

THE TRAFFORD COLLEGE GROUP

**Minutes of the Additional Meeting of the Board of the Corporation
held on Wednesday 23 January 2019 at 5.30 pm
in the Boardroom at Trafford College**

Present:	Graham Luccock	(Chairperson)
	Lesley Davies	(Principal and Chief Executive Officer)
	Glad Capewell	
	Sarah Drake	
	James Beazley	
	Janet Grant	
	Louise Richardson	
	Kurt Allman	
	Jed Hassid	
	Glynis Brown	
	Jill Bottomley	
	Joaquin Llorente	
In Attendance:	Barry Watson	(Corporation Secretary)
	Andrea Bennett	(Director of Finance & Strategy)
	James Scott	(Vice Principal Curriculum & Quality / Campus Principal)
	Michelle Leslie	(Vice Principal Corporate Services & Planning)

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Prior to the commencement of the meeting the Chairperson welcomed two new Board members JL (Staff Governor) and JB (Independent Member) and members and officers introduced themselves to them.

GCOR/01/19

Apologies for Absence

The Corporation Secretary (CS) reported that apologies for absence had been received from Sue Derbyshire, Mark Deverell, Maureen Wilkins Guy Robson, and Dawn Cole.

GCOR/02/19

Declarations of Direct or Indirect Interest in any of the following Items

There were no declarations of interest in any of the meetings business items.

GCOR/03/19

Recommendation from Strategic Property Working Group – Phasing of the Stockport College Development Project

The Chairperson of the Strategic Property Working Group (SPWG) advised the Board that at a meeting held prior to the Board meeting the SPWG had resolved to recommend to the Board of the Corporation, after extensive consideration and discussion, that the delayed Phase 1 approach to the redevelopment of Stockport College be approved.

The Chairperson briefly outlined to the Board the background to the Working Group's recommendation in relation to the various phasing options and asked the two senior managers responsible for the Finances and oversight of the redevelopment to identify the main issues relating to the matter.

To this end the Director of Finance & Strategy (DFS) provided the Board with details relating to:

- The impact of each of the phasing options in relation to the cash flow position for the period up to completion of the project.

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- The GMCA payment profile for each of the options. In discussing this item the Vice Principal Corporate Services and Planning (VPCSP) advised that she had just received confirmation from the GMCA that they has agreed in principle to support the request for monthly variations to the intervention rate of 68.5% and that this agreement would be on the basis that:
 - Cumulative contribution to be no greater than 78%;
 - Confirmation from the Monitoring Surveyor that the proposed approach was appropriate for the project, alongside ongoing monthly monitoring;
 - Satisfactory project viability check as part of the financial due diligence to be undertaken by Deloitte following the finalisation of the main contract;
 - Monthly cash flow monitoring/reforecasting of TCG to support each requested drawdown;
 - Should the project costs total be below the budgeted £23.3m, GMCA's grant is repaid to an amount of 68.59% contribution.

In outlining the position in this respect the VPCSP advised the Board of the advantages that moving to a single phased would give, in that it would result in cost benefits, it would give the Group time to generate the additional £4 m required contribution, it was supported by the monitoring surveyor, with the Due Diligence being undertaken by Deloitte very shortly.

The position with regard to possible under payment in relation to the total budget spend was also explained.

The VPCSP also advised that by adopting the delayed single phased option the Group were endorsing the position at the commencement of the redevelopment in terms of completion timeframe (2020), budget, cash flow position and design of the redevelopment subject to required value engineering items.

- The impact on the Bank Covenant position for each of the options and the management actions that would be taken to ensure that no breach occurred.
- The position in respect of disposal proceedings in relation to the funding of the Group's element of the total budget.

Members raised a number of issues arising from the recommendation as follows:

- Given the position of the GMCA with regard to project costs, what was the incentive for the Group to deliver the project under cost? The VPCSP advised that there was no incentive and that given the budget position, particularly in the context of the fixtures and fittings it was likely that there would be very little costs savings achieved.
- What was the risk with regard to the disposal of land proceeds not being achieved? The VPCSP outlined to the Board the various meetings that had been held with SMBC and other external bodies. It was advised that SMBC were incredibly supportive of the Group's position and that all parties were working closely together to achieve a disposal within the required timeframe.
- What were the implications if a breach of covenant took place? The VPCSP outlined the contractual position in this respect and advised that discussions with the Bank concerning the matter were due to be held shortly with a view to discussing maximising the mitigation of the risk.

Action: Vice Principal Corporate Services & Planning

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- What was the impact on learners and teaching to any delay in the project start date? The VPCSP outlined the decant arrangements under a phase1 delayed approach in detail in terms of how the impact on the learners and teaching would be minimised. In discussion it was agreed that further work and discussion was needed around this and that the project adviser and team would continue to liaise with managers to ensure minimum disruption to activities.

Action: Project Adviser (RLB)

There were no other matters raised by members arising from the recommendation and after due discussion and consideration it was unanimously resolved that the Strategic Property Working Group's recommendation be approved and that the redevelopment of Stockport College be undertaken through a delayed 1 phase approach.

Action: Vice Principal Corporate Services & Planning**GCON/04/19****Any Other Business**

There were no matters raised under any other business.

GCON/05/19**Date of Next Meeting**

It was agreed that the next meeting of the Board of the Corporation would be held on Wednesday 28 March 2019.

Action: Corporation Secretary

The meeting closed at 5.49 pm