

THE TRANSITION BOARD

**Minutes of the Transition Board Meeting
held at 5.30 pm on Tuesday 21 April 2020
via Microsoft Teams**

Present:	Graham Luccock	(Chairperson)
	Lesley Davies	(Principal and Chief Executive Officer, TTCG)
	Alison Hewitt	(Chairperson of CAMSFC)
	Mohammed Ramzan	(Transition Principal & CAO CAMSFC)
	Glad Capewell	
	Janet Grant	
	Clair Dyson	
	Gareth Turner	
	Jeremy Woodside	
	Sue Derbyshire	
In Attendance:	Barry Watson	(Clerk to the Transition Board)
	James Scott	(Vice Principal Curriculum & Quality/ Campus Principal, TTCG)
	Michelle Leslie	(Vice Principal Corporate Services & Planning, TTCG)
	Andrea Bennett	(Director of Finance & Strategy, TTCG)
	Mike MacLoughlin	(ESFA Representative)
	Don Everitt	(Interim Finance Director CAMSFC)
	Eve Johnson	(Project Manager)
	Sharon Burton	(Associate Principal CAMSFC)

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Prior to the commencement of the meeting, the Chairperson welcomed all members to the second virtual meeting of the Transition Board.

TB/31/20 Apologies for Absence

The Clerk to the Transition Board (CTB) reported that no apologies for absence had been received.

TB/32/20 Declaration of Direct or Indirect Interest in any of the following Items

Jeremy Woodside declared an interest in agenda item 6 (Financial Protocols for Transition Board and Due Diligence) and it was agreed that he would withdraw from the meeting for the consideration of the item.

Alison Hewitt declared an interest in Agenda item 9 (Governance Structure and Membership Arrangements for the Merged Group) and it was agreed that she should remain in the meeting for the consideration of the item but would not contribute to the consideration of the business item.

There were no other declarations of either direct or indirect interests.

TB/33/20 Minutes of the Transition Board Meeting held on 26 March 2020

The minutes were approved and accepted as a correct account of the meetings proceedings subject to any member advising the CTB of any inaccuracies or proposed changes to the minutes.

Action: Transition Board Members

Minute No.**TB/34/20****Matters Arising from the Minutes**

i) TB/22/20 – Resources to Support the Merger

- Pre-Merger Funding Update

The ESFA representative advised the Transition Board that the Director of Finance & Strategy (DFS) had been sent an email detailing the formal grant payment arrangements which was based on previous grant agreements and would be paid in arrears.

The DFS confirmed that this was the case and that the payment in arrears was fine given the relevant low level of grant, however the DFS added that if the amount was larger, as in the next phase of funding, then the payment in arrears would need to be reconsidered in respect of cash flow positions.

Action: ESFA/ Director of Finance & Strategy

ii) TB/22/20 – Matters Arising from the Minutes – Due Diligence Update

It was agreed that this item would be considered as part of Agenda item 5 of the meetings business items.

iii) TB/23/20 – Consultation Process Update

The Transition Principal & Chief Accounting Officer (TPCAO) thanked members for the feedback that they had given at the last meeting regarding the consultation documentation and that they had now been incorporated in the documentation that had been published.

The TPCAO advised that the consultation documentation had been published as planned on 31 March 2020 and that the closing date had been confirmed as 8 May 2020. The TPCAO further advised that 15 responses had been received to date from a wide variety of Stakeholders including staff, students and parents.

A member commented that the consultation was being undertaken in unusual circumstances and asked if there had been any objections to not having face to face consultation meetings. The TPCAO advised that he had taken legal advice with regard to the matter and had been advised that the consultation process could be undertaken as intended. He further advised that no objections had been received apart from one representative group which would be reported on as part of the confidential business of the meeting.

Members thanked the TPCAO for his update and noted that an outcome report would be presented to the Board at its next meeting.

Action: Transition Principal & Chief Accounting Officer

iv) TB/23/20 – Branding Update

Chairperson of CAMSFC thanked the Principal (TTCG) for the branding changes that had been made to the logo for CAMSFC and commented that she supported the colour choice. The Principal (TTCG) thanked the Chairperson of CAMSFC for her comments and support and advised on the implementation timeframe for the branding arrangements.

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The Transition Board supported her view that the new logo arrangements would be implemented on stationary materials once the current stock had been fully utilised.

Action: Marketing Teams

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

TB/35/20**Appointment of External Consultant**

The Chairpersons of both Boards of Corporations presented a report which made proposals for the appointment of an external consultant to help support the merger process.

The report outlined the purpose and benefits of the role and suggested that the consultant used for the merger of the Trafford and Stockport Colleges (JA) be contracted to the position. The report also provided details of his suitability for the position and that it was proposed that he be contracted for a maximum of 10 days. The report also identified the costs for the engagement.

The ESFA representative asked which pot the costs for the appointment was being funded through and was advised that it was through the pre-merger costs. The ESFA representative commented that he would need to check the funding as it had not been listed in the costs breakdown but could be covered through contingency costs. He requested that if approved he be supplied with a note advising that the costs would be met through the contingency budget.

Action: Director of Finance and Strategy

There were no issues raised by members arising from the report and it was resolved that the proposal as detailed in the report be approved.

Action: Chairperson of the Transition Board**TB/36/20****Financial Protocols for Transition Board and Due Diligence**

The Vice Principal Corporate Services & Planning (VPCSP) presented a report which made proposals with regard to financial protocols for the Transition Board and recommendations with regard to Due Diligence appointments as follows:

Financial Protocols

The VPCSP presented proposals in respect of financial protocols which would provide clarity on how funds and expenditures should be managed in the pre-merger period. The VPCSP advised that the protocols were intended to supplement the Terms of Reference for the Transition Board and would cover incomes and expenditures that would arise due before the formal merger was completed. The report identified to members the scope of the guidance and the VPCSP went through in detail the proposals relating to the pre-merger budget, delegated authorities and reporting lines. The report also included a copy of the proposed pre-merger budget.

Members considered the proposals in detail and after due consideration it was resolved that the financial protocols and pre-merger budget be approved.

Minute No.**Due Diligence**

The VPCSP provided the Transition Board with an update on the various elements of the Due Diligence process as follows:

- Finance. The interviews of the three bidding organisations had taken place during week commencing 20 April 2020 and had been conducted by the three Governors appointed by the Transition Board. The DFS provided an overview of the interviews including the various strengths and weaknesses of the bids and advised that the Panel had recommended RSM be appointed to undertake the initial due diligence on both organisations. The Transition Board unanimously approved this recommendation.

Action: Director of Finance & Strategy

- Legal. The interviews of the three bidding organisations had taken place during week commencing 20 April 2020 and had been conducted by the three Governors appointed by the Transition Board. The VPCSP provided an overview of the interviews including the various strengths and weaknesses of the bids and advised that the Panel had recommended that Eversheds-Sutherland be appointed to undertake the initial due diligence on both organisations. The Transition Board unanimously approved this recommendation. In discussing this item, the Transition Board noted that the Cheadle and Marple Board had agreed that the due diligence would be undertaken as a joint exercise and that the firm would be undertaking appropriately separated due diligences for both organisations.

Action: Vice Principal Corporate Services & Planning

- Estates. The VPCSP advised that an estates review of the Cheadle and Marple College had been undertaken in 2018 and proposed that AA Projects, who had undertaken the review, be asked to update their report which would be at a cost of £18,750. The VPCSP outlined the benefits in terms of costs and timings to this approach and outlined in detail what the updated review would include. The Transition Board unanimously approved this approach.

Action: Vice Principal Corporate Services & Planning

- Information Technology. The VPCSP advised that both organisations had recently undertaken detailed reviews of Information Technology infrastructure and data capacity by external providers. It was advised that the outcomes from the reviews were being included in the harmonisation strand, implementation plans and risk report. Given the position the VPCSP advised that no further Due Diligence work would be required. The Transition Board unanimously supported this approach.
- Curriculum. It was advised that the Due Diligence reviews would initially be undertaken internally by the TPCAO (CAMSFC) and Vice Principal Curriculum & Quality/ Campus Principal (VPCQP) (TTCG) who make presentations to the respective Board of the Corporations during May 2020. It was also advised that the position would be further considered by the respective Boards following the internal reviews. The Transition Board unanimously supported this approach.

With regards to the completion dates for the Due Diligences the VPCSP advised that these had been set at 29 May 2020 and that all the appointed organisations were working to that date. It was further advised that the firms considered the completion dates to be ambitious particularly with regard to the Finance Due Diligence.

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The ESFA representative commented that he agreed that the timelines were challenging particularly with regard to the Finance Due Diligence and that the Transition Board may come around to the view it may be better to take longer over the Due Diligence to ensure that a robust and thorough investigation is completed.

He further commented that in his view it was becoming increasingly difficult to have funding packages completed to achieve the merger date of 31 July 2020.

The DFS commented that all FE organisations had received a version of a financial model to review and that all Finance officers had more work to do to refresh the financial model in the light of Covid-19.

It was advised that this would need to be signed off by the respective Boards and that the target for both Colleges for this was Mid May 2020.

The ESFA representative further commented that it was essential that when the case for further Funding was made to the Minister it should be future proofed as it could be with as much work completed as possible with a range of tested scenarios.

Following discussion, it was agreed that the issue of the merger date be further considered under the next agenda item.

TB/37/20**Transition and Merger Implementation Timetable**

The Project Manager (PM) presented a report that included a copy of the updated Transition and Merger Implementation Plan (TMIP).

The PM commented that the red risks to the merger were as had been discussed in the previous item together with the risk relating to the merger or renewal of the Finance database. The PM further commented that the plan would need to be reviewed in light of the previous discussion around timings and confirmed that the timetable had been updated to reflect operation details and that the high number of green Rag ratings was due to the long lead in times.

The Principal (TTCG) advised the Board that the senior teams at both Colleges had been considering Risk 1, the merger date of 31 July 2020, and that due to issues relating to Due Diligences (as discussed previously) Covid-19, the consultation process and the funding position it was felt that Risk 1 could not be mitigated sufficiently to achieve a merger date of 31 July 2020.

It was further advised that it was both seniors teams view that the merger date should be put back to the Autumn Term 2020 and the Principal suggested the date of 30 October 2020. The Principal outlined in detail why this date was preferred as opposed to a date in September 2020 and why it was achievable.

The ESFA representative commented that the position was the reality of what the Transition Board faced but that it was important that the merger date did not keep moving. Members made the following comments in relation to the matter:

- What would be the impact of the delay on the Curriculum Work Stream. The VPCQP (TTCG) advised that it would have no impact as it was the intention to adhere to current timeframe targets.
- A member confirmed that in her view the change in merger date made perfect sense given the circumstances. In answer to a question the CTB confirmed that the merger date change was within the authority of the Transition Board and would be reported to the home Boards through normal channels.

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- A member asked about the impact the delay would have on Cheadle and Marple College's funding. The Director of Finances of both Colleges advised on the actions that would need to be taken but that the financial ask would need to be increased and on-going discussion would be held with the ESFA with regard to the matter. The ESFA representative commented that the ESFA would work with the College to review cash flow but that it would be expected that the increase ask would be minimised as far as possible.

There were no other issues raised by members and after due discussion and consideration it was unanimously agreed that the merger date be changed to 30 October 2020 and that all appropriate actions relating to the change in date be adjusted accordingly.

Action: Principals and Senior Managers**TB/38/20****Merger Risk Register**

The PM presented a report, which provided members with a copy of the merger risk log which identified 9 risks with 3 having a priority risk score of 6.

The PM advised that the register had been totally reconfigured by both teams following the Transition Board member's comments and was now much shorter and identified and included the issues raised by members at the last meeting.

There were no matters raised by members that had not been previously discussed and after due discussion and consideration it was resolved that the report be noted.

TB/39/20**Governance Structure and Membership Arrangements for Merged Group**

The CTB presented a report which enabled members to review the proposed Governance Structure and Membership arrangements for the merged Board of the Corporation.

The report provided members with the following information in order to enable them to carry out the review:

- Outcomes from the audit into the proposed Governance Structure including external assurance opinion of the current structure.
- Details of the two members of Cheadle and Marple Sixth Form College who had indicated that they wished to be considered for membership of the Merged Board.
- Outcomes from the Skills Audit of current membership together with details of the current Skills, Knowledge and Experience Register.
- Ethnicity, Gender and Disability
- Issue relating to Corporate Strategic Memory.
- Terms of Office of members for merged Board.

Members considered and discussed the proposals in detail and after due discussion and consideration it was unanimously resolved that the following be approved:

- The current Governance Structure.
- The revised membership arrangements.
- The appointment of LTS and AH to the merged Board for a 4-year period following the merger date.
- That the CTB discuss and agree Committee membership arrangements with the Chairperson of the Board of the Corporation and the transferring members.
- That all terms of office be extended by one year, if appropriate, post-merger date.

Action: Clerk to the Transition Board

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Any Other Business

There were no matters raised under any other business.

TB/41/20

Date of Next Meeting

It was agreed that next meeting of the Transition Board meeting would be held at 5.30pm on 19 May 2020.

The meeting closed at 6.45pm.