

THE TRAFFORD COLLEGE GROUP

**Minutes of the Meeting of the Resources Committee
held at 5.30 pm on Wednesday 9 October 2019
in the Boardroom at Trafford College, Altrincham**

Present: Janet Grant (Chairperson)
Louise Richardson
Graham Luccock
Jill Bottomley
James Beazley

In Attendance: Barry Watson (Corporation Secretary)
Michelle Leslie (Vice Principal Corporate Services & Planning)
Andrea Bennett (Director of Finance & Strategy)
Naomi Harrop (Director of Human Resources & Performance)

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GRES/41/19 Apologies for Absence

The Corporation Secretary (CS) reported that apologies for absence had been received from the Principal and Guy Robson.

GRES/42/19 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/43/19 Minutes of the meeting held on 26 June 2019

The minutes of the meeting were approved and accepted as a correct account of the meetings proceedings subject Janet Grant being included to the list of members in attendance.

Action: Corporation Secretary

GRES/44/19 Matters Arising from the Minutes

There were no matters arising from the minutes.

GRES/45/19 People Strategy 2019/2020

The Director of Human Resources & Performance (DHRP) presented a report that provided members with a copy of the People Strategy Action Plan (PSAP) 2019-2020 in respect of the Group's People Strategy for the period 2018-2021.

The DHRP advised that the PSAP was the second year of the three year People Strategy, that it was currently a working document and that the KPIs for the Plan would be updated in line with the Group's Business Plan once it had been approved by the Board of the Corporation.

The DHRP also advised that the Group would continue to build upon the work that had been completed to date with a particular focus upon Leadership Development, Health and Wellbeing and Equality and Diversity.

It was noted that, with respect to Leadership Development, the Group would be completing the Passport to Leadership programme for managers, rolling out the Aspiring Leaders Programme and introducing a new coaching development programme to aid the movement towards a coaching culture.

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The DHRP advised that, in order to ensure that the development is embedded and had impact, the Group would be looking to create networks for managers to receive support from colleagues and reflect upon learning and practice.

The DHRP further advised that health and wellbeing of the Group's staff was paramount to the wellbeing of the Group, and that the Group would ensure that all staff have mental health awareness training and in particular, managers be developed as mental health champions.

The DHRP further commented that having a culture that fosters respect was a key value, and that the Group were working to further raise awareness of equality and diversity at all levels within the organisation.

It was noted that the Group had developed a calendar of Equality and Diversity events to take place in year in order to support the training and resources that would be available to staff.

The DHRP further added that the plan sought to review and implement ways to support increasing the diversity of the workforce to reflect the student and community populations, starting at senior levels in the first instance. It was advised that this would complement the work that would be undertaken to develop the approach to succession planning.

Members raised a number of issues arising from the report and the PSAP as follows:

- The report and PSAP were to be welcomed and would be improved if the actions were connected to the KPI's. It was further commented that inclusion of a narrative around how the measures had been successful and include a continuum of performance. A member commented that RAG progress would assist in the monitoring of the effectiveness of the PSAP together with comparisons to last year's performance.
- It would be helpful if timelines could be included in the PSAP together with a rationale for the KPIs.
- Did the sickness absence KPI include long-term sickness? The DHRP confirmed that it did.
- The PSAP did not include any measure with regard to the legal aspects of HR and a member asked how this is managed? The DHRP confirmed that this was her responsibility and she ensures all legal changes are rolled out across the Group and that day-to-day compliance is achieved.
- Clarification concerning the "whole package" approach to advertising vacancies. The DHRP outlined the activities that were undertaken in this respect to the member's satisfaction.
- Clarification around the content of the health and well-being programme which the DHRP provided in detail.
- Discussions around the appropriate target for staff attending induction.
- Training approaches for managers in recruitment and selection and whether it should be much higher than the current achievement rate. The DHRP advised on the approach and work that had been undertaken to date and that the process was undertaken in house by the HR department so had time limitations but would be achieved.
- The approach to the filling of vacant posts and was it linked to curricular spend. The DHRP advised that it was and that all curricular approved vacancies are sought to be filled immediately. In discussion, the DHRP advised that the Group was moving towards standard assessments that was linked to the values of the Group.
- It would be helpful to have a summary of the PSAP included in the report.

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There were no further matters raised by members and the DHRP undertook to take members' comments into account when presenting the next report and after due discussion and consideration it was resolved that the report be noted.

Action: Director of Human Resources & Performance**GRES/46/19****Management Accounts for the Year Ending 31 July 2019**

The Director of Finance & Strategy (DFS) presented a report, which informed members of the financial performance of the Group for the year ending 31 July 2019.

It was reported that the overall performance in the twelve-month period was a deficit of £1,761k compared to the budgeted deficit of £1,210k. The DFS advised that the additional losses had been because of a shortfall in income, which had been partly offset on pay costs and depreciation.

The DFS advised that the figures included in the management accounts would form the basis of the Financial Statements but would be subject to audit by the Group's Financial Statements and Regularity Auditors. The DFS further advised that the management accounts included a limited number of estimates, which may affect the accounts if changes occurred. The DFS referred particularly to the costs relating to an ill health retirement, which was not included in the accounts.

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

- Executive Summary

The DFS advised the Committee that the Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) would not be met and commented the Committee of the arrangements that had been put in place with regard to the receipt of a formal letter of waiver from the bank confirming that they were prepared for the July 2019 test in respect of the covenant.

The DFS commented that the waiver letter would be presented to the Board of the Corporation at its meeting on 16 October 2019.

Action: Director of Finance & Strategy

The DFS further commented that the - £1,761 deficit was the worst case scenario and that it was anticipated that organisational cost savings would lead to a final improved position.

With regard to the Financial Health rating the DFS advised that this had changed to Requires Improvement, from Satisfactory, due to a renaming of the categories.

A member asked how long this re-designation would last and the DFS advised that it would be until February 2020 and that rating at that time would be based on next year's financial plan when it was anticipated that the Group would be in a stronger financial position.

- Income and Expenditure Account including Income, Pay and Non-Costs.

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.

It was advised that the overall position did not read well due to the shortfall in income with regard to Higher Education and Learner Loans.

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The DFS reminded members of the actions that had been taken to mitigate the reduction in Income. The DFS also advised that the staff costs as a percentage of income was higher than budget at 68% due to the reduction in income and that mitigating actions were currently being taken to improve this KPI during the financial year 2019/2020.

A member asked about the position with regard to disposal proceeds from the disposal of land at the Altrincham and Stockport Campuses.

The DFS advised concerning the up to date position regarding this and that receipts would need to be received by June 2020. It was advised that a full report on the current position including approvals would be taken to the Board of the Corporation at its meeting on 16 October 2019.

Action: Director of Finance/ Vice Principal Corporate Services & Planning

With regard to student numbers for 2019/2020 and its impact on income, the DFS advised that the current number for 16-18 classroom based numbers was 3533, which was slightly under target.

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

The report provided the Committee with details of the position with regard to each of these aspects of financial performance, which was 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 12 months ending 31 July 2019 be recommended to the Board of the Corporation for approval.

Action: Board of the Corporation**GRES/47/19****Budget 2019/2020 Update**

The DFS presented a report, which made proposals to amend the Group's Budget for 2019/2020.

The DFS advised that the funding for the Teachers' Pension Scheme had been confirmed as £422k and that the actual cost was £346k which was different to the assumptions made in the approved budget of £530k additional income and £530k additional cost.

The DFS commented that that the budget should be amended to reflect this change.

The report provided members with an updated budget to reflect the proposed change. The DFS drew the Committees attention to a typographical error relating to the Total Non Pay costs and advised embers of the correct figure. It was noted that the figures would be updated for the Board of the Corporations consideration at its next meeting and that the amendment had slightly improved the overall deficit in operations.

Action: Director of Finance & Strategy

There were no issues raised by members arising from the report and it was unanimously resolved that the revised Budget 2019/2020 as detailed in the report be recommended to the Board of the Corporation for approval.

Action : Board of the Corporation

Minute No:**GRES/48/19 Procurement Strategy 2019/2021**

The DFS presented a report, which made proposals for a Procurement Strategy for the period 2019-2021.

The DFS commented that the merger of Trafford and Stockport Colleges had created opportunities to deliver additional benefits and value for money from procurement.

The DFS further advised that following the merger the Group was on a procurement improvement journey which needed to be based on a clear understanding of where the Group is currently in terms of procurement practice, where it wants to be, and how the Group should get there.

The DFS added that the proposed Procurement Strategy as detailed in her report set out a process as to how the Group could achieve its aims in this respect.

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

- In respect of delivering the Strategy, does the relevant team have the skills to deliver it in practice? The DFs advised that this was currently being looked into.
- Has the DFS spoken to other Finance Directors (FD's) about working together with regard to securing joint benefits regarding procurement? The DFS advised that there was a network of local FD's who communicate with each other in this respect.

There were no other matters raised by members and after due discussion and consideration it was unanimously resolved that the proposed Procurement Strategy 2019/2021 be recommended to the Board of the Corporation for approval.

Action: Board of the Corporation

GRES/49/19 Employee Relations Update

The Vice Principal Corporate Services & Planning (VPCSP) advised the Committee that Operational Efficiency Review, following the merger of Trafford and Stockport Colleges had now been completed and provided a detailed account of the outcomes of the review.

It was noted that, the organisation staffing numbers had been reduced by 19.32 (Full Time Equivalent Staff) and that in general terms the review had gone well. The report provided members with the following information :

- The three main strands of the operating review.
- Project deliverables. The VPCSP advised that all measurable project targets had been achieved and that all staff who had been made or taken redundancy had signed settlement agreements.
- Resource requirements detailing the volume and timings of activities during the review period.
- Recommendations and Learning. The Committee had a discussion around with regard to notice periods and the VPCSP explained the Group approach to notice periods in detail.
- Outcomes from Post Project Review.

There were no further issues raised by members arising from the update and it was resolved that it be noted.

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GRES/50/19 Any Other Business

There were no matters raised under any other business.

GRES/51/19 Date of Next Meeting

It was agreed that the next Committee meeting would be held on Wednesday 20 November 2019 at 5.30 pm in the Boardroom at Trafford College, Altrincham.

Action: Corporation Secretary

Agenda item 9 was taken as agenda item 6 and the DHRP left the meeting after this item at 6.15 pm