

THE TRAFFORD COLLEGE GROUP

**Minutes of the Meeting of the Resources Committee
held at 5.30 pm on Wednesday 26 June 2019
in the Boardroom at Trafford College**

Present:	Guy Robson	(Chairperson)
	James Beazley	
	Janet Grant	
	Louise Richardson	
	Graham Luccock	
	Lesley Davies	(Via Skype)
In Attendance:	Michelle Leslie	(Vice Principal Corporate Services and Planning)
	Andrea Bennett	(Director of Finance and Strategy)
	Naomi Harrop	(Director of Human Resources & Performance)

Minute No:

GRES/29/19 Apologies for Absence

It was reported that apologies for absence had been received from Jill Bottomley and James Beazley.

It was noted that the Corporation Secretary and Vice Principal Curriculum & Quality/ Campus Principal had been unable to attend the meeting

GRES/30/19 Declaration of Direct or Indirect Interest in any of the Meeting's Business Items

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

GRES/31/19 Minutes of the Resources Committee meeting held on 8 May 2019

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

GRES/32/19 Matters Arising from the Minutes

There were no matters arising from the minutes.

GRES/33/19 Draft Budget 2019/2020 and Financial Forecast 2020/2021

It was agreed that this agenda item, due to commercial sensitivities should be treated as a confidential matter, and would be subject of a separate confidential minute.

Action: Corporation Secretary

GRES/34/19 Management Accounts for the Eight Months ending 30 April 2019

The Director of Finance & Strategy (DFS) presented a report, which informed members of the financial performance of the Group for the 8 months up to 30 April 2019.

It was reported that the overall performance in the nine-month period was a deficit of £1,134k compared to the budgeted deficit of £908k. The DFS advised that the additional losses had been as a result of a shortfall income which had been partly offset on pay costs and depreciation.

In presenting the report the DFS advised the Committee concerning the following details of the Group's financial performance:

Minute No:

- Executive Summary.

The DFS advised the Committee of the range of possible scenarios for the full year, which included best, mid and worst case. The DFS advised that in her view the final outturn budget would be between best and mid case scenarios. The Committee was also advised of the actions that management were taking to improve the full year financial performance including the close monitoring of pay and non- pay expenditure and the marketing campaign, which was focused on recruitment and retention of learners in all areas. The DFS advised in particular that the budgeted deficit and forecasted deficit shown in the income and expenditure account excluded the benefit of the additional Transaction Unit draw down funding of £3.2m, which would be shown in the Statutory Year End Accounts. The Committee noted that the cash position was improved compared to last year and that the cash balance exceeded the required £3m up until March 2020. The staff costs position was also noted in terms of the improvement compared to last year but was above budget due to reduction of income.

- Income and Expenditure Account.

With regard to income the DFS advised of the up to date position in relation to learner numbers for all income streams and its consequential impact on income.

- Pay and Non-Pay costs.

The DFS provided a detailed breakdown of the up to date position with regard to pay and non-pay costs.

- Forecast Balance Sheet, Cash Flow, Capital Expenditure, Staffing Analysis and the Financial Year 2019/2020.

The report provided the Committee with details of the current position with regard to each of these aspects of financial performance which was duly noted.

There were no other issues raised by members arising from the report and after due discussion and consideration it was resolved that the Management Accounts for the 9 months ending 30 April 2019 be recommended to the Board of the Corporation for approval.

Action: Board of the Corporation**GRES/35/19****Financial Regulations 2019/2020**

The DFS presented a report, which provided the Committee with a copy of the proposed updated Financial Regulations for the period 2019/2020.

The DFS advised that the following changes were proposed in relation to the current Regulations:

- The updating of job titles as appropriate.
- The inclusion of the Anti-Fraud, Theft, Bribery and Corruption Policy which had recently been approved by the Board of the Corporation

Members raised a number of issues relating to the report and the DFS advised that the referencing to Committees of the Board (Audit and Resources) in the Regulations related to the Committees that have financial responsibilities. The DFS also provided information relating to the role of the Resources Committee in monitoring learner numbers.

Minute No:

In discussion, it was agreed that the use of the phrase "TCG" rather than The Trafford College Group should be used throughout the Regulations following the first instance of its usage. The DFS agreed to amend the Regulations accordingly.

Action: Director of Finance and Strategy

There were no other issues raised by members arising from the report and after due discussion and consideration it was unanimously resolved that the updated Financial Regulations for the period 2019-2020 be recommended to the Board of the Corporation for approval.

Action: Board of the Corporation**GRES/36/19****Treasury Management and Banking Arrangements Report**

The DFS presented a report, which provided the Committee with information regarding the Group's performance in terms of meeting the loan covenants requirements together with an update on the investment of any surplus cash reserves.

The report provided members with the background details relating to the loan with Barclays Bank together with the requirements relating to the loan covenants, which had been agreed in March 2018 following the merger of Trafford and Stockport Colleges.

In particular the report provided details relating to:

- Education specific EBITDA.
- Debt Service Cover Covenant.
- The Operational Leverage Covenant.
- The Minimum Cash Balance Covenant.
- The Security Cover Covenant.

The DFS advised that to date, all covenants had been met however, it was forecasted that the Education specific EBITDA covenant for the financial year to 31 July 2019 would not be met as previously reported to both the Resources Committee and the Board of the Corporation. The DFS confirmed that the Bank were fully apprised of the situation.

The report also advised the Committee of the Security arrangement with regard to the loan.

With regard to monies on deposit, the DFS advised that there has been no funds held on deposit since February 2018 due to cash availability being limited and that any excess funds held with Barclays Bank at close of play each day were placed on overnight deposit with the current annual interest rate being 0.55%.

The DFS further advised that no funds had been placed on fixed terms deposit to date and that the current indicative fixed bond rates from Lloyds banks varied between 0.70% for 3 month deposits to 1.00% for 12 month deposits.

The Committee considered and discussed the report in detail and after due discussion it was resolved that the Committee approve the depositing of funds up to a maximum of £3.0m by the DFS with investments being made in accordance with the guidelines in the Financial Regulations.

Action: Director of Finance & Strategy

Minute No:**GRES/37/19****People Strategy Action Plan Update**

The Director of Human Resources and Performance (DHRP) presented a report which provided the Committee with an update on the progress that had been made in relation to the implementation of the Group's People Strategy.

The report included a copy of the Action plan relating to each of the Group's strategic aims as detailed below:

- Attract.

The DHRP advised that the Group had been focusing upon developing employer reputation and creating a robust resourcing process whilst support new staff who joined the Group. In this context, the DHRP advised that the key successes had been achieved. In discuss this element of the update it was noted that it was intended that with regard to Agency supplier's greater collaboration with other Colleges would be undertaken. It was also advised that this would support improved bench marking information.

- Develop

The DHRP advised that the focus areas under the strand had been around ensuring staff are supported and developed, creating a culture of continuous improvement and spreading best practice. In this context, the DHRP advised that the key successes had been achieved.

- Retain

The DHRP advised that the focus had been upon strengthening the Group's reward and recognition offer and ensuring the establishment met the requirements of our teaching and business support demands. . In this context, the DHRP advised concerning the key successes that had been achieved.

- Excellence in Leadership and Management

The DHRP advised that the Group had focused heavily on developing staff to become leaders and that in addition the strengthening of partnership with the Trade Unions had been achieved. In this context, the DHRP advised concerning the key successes that had been achieved.

- **Supportive, collaborative and healthy working environment.**

The DHRP advised that as part of engaging and listening to staff in order to foster a culture of staff feeling valued, involved and fulfilled has been paramount. It was noted that the Group was committed to improving staff wellbeing and celebrating diversity within the Group. In this context, the DHRP advised concerning the key successes that had been achieved.

The Committee welcomed the progress that had been made and discussed a wide range of issues arising from the report. In discussion it was agreed that the issue of performance management for individuals should be included in next year's action plan.

It was further agreed that the focus should be how the Group could positively improve performance before performance management plans had to be put in place.

Action: Director of Human Resources and Performance

Minute No:

There were no further issues raised by members arising from the report and after due discussion and consideration it was resolved that it be noted.

GRES/38/19**Employee Relations Update**

The Vice Principal Corporate Services & Planning (VPCSP) presented a report, which updated the Committee in respect of employment relation matters at the Group.

The report advised members with regard to the following matters:

- Operational Efficiency Review.

Outcomes of the consultation exercise to date within the areas of Curriculum (FE Provision), Learner Services and Inclusion, and Higher Education.

The VPCSP advised that the consultation process was almost now completed and that any ongoing potential liabilities were small.

- Pay Award ,Pay Harmonisation and Salary Structure

The VPCSP advised that a pay and benefits offer for a three year period had now been accepted by UCU who had confirmed that their members were no longer in dispute with the Group. The report advised members of the elements relating to the three-year agreement.

The Committee had a widespread discussion arising from the report, which covered the following items:

- Local trade union position in relation to the national picture.
- Difficulties in recruiting to specialist positions.
- The intended management review of the pay award offer going forward depending of the financial performance of the Group.

There were no further issues raised by members arising from the report and after due discussion and consideration it was resolved that it be noted.

GRES/39/19**Any Other Business**

There were no matters raised under any other business.

GRES/40/19**Date of Next Meeting**

It was agreed that the next meeting would be held on Wednesday 9 October 2019 at 5.30 pm in the Boardroom at Trafford College.

Action: Corporation Secretary