrolment number was 5,588.
- In relation to adult (AEB) and ESFA Non-devolved Areas (allocation of £526k against a current expected outturn of £444k), an area of slight risk, for which there were plans for additional enrolments particular in the areas of trade union and distance learning.
- For the National Skills Fund it was advised that the target was £105k and that Group had achieved £165k and that there was no risk to income.
- In respect of AEB GMCA funded provision the Group was in receipt of an allocation of £5,867,989 against a current expected outturn was £5,267,989, a shortfall of £600k, and for which a recovery plan was currently being produced to ensure the shortfall was recovered. It was advised that the recovery plan was to increase subcontracting for IT/Cyber Security.
- In terms of apprenticeships the Group had a budget plan of £3,805,806 against which £3,477,920 was expected to be achieved at year end and for which plans were in place to address areas of under recruitment.
- A mixed position was presented in relation to Higher Education (HE) where recruitment was under plan (budget of £2,294,004 with an expected end of year position of £2,170,618).

Questions from members were invited.

- A question was asked by a member as to whether the risks to income were built into the forecasts and commented that generally the picture was as positive one.

There was confirmation that comprehensive plans were in place and that additional reporting would take place later in the meeting as part of the Management Accounts reporting.

There were no further questions or issues raised by members and following due consideration it was resolved that the Learner Numbers and Funding 2021/2022 update report be received and noted.

RES/06/22

Partner Subcontracting Activities Mid-Year 2021-2022 Update

The Director of Finance (DF) referred members to the previously circulated mid-year update report for 2021/2022 in relation to partner sub-contracting activity.

Members were reminded that they had last received an update on recruitment in November 2021. There was confirmation that the main area of sub-contracted activity related to 16-19 provision with only a small amount relating to adults.

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The DF reported that subcontracting activity on ESFA funded study programmes for young people was continuing for Flixton Girls' School; Carrington Riding School; Debut Academy of Performing Arts; Interactive Business Limited and Stockport County Football Club. Assurance was provided that the subcontractors had been the subject of first term reviews from the Quality Team and learners were receiving high quality provision.

It was further confirmed that there had been no significant changes to contract numbers or values since the last update.

In respect of Adult Education subcontracts it was stated that the main contractor was Code Nation and that as at the submission of the January 2022 R06 ILR return Code Nation had completed £213k of activity against a contract funding value of £250k with an expectation that the contract would be completed by the end of February 2022.

The DF reported that Code Nation had asked for an additional allocation of £350k, to support learners in the local areas wishing to complete Level 2 IT Skills and Level 2 Cyber courses, both being key local deficiencies and aligned to local need. There was confirmation that from the considerations completed to date the quality of provision was considered to be good.

In terms of associated costs there was confirmation that the total contract value would increase to £650k at a cost to the Group of £280k.

The Principal and CEO (PCEO) commented that should the Committee recommend approval of the additional allocation to the Board of the Corporation the approval of the GMCA would also need to be sought.

Questions from members were invited.

- A question was asked by a member as to what would happen if the additional allocation was not approved.

The DF responded that the Group, in the current academic year, was underdelivering its allocation due to the impact of Covid and employers being reticent in terms of new starters. It was added that a recovery plan was underway and that in future there was confidence the Group would be able to meet its allocation. The FD stated that there was a time lag impact and that the proposed action would enable retention of the same allocation for next year which moving forward would be delivered in-house.

The PCEO with reference to 16-19 subcontracting highlighted an emerging risk around the ESFA's adoption of a national strategy to decrease subcontracting arrangements and also their concerns nationally in terms of the delivery of sport and subcontracting. The PCEO added that the Group believed they had a good narrative around this aspect of its provision particularly in relation to quality and choice.

The PCEO highlighted a further risk concerning the ESFA's view of subcontracting arrangements with secondary schools and the potential impact on the arrangements with Flixton Girls' School. The PCEO further advised that he had expressed his dismay to the

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ESFA of this approach and that together with the Headteacher of the school he would be producing a business case to retain the contract.

Action: Principal and CEO

- A question was asked by a member as to whether the Group should be giving consideration to back up options.

The PCEO responded that work would take place to develop back up options however the position as presented was the preferred option. The PCEO stated that other back up options, including a partnership basis, would be explored with a view to the Group being able to retain the established relationship.

There were no further questions or issues raised by members and following due consideration and deliberation it was unanimously resolved that:

- a) the mid-year update report in respect of Partner Subcontracting Activities 2021/2022 be received and noted; and
- b) an additional Adult Education subcontractor allocation to Code Nation of £350k during 2021/2022 be recommended to the Board of the Corporation for approval.

Action: Board of the Corporation**RES/07/22 Organisational Development Plan 2021/2022 Update**

The Director of Human Resources and Performance (DHRP) referred members to the previously circulated Organisational Development and Engagement Plan (ODEP) 2021/2022.

The DHRP stated that the ODEP was organisation wide and took into account associated strategies and policies as appropriate. It was further commented that whilst the ODEP had been designed to focus on key organisational and engagement issues it remained flexible in its approach to offer the ability to respond to issues and changes as they may arise during the course of the year.

The DHRP highlighted the focus on post-merger activities with staff which moving forward which would be supported by the cultural alignment programme and determining employee views on culture.

The DHRP further advised that the ODEP had been developed to support the Group in being sector leading employer.

Questions and comments from members were invited.

- A question was asked by a member in relation to the reporting and update arrangements.

The DHRP confirmed that a progress report would be provided to the Committee and Board of the Corporation at the end of the academic year. The Vice-Principal Corporate

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Services and Planning (VPCSP) clarified that an update report would be presented to the 29 June 2022 meeting of the Resources Committee which would also include a report on outcomes and proposals for the next academic year.

- A member stated that it was pleasing to see the actions in the ODEP in relation to autism. It was asked if there were any planned activities in the future in relation to attention deficit hyperactivity disorder (ADHD).

The DHRP responded that a number of Tier 2 CPD activities were planned in relation to autism. The DHRP highlighted an initiative which arose from a member of staff coming forward and who had subsequently delivered a “day in the life” talk to staff and created videos that could be shared with staff. The DHRP further indicated that as part of the work from the Equality, Diversity and Inclusion Strategy (EDIS) there was likely to be an expansion in terms of the programmes around aspects encompassing autism and ADHD.

- A member commented on the three key delivery areas aligned to the Group’s Strategic Plan and as outlined at the beginning of the document. It was asked as to what the transformation relationships with employers would feed into.

The DHRP responded that a programme was being developed called LEAP around employer engagement and would be available to staff within this area as well as via Tier 2 CPD and would be embedded throughout the Group.

There were no further questions or issues raised by members and following due consideration and discussion it was resolved that the Organisational Development and Engagement Plan 2021/2022 update be received and noted.

RES/08/22 Employment Relations Update

The VPCSP referred members to the previously circulated report and an update on employee relations.

The VPCSP reported that the main focus of the report related to the Group pay offer which was in two parts:

- pay award for 2021/2022
- Group pay scale realignment proposals.

There was confirmation that the Group’s pay award offer for 2021/2022 exceeded national recommendations and comprised an annual pay increase of 1.5%, effective from 1 August 2021. It was noted that the increase applied to all staff regardless of contractual terms excepting for staff employed on senior postholder contracts or staff who were currently receiving protected pay.

The VPCSP expanded upon the Group pay scale realignment proposals and its application to the Teacher and Programme Leaders pay scale; Business Support pay scale; and Director pay scale.

There was confirmation that the proposals would support:

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- the addressing of recruitment pressures
- expand progression grades for specialist staff
- provide parity with the maximum point on the Cheadle and Marple Pay scale for Teachers and Programme Leaders; and
- deliver a real living wage to enabling teams

With respect to the response from the trade unions the VPCSP reported that UNISON had responded positively in relation to the 1.5% pay award offer and asked for further information in relation to the realignment proposals. In respect of NEU it was confirmed that no response had been received and UCU had made a response which did not say they would not accept the offer but was seeking the acceleration of increments more quickly.

The VPCSP further highlighted other areas of consideration which included the market testing of some support services and exploring concerns raised by trade unions around workload.

Questions from members were invited.

- A question was asked in relation to the impact of staff costs in the context of the staff to income ratio.

The VPCSP responded that whilst it was recognised that there would be an impact on costs the latter element of the proposals would not be effective until 1 August 2022. Assurances were provided that modelling was taking place from which indications were that there would be a positive impact on the gender pay gap.

The PCEO further commented that a pay award had not been budgeted for in the current academic year however 16-19 income was £1m better than anticipated and furthermore, going forward, the 16-19 allocation was due to increase further alongside an increase in the 16-19 base rate, thereby delivering an increased allocation of £3m over and above the current position. The PCEO added that there was recognition that there was risk to some of the other lines of the funding stream but that there was confidence that the position supported the pay proposals presented.

- A member applauded the positive steps associated with the pay review and asked if there were other steps being taken to support recruitment from a non-pay perspective.

The PCEO responded that detailed discussions were scheduled to take place at the upcoming Governor Strategy Development event at which aspects of the People's Strategy was due to be considered. The VPCSP added that there was also a need to undertake further market research in this area but that early findings suggested that staff had been lost due to salary levels and that for enabling staff there were often more opportunities in the private sector. The VPCSP drew the Committee's attention to a wide range of initiatives that were undertaken by the Group in this context including the family-friendly policies.

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It was further stated that there was a need for further work around recruitment and growing and developing staff internally. There was recognition that this presented a significant piece of work at a more sophisticated level.

The PCEO highlighted the very positive outcome of a recent recruitment campaign in which specific difficult to recruit teaching areas had been very successfully targeted. There was recognition of the innovative approach adopted.

- A member referenced the Apprenticeship Link Governor meeting she had attended earlier in the day and the excellent recruitment work that had been taking place and which was also being rolled out to other sectors.

There were no further questions or issues raised by members following due consideration and discussion it was resolved that the Employee Relations Update be received and noted.

RES/09/22 Digital Strategy 2021-2024 Mid-Year Update

The ELT Consultant (ELTC) referred members to the previously circulated report and the mid-year update in respect of the Digital Strategy 2021/2024. The ELTC also introduced the Director of IT and Digital Services (DITDS) who was attending his first meeting of the Resources Committee.

The ELTC stated that the report presented an update on the refreshed Digital Strategy 2021/2024 and provided a focus on the development of infrastructure, platforms and projects in IT, MIS, Teaching and Learning. Reference was made to the support received from the link governors and the excellent feedback provided.

The ELTC highlighted the following areas:

- student outcomes from the Digital Teaching Learning and Assessment (TLA) Excellence Projects
- digitally supported independent student study (Digital Entitlement for Students)
- Digital Solutions for Staff including digital confidence building and support for new teachers
- work to support the strategy and the next years Excellence Projects.

The ELTC further confirmed that the update to the next meeting would include the full strategy and rag rating of progress against the commitments.

Action: ELT Consultant

The DITDS added that alongside the strategy sat a capital resource plan which outlined the costs involved and moving forward would form the basis for future capital bids. There was confirmation that there would be a rolling resource plan to match the Digital Strategy.

There were no questions or issues raised by members and following due consideration it was resolved that the Digital Strategy 2021/2024 mid-year update be received and noted.

Minute No:**RES/10/22 Accommodation Update 2022**

The VPCSP referred members to the previously circulated report and an update on accommodation strategy activities for the Group.

The following updates were reported:

- Stockport Campus Re-development - the multi-purpose hall had been demolished and Phase 2 works had commenced with the anticipated completion date for the project bring 8 December 2022
- Cheadle and Marple Capital Application – no formal notification had been received in respect of the bid other than that there may be a requirement to provide further information on the educational and property reasons for not opting to relocate provision to the Stockport campus
- Disposal plans in relation to the surplus land at the Altrincham site continued to be slow, formal notification had been received from Sports England that they would not be supporting the scheme however it was believed some of the facts had been incorrect and arrangements were in place for a meeting with the planners in advance of making a response to Sports England
- Potential disposal of the Lyme building and car park at the Stockport campus – the Group had been advised that Investar were awaiting feedback from the local authority in respect of the potential scheme.

In relation to the T Levels Capital Fund Wave 3 application for health and science it was reported that the Group had received notification of its approval in-principle. There was confirmation that a grant of £261k (65%) of the total project costs of £401k had been received and that Seddon would be undertaking the works as part of the Phase 2 contract.

It was further confirmed that the Group had received a grant of £480k under the T Levels Specialist Equipment Allowance for the purchase of equipment to support the delivery of T Levels in 2022/2023 in health and science, legal, finance and accounting and engineering and manufacturing. There was confirmation that any unspent monies would need to be repaid.

An update was also presented in respect of the grant allocated to the Group of £1.35m to undertake works to achieve the condition improvement of substandard or deteriorating buildings as identified by the FE Condition Data Collection (FE CDC) or other college surveys. It was reported that improvement works had subsequently taken place and confirmation had now been received that the funding return had been approved.

Questions from members were invited.

- Clarity was sought from a member in relation to the non-disposed land and buildings and whether the funding of future developments was dependent upon their disposal.

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The VPCSP confirmed that their disposal or otherwise would not impact upon the progression of the planned future developments.

There were no further questions or issues raised by members and following due consideration it was resolved that the accommodation update report be received and noted.

RES/11/22 Management Accounts for the Period Ending 31 January 2022

The DF referred members to the previously circulated report and the management accounts for the period to 31 January 2022.

The DF reported on the following key issues:

- the Financial KPI performance
- the key headlines
- financial health
- income and expenditure
- the balance sheet
- cash including the cash flow statement and detailed cashflows
- loans
- other KPIs
- capital
- sub-contracted activity
- known changes to future years budgets.

The following aspects were highlighted:

- receipt from the ESFA of in-year 16-19 growth funding of £1,032k, reflecting funding for 5,406 learners compared to the initial allocation of 5,196;
- the outcome of the business case submissions to both the ESFA and GMCA, of which the ESFA had permitted the retention of the amount underdelivered and the GMCA were only clawing back £48k of the original allocation of £750k, and which was now reflected in the income and expenditure for the current year; and
- the resolution of the potential option to tax arising from which there was no liability to pay the HMRC and for which was a further provision could be released.

The DF made a short presentation in respect of the Group's financial performance and within which commentary was provided in relation to the following:

- **Strategic KPIs** and confirmation that at period 6 the Group was ahead of the targets set but recognising that moving forward there was anticipation of a pay award and also risks associated with both staff sickness and staff recruitment.
- **Year to date position** which presented a positive variance in pay costs which was expected to reverse as staff recruitment took place; income was significantly showing a positive variance; and non-pay costs were indicating good savings.
- **Forecast headlines** which reflected the changes as previously outlined and with the mid case scenario illustrating positive variances in respect of income (£281k); pay

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costs (£99k); non-pay costs (£121k); Education specific EBITDA of £510k; and other items (807k); a total surplus of £1,308k.

- **Income and Expenditure** and a **forecast movement month on month summary** which illustrates and supports the understanding of the areas of change.
- **Income and Expenditure** and the **month-on-month income forecast change** detailing an overall movement of £1,256k made up of the in-year growth (of £963k 16-19 growth and the £642k AEB benefit less the £500k risk reserve associated with the AEB position and reporting earlier in the meeting in respect of learner numbers plus net movement of other income lines of £151k).
- **Income and Expenditure** and **month-on-month pay forecast change** presenting a negative movement of £568k consistent with a potential staffing pay award of £500k for the current year plus general movement in other pay.
- **Income and Expenditure** and **month-on-month non-pay forecast change** which addressed the potential Code Nation additional increase.
- **Income and Expenditure** and **month-on-month “under the line” forecast change** which allows for the provision of the option to tax liability of £800k to be released via an accounting adjustment impacting positively on cash but having no impact on other measures.
- **Financial Health** within which the Group continues to forecast an outstanding outcome reflective of the cash positive position but recognising that in future years the position would realign post the completion of the Group's current and planned capital projects.
- **Cash Forecasts** covering the period August 2021 through to July 2023.
- **Cash use summary** for 2022 which addressed the in-year growth funding and movement in the capital projects including the re-phasing of the Stockport re-development and the meeting of December 2022 completion date.

Questions from members were invited.

- A comment was made in relation to the positive cash position and it was asked whether moving forward if costs could be maintained under control to continue to deliver an ongoing positive position.

The DF responded that there were risks that the Group was working to mitigate against which included factors such as the pensions grant, the loss of which would have a significant impact

- A further comment was made by a member in respect of the future impact of rising inflation.

The PCEO stated that key was balancing and controlling risks, including inflation, whilst continuing to invest in students adding that the Group aspired to excellence in all areas of the Group of which the Group's finances was only one aspect.

There were no further questions or issues raised by members and following due consideration and deliberation it was resolved that the Management Accounts for the period to 31 January 2022 be recommended to the Board of the Corporation for approval.

Minute No:**RES/12/22 Treasury Management Policy 2022-2025**

The Chief Finance Officer (CFO) referred members to the previously circulated report and proposals in relation to the creation of a standalone Treasury Management Policy (TMP).

There was confirmation that the TMP was currently a section within the Group's Financial Regulations and as such requires Board approval. It was stated that the Committee was charged with the oversight of the treasury options of the Group arising from which a standalone TMP had been created for consideration and approval by the Committee.

The CFO confirmed that the proposed TMP had been reviewed in the context of best practice and refreshed around the risks. It was further stated that the principles within The Chartered Institute of Public Finance and Accountancy (CIPFA) Code had also been adopted, as appropriate, to the Group.

The CFO reiterated that should there be a fundamental change to the financial instrument i.e. a different tool to that which was currently in place and used, the approval of the Board of the Corporation would be required.

Questions from members were invited.

- A question was asked by a member as to whether there was sight of where the Group's funds may be invested citing the reputational risk of investments in Russia.

The CFO responded that this information was routinely provided within the annual Treasury Management reporting to the Committee and Board of the Corporation. There was confirmation that monies were currently invested with two UK based banks. Reassurance was provided that the financial products were safe and largely risk averse. It was further intimated that the Group would only be holding high cash balances in the current year, consistent with the GMCA's funding profile for the Stockport redevelopment, and that moving forward balances were likely to return to much lower levels.

There were no further questions and issues raised by members and following due consideration and deliberation it was unanimously resolved that the Treasury Management Policy 2022/2025 be approved and adopted.

Action: Chief Finance Officer

RES/13/21 Any Other Business

A comment was made by a member in relation to those students who may be affected by or have families in the Ukraine and it was asked as to what support the Group was able to offer.

The PCEO responded that there was at least one Ukrainian student as well as a small number of Russian students currently studying at the Group. Assurance was provided that guidance had been issued to staff in relation to any anxiety and concerns that their students may have which in the first instance would include referral to pastoral support.

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The PCEO further emphasised the duty of care the Group had in relation to the welfare of its students.

There were no further matters raised under any other business.

RES/14/21**Date of Next Meeting**

It was agreed that the next Committee meeting would be held on Tuesday 26 April 2022 at 5.30pm.

Action: Corporation Secretary

The meeting closed at 7.00pm

The Director of Human Resources and Performance left the meeting at 6.18pm following consideration of agenda item 8.