

THE TRAFFORD COLLEGE GROUP

**Minutes of the Resources Committee Meeting
held on Wednesday 11 October 2023 at 5.30 pm
in the Boardroom at the Altrincham Campus**

Present:	*Janet Grant James Scott Graham Luccock Jonathan O'Brien Louise Richardson	(Chairperson – agenda items 6 to 15) (Principal and CEO) (Chairperson – agenda items 1 to 5 and 16 to 20)
In Attendance:	Alison Duncalf Dave Fitton *Carmen Gonzalez-Eslava Richard Harris *Naomi Harrop Michelle Leslie Lyndsay Sheridan Kelly Wright	(Deputy Corporation Secretary) (Director of IT and Digital Services) (Deputy Principal) (Interim Chief Finance Officer) (Director of Human Resources and Performance) (Vice Principal Corporate Services and Planning) (Director of Finance) (Assistant Principal – Planning, Funding and Performance)

* Joined the meeting via Microsoft Teams

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Members resolved that Graham Luccock would act as Chairperson of the Committee pending the arrival of Janet Grant.

Prior to the commencement of the meeting the Chairperson welcomed Richard Harris, Interim Chief Finance Officer (ICFO), to his first meeting of the Committee.

RES/51/23 Apologies for Absence

The Deputy Corporation Secretary (DCS) reported that no apologies for absence had been received.

Jill Bottomley, Alison Hewitt, Ayodele Oyebode and Jeremy Woodside were not in attendance at the meeting.

RES/52/23 Declarations of Interest

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

RES/53/23 Minutes of the Meeting held on 21 June 2023

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

RES/54/23 Matters Arising from the Minutes

The DCS referred members to the pro forma actions arising from the minutes of previous meetings and it was noted that a number of matters arising had been completed or would be covered through the business items and/or were future actions. The following matters were raised by members:

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- i. RES/21/23 (26 April 2023) Digital Strategy 2021-2022

The Vice Principal Corporate Services and Planning (VPCSP) confirmed that AGL was no longer providing consultancy support and indicated that the outstanding actions would be progressed by the Information Governance Group (IGG) which was scheduled to take place the following week.

Action: Information Governance Group/ Vice Principal Corporate Services and Planning

- ii. RES/30/23 (26 April 2023) – Partner Subcontracting Activities Update 2022/2023

The Principal and CEO (PCEO) reported that a meeting was scheduled to take place with Flixton Girls School the following day at which it was anticipated a better understanding of the intentions of the school, which was now part of an academy chain, would be attained.

Action: Principal and CEO

There were no further issues raised by members arising from the minutes.

RES/55/23**People and Culture Annual Plan 2022-2023**

The Director of Human Resources and Performance Management (DHRPM) referred members to the previously circulated report and an update of the People and Culture Action Plan outcomes for 2022-2023. It was noted that the report also included the outcomes for the 2022-2023 Training and Development Plan.

There was confirmation that a more detailed summary of the progress and outcomes against the Plan had been provided in the supporting papers.

A summary of the key issues was presented within which the following was highlighted:

- the challenging wider environment which included a backdrop of increasing inflation, the cost-of-living crisis and increased threat of industrial action in relation to pay awards
- that there had been a number of notable successes despite the challenging backdrop
- responses from the external staff survey (York Survey) had indicated an improved response rate to the statement that “the college was well led and managed” which following the two mergers suggested the Group was moving in the right direction
- in respect of the attraction of talent there had been successes in addressing some staff shortages within certain sectors
- that an aspect of note was organisational development and the increase in the training and development, consistent with the employee feedback for 2022-2023 which saw an increase of 19.3% to 77% of colleagues that agreed or strongly agreed with the statement “I receive sufficient professional development which makes me more effective in my work”
- the continued roll out of The Pacific Institute Mindset programme to middle managers to support them in developing their leadership skills and mindset

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- in terms of employee experience, it was recognised that colleagues and prospective candidates were looking to more flexible modes of working resulting in the introduction of an updated Flexible Working Request procedure
- the employee survey had indicated that 64% of colleagues either agreed or strongly agreed with the statement that “Leaders and Managers are considerate of my workload” and further the annual survey showed that 89% of staff were proud to be a member of staff at the college, a significant increase on the 2021-2022 figure of 53.44%
- confirmation that there had been partial achievement in some areas e.g. the Apprenticeship Levy, and which had been incorporated into the 2023-2024 action plan whilst others such as implementing a development programme for service partnership agreements has been superseded by the introduction of the self-assessment review/quality improvement plan process.

Questions and comments were invited from members.

- With respect to the change in the culture of organisation, following the two mergers, a member asked the DHRPM whether she thought the Group was where it was expected to be in terms developing a whole college culture and further whether sufficient effort was being directed to this aspect.

The DHRPM responded that had not been a lack of effort but that it was recognised there continued to be some way to go. It was added that there were a need to attain greater consistency across all campuses and for a continued emphasis on advancing initiatives and opportunities including face to face on-site interaction.

The PCEO added to the reporting of the DHRPM stating that significant parts of the plan had been classified as “green” and effort had been directed to the implementation of the actions. The PCEO further concurred with the comment made by the DHRPM in relation to one culture and that there continued to be a lot more to do.

The PCEO added that in respect to the staff survey, which only one out of every three colleagues had responded to, there was recognition that the Group did not compare well to the response rates of all other colleges and was more in line with that of General FE (GFE) colleges as a comparison group. It was noted that in terms of like-to-like comparisons to the previous years the responses made by staff had demonstrated some progress. There was confirmation that the results of the survey were scheduled to be shared with staff the following week.

Action: Director of Human Resources and Performance Management

Wider consideration followed in relation to Cheadle and Marple colleges and the impact of undertaking the merger during the pandemic including the limitations placed on the visibility of leaders. Assurance was provided that this aspect would be progressed further as part of the new Strategic Plan.

- A member asked as to how interaction took place with employees to determine what their issues were with leadership and management and further what was not taking place in terms of visibility.

The PCEO made reference to the campus and face-to-face departmental meetings that had taken place over the course of the last academic year. There was

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confirmation that campus meetings would be taking place during this term starting with Marple where the concerns around student numbers were to be explored including what could take place collectively to improve the attractiveness of the college offer.

It was suggested that Cheadle was a different proposition in contrast to Marple where there were differing issues. There was recognition of concerns around aspects such as job security. The view was expressed that there were perhaps greater concerns at Cheadle which potentially could be apportioned to the quality of the estate.

A member commented that Marple presented a more isolated location and that there may be opportunities to increase its presence within the town.

- A member concurred with the comments that had been made stating that despite the challenging climate around people and culture there had been notable progress against a number of actions for 2022-2023 and that there continued to be ambitious plans for 2023-2024. It was asked as to whether there was clarity around two or three actions where a significant difference could be made.

The DHRPM responded that in-year there had been an adaptation around some of the priorities and that the plan was being approached in terms of supporting managers in attaining consistency across processes and managing data. It was added that there was an emphasis on making sure that employees were valued and that this was being supported via a series of developments and masterclasses. The view was expressed that if managers operated in a more consistent manner this would in turn support the commitment to a one college culture.

Reference was also made to The Pacific Institute programme and its value in supporting the creation of a one college culture.

The DHRPM commented that in addition to these actions the other key impact area was recruitment and ensuring that managers were sufficiently skilled in terms of their responsibilities. It was added that the Group was also looking at the development of a more sustainable recruitment programme.

The PCEO added that in terms of priority areas he would highlight the importance of the attraction and retention of talent. Emphasis was placed, in particular, on the importance of retention and the success of the learning support initiative over the course of the previous year was cited. The PCEO counter that often the learner support posts were relatively low paid and whilst some of the staff had progressed within the Group there had also been losses to higher paid alternative jobs. It was noted that the position had been further exacerbated by the increased number of High Needs (HN) learners across the Group and recognition that the provision was not where it needed to be and would be a focus this year.

The DHRPM further commented that one of the reasons that an individual leaves an organisation, in addition to pay, can be their manager and that there was a need for managers to place emphasis on the management of the employee journey.

There were no further questions or comments from members and following due consideration it was resolved that the update in respect of the People and Culture Annual Plan 2022-2023 be received and noted.

Minute No:**RES/56/23 People and Culture Strategy Action Plan 2023-2024**

The DHRPM referred members to the previously circulated synopsis of the People and Culture Strategy Action Plan for 2023-2024, year two of the People and Culture Strategy 2022-2025. Members further noted that the more detailed Plan was provided as a supporting document.

There was confirmation that the action plan focused on four inter-related strategic aims:

- Organisational culture
- Attraction of talent
- Employee and organisational development
- Employee experience.

There was agreement that the key themes and priorities had been considered and explored as part of the previous item.

There were no questions or comments from members and following due consideration and deliberation it was resolved that the People and Culture Action Plan 2023-2024 be approved and adopted for implementation.

Action: Director of Human Resources and Performance Management

RES/57/23 Digital Strategy Outcomes 2022-2023

The Vice Principal Corporate Services and Planning reported that due to a staffing issue the report was not yet available for presentation and consideration. There was agreement that the report would be presented for consideration at the November 2023 meeting of the Committee.

Action: Vice Principal Corporate Services and Planning/Deputy Corporation Secretary

RES/58/23 Digital Strategy Annual Plan 2023-2024

The VPCSP referred members to the previously circulated covering report in respect of the Digital Annual Plan for 2023-2024 and the more detailed plan and as provided within the supporting documentation.

The following aspects of note were outlined:

- that the Director of IT and Digital Services (DITDS) had taken the lead in the development of the Annual Plan (AP) for 2023-2024 in a collaborative process alongside other colleagues
- the underpinning strategy had been extended by one further year to bring the new strategy in line with the new Strategic Plan (SP) for 2024-2027 and that format moving forward would change to provide greater consistency with the SP
- that the objectives and actions against “Digital for Students” had been strengthened following workshops with key curriculum stakeholders
- the greater stability offered via the new Directors of IT and MIS respectively
- that the availability of additional capital had enabled an increase in investment for IT resources and infrastructure
- the retention of Cyber Essentials, with the next step of working toward Cyber Essentials +

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- confirmation that the IGG monitored progress against the plan on a monthly basis.

The VPCSP stated that whilst positive progress had been attained there were two key areas of concern, in relation to digital aspects within the curriculum where there was not consistency across all departments and that whilst there had been investment in IT demand continued to grow. It was noted that these issues had also been identified via the People and Culture Strategy and the associated staff survey where there had been comments around lack of access to the equipment needed. It was acknowledged that this aspect was to be explored further.

The following actions within the Plan were further highlighted:

- the work with curriculum areas via workshops with a view to gaining consistency and competencies around basic skills and specific digital skills
- the issue of resourcing notwithstanding that there had been access to additional funding and further funding was to be released in April 2024
- 365 developments and the determination of the approach to be taken
- the detail around investment in relation to the infrastructure across the campuses
- security and cyber essentials and the work around progression to Cyber Essentials + including the challenges that this brought, recognising that the desire was to have a secure IT structure that did not impact on students.
- awareness of the need for forward thinking in relation to a new strategy and its content.

There was confirmation that the IGG met on a monthly basis, for which there was a broad range of staff in attendance and where tracking against the action plan took place and any new issues arising responded to.

Questions and comments were invited from members.

- Clarity was sought by a member in relation to the link governors for this area.

There was confirmation that the link area for Information Technology – Curriculum was undertaken by SVdV and that AH was due to take up the Information Technology and Governance/Digital Skills link role.

- A question was asked by a member in relation to the long list of skills and milestones within the Action Plan and asked if all the commitments had been costed.

The DITDS confirmed that digital resources and capital resources plans were in place that were consistent with the wider content of the Action Plan. The VPCSP added that there was phasing of the spend with some aspects being front loaded and others toward the back end of the Plan.

- A comment was made by a member in relation to the rate of change and the ability to maintain pace.

The VPCSP suggested that the pace of change would be addressed in greater detail in the new strategy. It was also noted that there was a desire to reduce reliance on the more basic equipment provided notwithstanding that there was never be enough of everything.

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- In relation Cyber Essentials and use of personal devices a question was asked by a member as to the impact on staff and governor devices as well as student personal devices.

The DITDS stated that Cyber Essentials + addressed how devices were tested but that there was recognition of the limitations this imposed and in particular that there was little chance that personal device would pass these tests.

Consideration followed in relation to the impact on learning and the DITDS confirmed that most staff were issued with college laptops.

There were no further questions or comments and following due consideration and deliberation it was resolved that the Digital Strategy Annual Plan 2023-2024 be approved and adopted for implementation.

Action: Vice Principal Corporate Services and Planning/ Director of IT and Digital Services

RES/59/23

Sustainability Strategy Outcomes 2022-2023

The VPCSP referred members to the previously circulated covering report in respect of the Sustainability Strategy Outcomes 2022-2023 and the more detailed update on progress and outcomes against the Strategy as provided in the supporting documentation.

The following key issues were highlighted:

- that the Strategy had been agreed part way through the previous academic year and that in terms of what had been achieved there had been collaboration across the Group
- overall, there had been significant progress against the objectives and targets in the annual plan, with a large number of “amber” and “green” classifications as opposed to “red” (not achieved and/or partially achieved)
- that the priority areas encompassed delivery of a “green” curriculum; delivery of sustainable communities via environmental objectives which support the reduction of the Group’s carbon footprint; delivery of ethical and best practice circular principles in operational processes and practices including those delivered by third parties; and the successful implementation of the Group’s sustainable strategy through effective governance, leadership and the strengthening of relationships with external partners
- the extensive level of engagement on the part of the students however engagement with the curriculum has presented more challenges but with the Head of Construction now taking on the role of Head of Sustainability it was anticipated an improved position would be delivered alongside the extensive estate plans
- recognition of the need for wider engagement to deliver on both the big and small issues
- the challenge around staff engagement where attendance at the focus group had declined as the year progressed
- the overall good progress made over the 7 to 8 months of the Plan with an excellent level of commitment.

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Questions and comments were invited from members.

- The comment was made by a member that there could be a significant difference in relation to the sustainability agenda between proactive organisations and those being “pulled along.”
- A question was asked by a member around the curriculum side and how much progress had been made in terms of getting ready for delivery of the green agenda and readiness to deliver what employers wanted.

The VPCSP responded that for the next year there was specific reference to engagement with employers. It was added that staff were more prepared for this challenge and there was confidence that there were people in place to deliver on the agenda.

The Deputy Principal added that a lot of activity was taking place in this area and referenced the additional funding and facilities. It was stated that further work would be taking place to clarify the current offer and those courses aligned to the green curriculum as well as where there were opportunities to embed sustainability into courses. In addition, there was confirmation that guidance would also be sought from employers.

Action: Deputy Principal

There were no further questions or comments from members and following due consideration it was resolved that the Sustainability Strategy Outcomes for 2022-2023 be received and noted.

RES/60/23

Sustainability Strategy Action Plan 2023-2024

The VPCSP referred members to the previously circulated covering report in respect of the proposed Sustainability Strategy Action Plan for 2023-2023 and the more detailed Plan as provided within the supporting documentation.

There was confirmation that the Plan had been developed in conjunction with internal stakeholders.

Building upon the reporting and discussions under the previous agenda item the following aspects of the Plan were highlighted:

- that there was no road map for FE colleges in their pursuit of net zero however targets had been set within the plan, progress against which had been positive in some areas
- that an ambitious Plan was being proposed including those in relation to digital aspects with more competencies supported by workshops for key curriculum stakeholders
- the delivery of sustainably designed capital buildings, with the Cheadle redevelopment being designed with a view to being net zero
- in relation to the Group’s other campuses, work would continue to determine how each campus could be made more sustainable inclusive of costed plans for boiler replacement, installation of solar panels, provision of charging points and where appropriate the replacement of windows

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- the commitment to the continuation of partnership work including Earth Day, during the first week in April, in conjunction with other FE colleges.

Questions and comments were invited from members.

- A question was asked by a member in relation to the responsibilities of the organisation to ensure that suppliers were on their way to becoming net zero.

The VPCSP referred to Priority Area 3 of the Plan and the commitment to deliver ethical and best practices in the Group's operational processes and practices including those delivered by third parties.

There were no further questions or comments from members and following due consideration and deliberation it was resolved that the Sustainability Strategy Action 2023-2024 be approved and adopted for implementation.

Action: Vice Principal Corporate Services and Planning

RES/61/23**Equality, Diversity and Inclusion Strategy Outcomes 2022-2023**

The VPCSP referred members to the previously circulated covering report and information in respect of progress and outcomes against the Equality, Diversity and Inclusion (EDI) Strategy for 2022-2023. Members were further referred to the more detailed information provided within the supporting documentation.

It was stated that an ambitious plan had been developed for 2022-2023 with multiple actions and targets against the four EDI strands.

The following was reported:

- that overall positive progress had been attained within which student engagement has been good and there had been some progress made in relation to staff disclosure
- EDI was embedded within the organisation and was central to the Group's values as an organisation
- a calendar of activities pursued during the course of the year and the opportunities taken to raise the profile of EDI
- where achievement against actions had not been achieved this had been in relation to monitoring career progression and expanding the pay gap reporting, the actions for which had been postponed until 2023/2024
- in terms of progression of actions in relation to the promotion of internal mentoring there had no interest received from staff and an alternative approach was being considered through a national scheme
- that there had been key achievements in relation to ensuring EDI informed the strategic and operational plans via specific actions; the delivery of an EDI CPD package; a significant increase in staff disclosing information in relation to protected characteristics; and progress in terms of the measuring of the social value of the Group's community engagement
- the regular monitoring that had taken place, as a standing agenda item, via the EDI Committee.

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Questions and comments were invited from members.

- A member commented on the breadth of the plan.

The VPCSP responded that an ambitious plan had been adopted in which the Group had aimed high.

There were no further questions or comments from members and following due consideration it was resolved that the report on the Equality, Diversity and Inclusion Outcomes for 2022-2023 be received and noted.

RES/62/23**Equality, Diversity and Inclusion Strategy Action Plan 2023-2024**

The VPCSP referred members to the previously circulated cover report in respect of the proposed EDI Strategy Action Plan for 2023-2024 and the more detailed information as provided within the supporting documentation.

There was confirmation that in line with the strategy, objectives and actions had been set against the same four priority strands. It was reported that Action Plan presented the second year of a three-year Strategy and within which for many areas the aim was to further develop and consolidate the progress of the previous year.

There was confirmation that key actions included:

- further developing curriculum reports to enable the information to inform curriculum activities and priorities
- to continue to promote disclosure
- to develop more formal leadership development through the Education Training Foundation (ETF) national scheme
- further enhancement of the Group's position as a key community partner by working with those partners to inform strategic priorities.

It was further noted that scoping would take place in relation to what would be needed to attain Investors in Diversity.

Questions and comments were invited from members.

- A member asked as to the involvement of the EDI Link Governor in the development of the Action Plan.

The VPCSP confirmed that the Link Governor as a member of the EDI Committee who along with staff and student representatives, had an active role in relation to the development and oversight of progress against the Plan.

- A member, in relation to the approach to development opportunities and EDI aspects, asked what information and level of detail the Group had access to.

The VPCSP acknowledged that this was an area where limited progress had been made due to the lack of supporting data particularly in relation to the declaration of protected characteristics. There was assurance that the HR Team was actively encouraging individuals to declare but that as yet detailed analysis had not been progressed. There was recognition that this was an aspect that needed to be

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developed further particularly in relation to supporting the organisation in self analysis.

The member emphasised that this data was important in identifying barriers in the recruitment process. A member also reinforced that this data supported the organisation to support the individual.

There were no further questions or comments and following due consideration and deliberation it was resolved that the Equality, Diversity and Inclusion Strategy Action Plan 2023-2024 be approved and adopted for implementation.

Action: Vice Principal Corporate Services and Planning

RES/63/23

Financial Update and Management Accounts for the period ending 31 July 2023

The Director of Finance (DOF) referred members to the previously circulated Management Accounts for the period ending 31 April 2023 and accompanying executive summary of key issues.

The DOF provided the Committee with an overview of the key issues arising from the accounts which were as follows:

- a caveat that the Management Accounts continued to be subject to the outcome of the ongoing audit albeit there was confidence that the information as presented was unlikely to change
- the operating performance for the year end was an education specific EBITDA of £1,244k against a budgeted EBITDA of £2,911k, a deterioration of £1,677k (adverse to budget)
- income was largely as expected with Apprenticeship income delivering a recognised position of £2,516k, which was £1,592k under budget, and full-time HE and Advanced Learner Loans also being under target against planned performance
- with respect to Apprenticeship income the year-end result presented an adjusted position to provide for the D-lock errors and there was assurance that work continued to take place to reduce any risk to the receipt of funding with provision for unresolved errors being £500k
- pay costs, excluding restructuring costs, apprenticeship levy ad the enhanced provision was £220k over budget which had been offset by more expensive agency costs
- non pay costs had been impacted upon by increased operating, maintenance and energy costs and energy costs as well as HR costs which included legal costs associated ongoing cases
- the Group's Financial Health grade continued to be forecast as "Good" albeit that this could not be confirmed until after the year end process had been concluded and the Finance Record completed
- a positive cash position and cash equivalents of £11.3m
- that the banking Debt Service Cover was showing a breach however this was not to be tested at 31 July 2023, as previously reported, and further this would not affect the Group's going concern assessment.

Questions and comments were invited from members.

- A member commented on the D-lock errors and the work undertaken to reduce the overall impact to below £500k.

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The ICFO provided further comment on the Apprenticeship D-lock data errors which at the start of the process had been in the region of £1m.

The ICFO expanded upon the reasons for the huge number of errors which had presented as a “perfect storm” and arose from ineffective processes, complex data and changes in personnel. It was reported that the teams had worked exceptionally hard to address the errors and had, to date, reduced the overall impact by 50%.

There was confirmation that the errors were now below £500k, the threshold within the annual accounts and for 2022-2023 income recognition. There was assurance that the teams would continue to work to minimise the impact of the D-lock errors as the cut off date for their resolution approached.

It was further noted that extra resources had been devoted to Apprenticeships teams to support the recovery of monies and that moving forward remedial steps had been taken to ensure there would be no re-occurrence of this eventuality in the current and future academic years.

The PCEO concurred with the reporting that had taken place and it was added that from an audit perspective no surprises were expected.

A potential dispute issue around ESFA AEB non devolved income was highlighted. There was confirmation that the issue related to £300k and partnership work undertaken late in the academic year with Staff Power which had been challenged by the ESFA in terms of its classification as partnership work. The PCEO reiterated that the Group believed this income had been earned however the risk of the dispute was being reported and there was confirmation that conversations would continue with the ESFA over the coming days.

- A further question was asked by a member in relation to the first two months of the academic year and the financial position.

The DOF responded that the position would be confirmed over the next week but that no surprises were expected. Members noted that further information in relation to learner numbers would be reported later in the meeting.

There were no questions or issues raised by members and after due discussion and consideration it was unanimously resolved that the Management Accounts for the period ending 31 July 2023 be recommended to the Board of the Corporation for approval.

Action: Board of the Corporation

RES/64/23

Annual Treasury Management Report 2023

The ICFO referred members to the previously circulated report and an Annual Treasury Management update consistent with the requirements of the Treasury Management Policy and Financial Regulations of the Group. There was confirmation that the report also provided an update on performance against the banking loan covenants.

The key issues arising were confirmed to be:

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- that the Debt Service Cover Covenant would not be tested as at 31 July 2023, as agreed in the letter of variation signed by Barclays and the Board of the Corporation following its 19 July 2023 meeting;
- that the loan brokerage costs were estimated at circa £4k; and
- treasury activity would be limited to placing surplus cash on deposit.

It was noted that the report addressed loan capital and interest; loan covenants; loan special conditions; loan security; cash investments; overage to the ESFA (cash sweep); cash flow forecasts; day to day banking; debt write offs; and treasury activity for 2023/2024.

The ICFO expanded upon the covenant tests applied by the bank, during the course of the year, and the position leading to the agreement of a waiver. There was confirmation that the covenants were monitored on an ongoing basis and that for the current academic year it was forecasted that all four measures would be attained with good headroom.

It was further confirmed that there were no proposed changes to the Policy.

There were no questions or comments raised by members and after due discussion and consideration it was resolved that the Annual Treasury Management Report 2023 be received and noted.

RES/65/23**Procurement Strategy Outcomes 2022-2023 and Action Plan 2023-2024**

The ICFO referred members to the previously circulated report and the annual update in respect of the Procurement Strategy, setting out performance against the action plan 2022-2023, and the proposed Procurement Action Plan for 2023-2024.

In respect of in-year performance it was reported that savings of £300k in procurement activity had been delivered via negotiation with existing suppliers. It was further reported that of the £300k of savings £208k had been one off savings with £92k being recurring sustainable savings.

The following was also highlighted that:

- within the non-pay budget of £14.2m there were many fixed costs but also significant aspects that could be influenced
- the budget for 2023-2024 was going to be a challenge and the approach to non-pay and procurement was going to be very important
- in terms of progress against the Action Plan three areas were marked as ongoing and encompassed supporting budget holders to attain value for money; development of a preferred supplier list and process; and the development of forward contracting
- a key area of focus going forward would be procurement within the sustainability space.

Questions and comments were invited from members.

- A question was asked by a member in relation to inflation and whether there had been an impact on procurement opportunities.

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The ICFO responded that inflation had impacted a number of areas including energy costs. It was added that it was believed that there continued to be some areas that could be addressed via cost controls. It was further suggested that for an establishment of the size of the Group it was considered that a higher EBITDA should be achievable supported by the available income opportunities.

- A further question was asked by a member in relation to student numbers and their contribution to the EBITDA.

The ICFO concurred that the majority of the Group's income was driven by student numbers. The PCEO added that the previous year 16-19 student numbers had declined but that the income aspect had been offset by an increase in the funding rate per 16-19 learner. The view was expressed that the current EBITDA position was due to two prevailing key issues, income (low) and non-pay (high) which had been further exacerbated by the apprenticeship funding issues.

- In relation to the preferred supplier initiative a member asked for further information around the review process to be adopted.

The ICFO responded that currently staff often had a list of preferred suppliers with whom they engaged and there was a need to incorporate regular testing of purchasing arrangements. It was suggested that by having a procedure and process in place there would be a mechanism via which suppliers could be regularly reviewed from a value for money perspective.

There were no questions or comments raised by members and after due discussion and consideration it was resolved that the Procurement Strategy Outcomes 2022-2023 be received and noted and the Action Plan for 2023-2024 approved and adopted for implementation.

Action: Interim Chief Finance Officer

RES/66/23

Office for Students and Department for Education Capital Funding Update – October 2023

The DOF referred members to the previously circulated report and an update in relation to the capital monies awarded to the Group by the Officer for Students (OfS) in relation to the Department for Education (DfE) conditions improvements; energy efficiency; HE Skills Injection Fund; and T-Level Specialist Equipment respectively.

An update was presented in relation to each the grants/funds and the following was highlighted:

- the information provided in relation to the profile of spend up until 30 September 2023
- the requirements in place to submit to the funding bodies reports on an interim and/or yearly basis
- the monitoring taking place on a monthly basis to minimize any clawback and the reinforcing of the parameters within which this capital spend can take place.

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The following was further highlighted:

- a) OfS Capital Grant
 - to support Higher Technical Qualification delivery and split across specialist equipment, digital and estates which currently encompassed a spend of £858k against a total of £1,753k
 - confirmation that as of 30 September 2023 the Group was on course to utilise the grant as per the original timetable
 - that following the rationalisation of some curriculum areas there has been the reallocation of the projected spend to align with the positioning of Stockport as the epicentre of HE within the Group.
- b) DfE Conditions
 - an award of £1,179k to support investment in the Group's infrastructure and to improve the condition of the college estate
 - the funding had been provided as a one off payment and to be spent on the measures laid out by no later than 31 March 2025
 - expenditure to date has been limited with a significant proportion of the spend to take place in 2024 in support of the carpark at the Stockport campus.
- c) Energy Efficiency
 - an award of £471k made to improve energy efficiency across the Group's estate with all defrayment to have taken place no later than March 2025
 - monies had been originally committed to solar panels (£159k) but had now been allocated to the remaining merger grant in order to allow the Group to utilise the grant in other areas
 - the planned expenditure for 2023-2024 includes boiler replacements (£200k) and a lighting control projects (£100k).
- d) HE Skills Injection Spend
 - provided to support providers to build and create additional capacity to grow high quality higher technical education and raising the prestige of Level 4/5 provider including Higher Technical Qualifications (HTQs) amongst learners and employers
 - the award had been split across capital (£268k) and revenue (£122k)
 - to date only £19k has been spent with plans in place to make significant expenditure during 2023-2024.
- e) T Levels Specialist Equipment
 - comprised a Specialist Equipment Allocation (SEA) as part of the T Level Capital Fund (TLCF) which is to be used for the purchase of specialist equipment to support T level delivery only
 - there has been clawback for £52k (from a total of £233k) in relation the deferred Catering and Hospitality T level
 - the funding was received in full during March 2023 and must be spent by December 2023
 - confirmation that plans are in place to progress spending against the grant.

There were no questions or comments from members and after due discussion and consideration it was resolved that the Office for Students and Department for Education Capital Funding Update October 2023 be received and noted.

Minute No:**RES/67/23****Accommodation Strategy Update – October 2023**

The VPCSP referred members to the previously circulated report and an update on the significant capital projects (Cheadle and Stockport Phase 3) in line with the previously agreed estates strategy. There was confirmation that a detailed report had been presented to the meeting of the Strategic Property Working Group held on 10 October 2023.

The following was reported:

Cheadle Project

- the project was currently scheduled to meet the completion date and project costs remain at £27m
- the target date for the completion of the Stage 4 design was 5 October 2023
- further design meetings were taking place with the estates team and stakeholders
- the position in relation to the continuation of the design process pending the outcome of the planning application
- the risks associated with the planning process notwithstanding the close working with Stockport Council and the extensive consultation with the local community and stakeholders with some responses continuing to be outstanding
- Sports England and their objections around the slight reduction in the overall available open space, noting that their objections were technical as opposed to being in relation to the facilities
- the further planned meetings with both Sports England and Stockport Council
- the contingency plans in place in relation to a reduction in the land available for residential development
- the position in relation to a restrictive covenant in which neighbouring residents had indicated that they believed themselves to be the beneficiaries which whilst not having an impact on the planning process could impinge on the sale of the land for purposes other than education

Stockport Phase 3

- confirmation that the tenders in relation to the external scheme and car park were scheduled for return on 10 October 2023 with the project due to commence on 27 October 2023 and an anticipated completion date of 15 December 2023
- the time pressures in place due to new developers of the adjacent building having indicated that they will be commencing work in December 2023 which will entail loss of access to their car park
- confirmation that funding was in place to support the external scheme and new car park.

Reinforced Autoclaved Aerated Concrete (RAAC)

- that surveys had confirmed the existence of RAAC within the science rooms at the Marple campus
- action had been taken to secure the areas and contingency plans were in place to endure that all students continued to have access to their lessons on site and that any disruption was minimized
- a project manager had been appointed in conjunction with the DfE and the medium-term measure would involve the sourcing of temporary accommodation including a practical science room which it was anticipated would be completed by Christmas
- discussions were continuing with the DfE regarding the most appropriate long-term solution
- confirmation that all costs would be covered by the DfE.

Minute No:

Questions and comments were invited from members.

- A member asked for further information in relation to the costs associated with the solution to the RAAC at the Marple site.

The VPCSP confirmed that the DfE were project managing the process and they would be minded to secure the best value solution whilst ensuring students were not unduly impacted upon.

- The view was expressed that the rate of progress at the Marple campus would be under the auspices of the DfE and a concern was expressed by a member in relation to the impact that this issue could have upon future recruitment and learner numbers at the Marple site.

There were no further questions or comments from members and after due discussion and consideration it was resolved that the Accommodation Strategy Update be received and noted.

RES/68/23**Learner Numbers and Funding Update 2022-2023**

The Assistant Principal Planning, Funding and Performance (APPFP) presented a report which provided a summary update in relation learner numbers and predicted learner funding income.

The APPFP provided an updated position in relation to learner numbers and highlighted the following:

- **ESFA (Education and Skills Funding Agency) Funding - 16 to 19 revenue funding**

It was advised that the 16-19 learner numbers currently stood at 5,554 (5,652 in the supporting paper) against an allocation of 5,054, 500 above allocation.

- **16-19 T Levels**

Recruitment in relation to 16-19 T Levels currently stood at 115 (113 in the supporting report) against an allocation, 72 below target (was 113 in report). There was confirmation that work was continuing to data cleanse and in some cases recruit to the 16-19 provision.

- **Adult Education Budget (AEB) (ESFA and Greater Manchester Combined Authority)**

It was reported that enrolments numbers continued to be processed for September starts with the actual funding position to be reported to the next meeting of the Committee. It was noted that enrolment looked to be positive against the plan at 81.8%

- **Community**

Similarly, the position in relation to Community enrolments would be clearer when reporting took place at the next meeting of the Committee. It was noted that the community provision was actively recruiting and currently a position of 21% of the full year target had been met (554 enrolments).

Minute No:

- **Apprenticeships**

It was advised that there were currently planned 475 planned starts between August and October 2023 and in the pipeline/enrolled there were 355 Apprenticeships for the same period meaning that 75% of the target, for the first term, would be achieved if they all went through.

- **Higher Education**

The CFO advised that recruitment was underway with 88% of the target having been achieved. There was confirmation that recruitment had been very positive to HE Early Years but that there was concern over under delivery for HE Arts and Media, and HE Construction.

- **Advanced Learner Loans**

It was advised that with respect to Advanced Learner Loans 72% of the target had been achieved with 151 active learners compared to the target of 209.

- **Subcontracting and Partnership**

An overview of the position in relation to activity against subcontracting and partnerships was presented. It was noted that the City in the Community had under recruited and that this provision would cease next year.

Questions and comments were invited from members.

- A question was asked by a member in relation to T levels and whether recruitment reflected the national position.

There was confirmation that the issue was replicated nationally exacerbated by the issue with T level entry requirements and the fall in the GCSE achievement profile which had impacted on learners reaching the entry threshold.

The PCEO further reported that High Needs (HN) learner numbers were higher than the previous year with numbers currently standing at 280 against an allocation of 191. It was highlighted that the ESFA were taking a “tight” approach to any in year growth.

The PCEO stated that the previous year it had been challenging to secure appropriate funding from the Local Authorities (LA) but that for the current year there had been greater support from these bodies to support the additional HN learners.

It was suggested that the experience of the Group in terms of the growth in HN learners was not replicated at other colleges. It was noted that HN learners at Cheadle had doubled and there was a suggestion that parents and the LA were making an informed decision to send learners to the Group.

The PCEO expanded upon the position in relation to funding and indicated that pressure was being placed upon the ESFA for increased support.

Minute No:

In terms of the where the learners were coming from it was reported that initial analysis suggested that learner numbers from the Manchester LA and the A6 corridor had increased significantly.

- A question was asked by a member as to what would happen should the required funding for these students not be secured.

The PCEO responded that should there be a shortfall from either the ESFA (element 2) or the LA (element 3) in the funding for these students then the Group would not be able to provide the support as per a learner's EHCP.

In terms of the overall financial position and income of the Group the PCEO summarised that whilst further work was required and risks remained in place, it was considered that the Group was in a slightly improved position.

There were no questions or issues raised from members arising from the report and following due discussion and consideration it was resolved that the Learner Numbers and Funding update report be noted.

RES/69/23**Any Other Business**

The ICFO with reference to the budget for 2023-2024, as approved by the Board of the Corporation at its meeting on 19 July 2023, reported that the Group had since been awarded a further £1.8m to be earmarked specifically for frontline staff. It was confirmed that it was proposed that these monies be allocated to the pay budget.

It was further stated that allocation of this sum to the pay budget would present a material change and that an uplift to the budgets as published in the Management Accounts was being sought.

Members expressed their support that formal approval of this proposal be sought from the upcoming meeting of the Board of the Corporation scheduled to take place on 18 October 2023.

Action: Interim Chief Finance Officer

There no matters raised under any other business.

RES/70/23**Date of Next Meeting**

It was agreed that the next meeting of the Committee would be held at 5.30pm on Wednesday 15 November 2023 via Microsoft Teams.

The meeting ended at 8.00 pm.

Janet Grant joined the meeting at 5.45pm during consideration of agenda item 5 and left the meeting at 7.17pm during consideration of agenda item 15. Graham Luccock chaired the meeting during the absence of Janet Grant.

The Director of Human Resources and Performance left the meeting at 6.04pm following consideration of agenda item 6.