

THE TRANSITION BOARD

**Minutes of the Transition Board Meeting
held at 5.30 pm on Tuesday 23 March 2021
via Microsoft Teams**

Present:	Graham Luccock	(Chairperson)
	James Scott	(Principal and Chief Executive Officer, TTCG)
	Alison Hewitt	(Chairperson of CAMSFC)
	Mohammed Ramzan	(Interim Principal & CAO, CAMSFC)
	Clair Dyson	
	Gareth Turner	
	Sue Derbyshire	
	Louise Richardson	
	Jeremy Woodside	
In Attendance:	Barry Watson	(Clerk to the Transition Board)
	Mike MacLoughlin	(ESFA Representative)
	Don Everitt	(Interim Finance Director, CAMSFC)
	Eve Johnson	(Project Manager)
	Lesley Davies	(Merger Director)
	Carmen Gonzalez-Eslava	(Deputy Principal, TTCG)
	Michelle Leslie	(Vice Principal Corporate Services & Planning, TTCG)
	Andrea Bennett	(Director of Finance and Strategy, TTCG)
	Jim Aleander	(External Advisor)
	Alison Duncalf	(Administrative Support - Governance)

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A welcome was extended to Carmen Gonzalez-Eslava, Deputy Principal TTCG, who had joined the Group at the beginning of March 2021 and was attending her first meeting of the Transition Board.

TB/12/21 Apologies for Absence

The Clerk to the Transition Board (CTB) reported that apologies for absence had been received from Glad Capewell.

TB/13/21 Declaration of Direct or Indirect Interest in any of the following Items

There were no declarations of either direct or indirect business in any of the meetings business items.

TB/14/21 Minutes of the Transition Board Meeting held on 23 February 2021

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

TB/15/21 Matters Arising from the Minutes

- i) TB/06/21 – Further Education Capital Transformation Fund

The Vice Principal Corporate Services & Planning TTCG (VPCSP) reported that the position in respect of the Capital Transformation Fund (CTF) remained unchanged and was as reported at the last meeting.

The VPCSP advised that the ESFA was liaising with the Capital Team with respect to the possibility of the late submission of an application. The VPCSP further advised that it was hoped a mechanism would be introduced that would enable the Group to submit an application by the end of July 2021.

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The PCEO commented that the longer that there was a lack of clarity around the capital funding bid process the greater the risk to the Group. The VPCSP added as time went on the ability to deliver the required level of design within the timeframe may be compromised stating that the submission usually required the design to be at RIBA Stage 2.

The ESFA representative stated that the CTF had an element written into it in respect of special cases which would include where a college was working with the Restructuring Team. It was added that it was anticipated that the Group would be eligible under this criteria and that there would be a positive response in terms of eligibility.

Consideration followed with respect to the timeframe associated with a late submission. The VPCSP suggested that the guidelines around the firming up of a bid were limited and that TTCG was likely to have a clearer picture of the position by the end of April 2021 thereby allowing a period to work up proposals in advance of the previously referenced deadline of the end of July 2021.

Action: ESFA

The Chairperson indicated that the point of merger would influence decision-making associated with the progress of a bid to the Further Education Capital Transformation Fund.

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

TB/16/21**Legal Arrangements to the Point of Merger Update**

The Vice Principal Corporate Services & Planning, TTCG (VPCSP) presented a verbal report which updated members concerning the progress regarding the legal aspects of the merger proposal.

The VPCSP provided members with the following information:

- a further meeting with Eversheds-Sutherland was scheduled for later in the week (Friday)
- a number of activities had been progressed consistent with the timeline
- CAMSFC was dealing with a number of issues including contracts
- a key area related to the Grant Agreement for which it had been indicated that TTCG would be in receipt of an initial draft by the end of week after which it would be shared with Eversheds-Sutherland
- Eversheds-Sutherland would review and advise on the Grant Agreement however they had previously indicated that a significant number of the clauses were likely to be standard in nature.

In term of covenants on the land it was noted that two had been identified and for which searches had commenced consistent with an associated turnaround time of 6 weeks.

The CTB indicated that he was of the view that the legal documents were on target to be considered by the home boards in advance of the end of the March 2021.

Action: Clerk to the Transition Board

The PCEO reported that a meeting was scheduled to be held with the bank on 1 April 2021 adding that it was hoped the Group would be in a position to share the Business Case and Phase 3 Due Diligence in advance of that meeting.

The PCEO further advised that the bank had indicated that they would require 10 working days for the documents to be progressed through their processes. There was confirmation that the bank was aware of the Group's timescales associated with the merger.

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A question was asked as to whether the bank was likely to raise any issues which would require an additional period of time for them to be addressed. The PCEO responded that this was hard to quantify confirming that the bank would be seeking assurance that the merger would not lead to problems for the existing entity.

It was suggested that there may be a level of nervousness, on the part of the bank, in respect of CAMSFC estates issues including the need for clarity around the route to capital funding. The PCEO stated however that helpful guidance had been made earlier in the meeting, by the ESFA representative, on this matter.

The Director of Finance and Strategy, TTCG (DFS) added that a key issue for the bank would be with regard to the Group's covenants which had been amended recently and that this issue would be considered as part of the confidential agenda.

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

TB/17/21**Pre-Merger Budget Update**

The Director of Finance & Strategy (DFS) presented a report which updated the Transition Board concerning pre-merger costs and set out the up-to-date financial activity against the allocated budgets.

The report also provided details of the forecasted spend, commitments to date and actual spend for each of the organisations since the last update report and identified any variances against budget for each College.

The DFS advised that the main issues arising from the pre-merger update were as follows:

- costs incurred to date which for both colleges had been considerable
- the decision made at the last meeting that the Transition Board proceed at risk with respect to the phase 3 financial due diligence.

The DFS further advised that TTCG had submitted its first grant claim in the past few weeks and had supplied extra information to the ESFA as requested. It was stated that the view of the ESFA was that the Group should bear £30k of the financial due diligence costs due to inconsistencies in the procurement process on their part. The DFS further indicated that the ESFA had suggested that the Group go back to Deloitte with a view to reducing their costs. The DFS undertook to keep the Board updated in this matter.

Action: Director of Finance & Strategy

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

TB/18/21**Communications Plan Progress Update**

The PCEO referred members to the previously circulated paper and indicated that communications continued to be a joint effort on part of both Principals. The PCEO advised that the communications plan was as previously presented to the Transition Board and that a summary of the next steps had been presented at the end of the report.

The following activities were highlighted:

- a joint meeting with the Chief Executive of Stockport Council which had been arranged for the end of the month
- a commitment to arrange a breakfast update meeting for local MPs and representatives

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- a meeting had been arranged for both Principals to meet with key local authority officers and the Principal of Aquinas College to discuss a range of transformation opportunities
- meetings of the Interim Principal (IPCAO) and the Chairperson, CAMSFC, with the MP for Cheadle continued to take place on a regular basis with a further meeting being imminent
- the Director of Marketing, Admissions and Customer Services was leading on communications with students and parents and it was intended information be provided at the point of merger
- significant work had taken place with staff and had included regular joint staff briefings and webinars with opportunities for questions and answers as well as a regular Merger Newsletter provided by the chairpersons of the two colleges.

The IPCAO and Chairperson CAMSFC reported that they had met with the MP for Cheadle and the meeting had been very positive and productive with the MP being very supportive of the merger proposal.

A question was asked by a member with respect to the meetings held with CAMSFC staff. The PCEO confirmed that initial meetings had been held with each of the Heads of Faculty adding that it had been useful to gain their perspectives and to receive an overview of their roles and current extra duties.

It was further indicated that the Heads of Faculty had been involved in the joint curriculum planning exercise. Members also noted that the PCEO was scheduled to hold a number of meetings in April 2021 with smaller groups of CAMSFC staff.

Action: Principal & CEO, TTCG

A further question was asked by a member on the position with respect to the trade unions. The PCEO indicated that he was working closely with the IPCAO on developments with the trade unions and the IPCAO apprised members of the most current communications with the unions of CAMSFC.

The IPCAO further advised that the key issue continued to be the non-payment of annual pay awards for the current and previous academic years and for which action was now being taken in the form of a ballot of the union membership on strike action to take place post the Easter break.

There was confirmation that regular meetings had continued to be held with the unions and that the latest staff newsletter had included a financial briefing in relation to the College's position and the commitment to progress toward a sustainable solution with TTCG.

The PCEO commented that this was not an isolated issue for CAMSFC and that he had recently received a UCU national level communication in relation to the most recent AoC pay award recommendation. He added that there appeared to be a national challenge to colleges on this issue with the potential for industrial action nationally increasing.

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

TB/19/21**Any Other Business**

There were no matters raised under any other business.

TB/20/21**Date of Next Meeting**

It was agreed that the next meeting would be held at 5.30pm on Tuesday 27 April 2021.

Action: Clerk to the Transition Board

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The meeting closed at 6.10pm.

The Project Manager joined the meeting during consideration of agenda item 7.