THE TRAFFORD COLLEGE GROUP

Minutes of the Meeting of the Resources Committee
held at 5.30 pm on Wednesday 13 October 2021
Via Microsoft Teams

Present:	Janet Grant	(Chairperson)
	James Scott	(Principal and CEO)
	Jill Bottomley	
	Alison Hewitt	
	Graham Luccock	
	Louise Richardson	
	Jeremy Woodside	
In Attendance:	Barry Watson	(Corporation Secretary)
	Alison Duncalf	(Deputy Corporation Secretary)
	Carmen Gonzalez-Eslava	(Deputy Principal)
	Kal Kay	(Chief Finance Officer)
	Michelle Leslie	(Vice Principal Corporate Services and Planning)
	Naomi Harrop	(Director of Human Resources and Performance)
	Anthony Gribben-Lisle	(Interim Director of MIS)
	Natasha Bintley	(Acting Director of Finance)

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RES/29/21 Apologies for Absence

The Corporation Secretary (CS) reported that no apologies for absence had been received.

James Beazley, Ayodele Oyebode and Sabine Van der Veer were not in attendance at the meeting.

The Chairperson extended a welcome to Natasha Bintley, Acting Director of Finance (ADF), who was attending a meeting of the Committee for the first time.

RES/30/21 Declarations of Direct or Indirect Interest in any of the meetings business items

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

RES/31/21 Minutes of the meeting held on 23 June 2021

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

RES/32/21 Matters Arising from the Minutes

i) RES/20/21 – Employment Relations Update

A member referenced the reporting that had taken place in respect of the culture of the organisation post-merger and the adoption of one culture across the

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entity. A question was asked in relation to the progress that had been made and the areas addressed to date.

The Principal and CEO (PCEO) responded that a significant amount of work had taken place which had included addressing Group wide communications; the issuing of Principal and Deputy Principal (DP) weekly briefings to all staff; wide ranging engagement across the whole Group in respect of the Strategic Plan; Human Resource led engagement, which also included workshops, in respect of the Equality Diversity and Inclusion (EDI) Strategy.

It was further reported that a piece of work had also been commissioned from the Pacific Institute in relation to the culture of one organisation. There was confirmation work was taking place with the leadership team focusing upon the type of culture the Group wanted to create and what one culture looked like. It was further indicated that the outcomes of this work would be followed up with a Group wide survey.

Action: Director of Human Resources and Performance

The PCEO reiterated the commitment and drive of progress toward one culture for the Group.

The Director of Human Resources and Performance (DHRP) added that, at a local level, support was being provided to Cheadle and Marple staff including weekly check-ins which had been very well received. It was added that anecdotal feedback from Cheadle and Marple staff suggested that the embedding of the merger had been better than anticipated and further that some of the fears of staff had not materialised.

The DHRP stated that there had been similar feedback from one of the trade unions which had commented on the openness and transparency of the process.

A member commented on the positive progress that had been made stating that cultural change could be very difficult and asked concerning the position in respect of embedding the Group's Values.

The PCEO responded that the values of the Group had been reset as a part of the work that had taken place in relation to the Strategic Plan. The PCEO reported that post the half term break work was also to take place with students and staff around the application of the values and what they meant. It was added that it was anticipated this would offer opportunities to reinforce aspects of the values including the behaviours expected.

The DP stated that there were many good examples of staff working well together recognising that some areas had made better progress than others.

In conclusion the PCEO referenced the high level of visibility of management across the campuses and the positive impact that this had had.

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ii) RES/25/21 – Partner Subcontracting Activities Update

It was confirmed that an Internal Audit report had been presented to the Audit Committee at its meeting on 16 September 2021 in relation to Learning Curve.

Assurance was provided that a robust and thorough discussion had taken place at the meeting and that the internal audit report was scheduled to be presented for consideration and approval at the Board of the Corporation meeting taking place on 20 October 2021.

Action: Chairperson of the Audit Committee/ Corporation Secretary

iii) RES/19/21 – People Strategy Plan Update

The DHRP confirmed that a further well-being survey in relation to workload had not yet taken place and that this would be progressed further at the appropriate time.

Action: Director of Human Resources and Performance

There were no further matters raised by members arising from the minutes that were not on the agenda for the meeting.

RES/33/21 **Digital Skills Strategy Action Plan Update**

The Interim Director of MIS (IDMIS) referred members to the previously circulated year end update on the Digital Skills Strategy (DSS) for 2020/2021 and plans for 2021/2022. Apologies were made for the late distribution of the report.

There was confirmation that the DSS provided a focus for the development of infrastructure, platforms and projects in IT, MIS and Teaching and Learning.

The IDMIS stated that a mid-year update on the first year of the DSS had been made in March 2021 and that the report presented an update for the year and set out plans for the academic year 2021/2022.

The DMIS outlined the progress made against each of the commitments and drew attention in particular to those aspects that had made the biggest difference to students during the pandemic, which was also the area where the most progress had been made.

The IDMIS highlighted the significant progress that had been made with respect to the merger and the extension of the Trafford College Group (TTCG) network across the Group to incorporate the Cheadle and Marple sites. There was confirmation that the extended network had been successfully implemented for the start of the new academic year.

The IDMIS referenced the new Strategic Plan (SP) and the refreshed objectives therein and also highlighted the key drivers within the DSS for 2021/2022.

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It was confirmed that there had been a large amount of feedback from staff and students which had provided a rich evidence base for the refreshing of the DSS, which rolled forward each year with the DSS now encompassing the period 2021 through to 2024.

Questions from members were invited.

- A member sought clarification around the involvement of the two link governors in respect of the DSS.

  The IDMIS responded that there were meetings diarised with the link governors adding that a meeting had been held to introduce the current position of the DSS and that future meetings with both himself and the Vice Principal Corporate Services and Planning (VPCSP) were planned.

  Action: Interim Director of MIS/ Vice Principal Corporate Services and Planning

- A further question was asked by a member around the challenges that had been presented and the impact this had had in relation to Cheadle and Marple.

  The IDMIS responded that the main challenge related to the information systems which were very complicated and for which there had been the requirement to bring systems together and attain harmonisation. It was further stated that connecting external networks into the buildings had also presented challenges.

  In terms of core IT experience, the IDMIS indicated that lot of time had been devoted to this aspect pre-merger, with Cheadle and Marple staff having joined both pre-merger and strategy discussions at an early point. The IDMIS added that the MIS team continued to work with colleagues on specific systems providing as much support as possible. There was confirmation that Cheadle and Marple teaching colleagues had been very receptive to the new processes and that staff were well engaged.

- A member commented on the timing of a review of the DSS and asked when the Committee could expect an update.

  The IDMIS indicated that an update would take place mid-year with an annual refresh taking place this time next year including an update on progress against the action plan.

  Action: Interim Director of MIS

There were no further issues or questions raised by members from the report and it was resolved that the report be received and noted.

RES/34/21 **Outcomes from the Organisational Training and Development Plan**

The DHRP referred members to the previously circulated report and an overview of training and development activities that have been completed during 2020/2021 alongside their associated outcomes.

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The DHRP stated that the priorities for the year had been drawn from a number of sources including the Business Plan, People Strategy, Organisation and Development and Engagement Annual Plan, Ofsted's Education Inspection Framework and individual appraisals.

Members were reminded that the key focuses for 2020/2021 had included the following:

- to continue with the development of leaders and aspiring leaders
- supporting staff mental health
- developing leadership understanding of equality, diversity and inclusion
- mandatory training such as safeguarding and health and safety
- the 3 themed from a curriculum perspective of the blended delivery model, bespoke training based on departmental needs identified through quality assurance processes and 1-2-1 coaching and development also identified through quality assurance processes.

The DHRP further drew attention to the following areas of progress:

- the key outcomes in 2020/2021 during which 180 different training, learning and development programmes were supported (which equated to approaching 7,500 hours of training) plus training hours had increased from 8 to 13 hours per individual, a return to the level it was expected to be;
- in relation to teaching qualifications the Group had continued to support unqualified teachers, trainers and assessors to achieve their teaching qualifications;
- Tier 1 Action Research had been undertaken by a number of teams within which examples had been shared as to the ways various teams had tackled/embraced delivery during the pandemic and further there had been showcasing of case studies as key practice;
- Tier 2 Effective Curriculum Delivery and the focus on digital development and 1-2-1 coaching and development plus support to curriculum teams to prepare them for delivering to mixed audiences encompassing how to engage learners at home and in the classroom simultaneously during the various lockdown periods
- digital skills and a comprehensive support package to enable curriculum teams to build on their knowledge of Microsoft 365 to enhance teaching, learning and assessment
- the Learn, Engage, Apply, Perform (LEAP) Programme, a bespoke in-house development programme built and delivered for apprenticeship managers and delivered over 2 to 3 months with a view to developing staff and deepening people management skills and leadership of apprenticeship delivery, with attendees reporting a positive impact in how they moved forward;
- leadership development and the continuation of the programme with 14 individuals completing the programme, one of whom had been promoted to a senior role and another individual who had gone on to new job and promotion;
- the continuation of training and local coaching by HR Business partners to managers and employees reflective of the Group's employment practices
- the utilisation of an online model for the delivery of Health and Safety Training which also supported early attendance at the training; and

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- a range of equality, diversity and inclusion (ED&I) training and support which underpinned the strategy under development, and with all managers having undertaken mental health training thereby facilitating a baseline understanding of ED&I and a starting point of the same understanding; and
- a partnership with Loud Speaker to support the breaking down of barriers and developing awareness around the barriers of communication which included accessible language as well as improving confidence for public speaking.

Questions from members were invited.

- A member sought further information on the Loud Speaker relationship and a focus on inspiring staff to be inspirational story tellers.

  The DHRP provided the Committee with an overview of how the programme operated in practice which was duly noted.

- A member recognised the impressive amount of training provided and undertaken in a Covid "world" and asked about the perceived challenges that lay ahead from a management perspective. The member commented that a considerate and empathetic approach was now needed in the context of staffing challenges both locally and nationally. The member also asked if the Group had the necessary skills moving forward from a technological perspective.

  The DHRP referenced the values led approach of the Group and the meeting of the needs of the organisation whilst also matching the expectations and needs of staff.

  In terms of technology, it was suggested that there was a growing desire for hybrid working and greater flexibility which had to be set against the current traditional model of face-to-face delivery and learning. The DHRP stated that this was very much on the radar but added that the immediate challenge was to develop managers at the Cheadle and Marple campuses to the same level as the other Group managers.

  Action: Director of Human Resources and Performance

  The PCEO commented that the Pacific Institute had undertaken training with the leadership team around a compassionate approach and added that a further substantial piece of work needed to take place around behaviour management across the organisation.

  Action: Director of Human Resources and Performance

- A member recognised the focus upon mental health and the support in place to train staff. A question was asked as to what plans were in place to embed a positive approach towards mental health before staff had coping issues.

  The DHRP responded that there had been a particular focus upon resilience and supporting individuals via aspects such as signposting to further help and how to maintain well-being. It was added that during the pandemic most of the support

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had been virtual and that going forward business partners would continue to offer a range of support.

The VPCSP stated that over the last year mental health had been a main focus adding that there were now new challenges which the Group needed to develop awareness of.

Action: Director of Human Resources and Performance

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

RES/35/21 Management Accounts for the Year Ending 31 July 2021

The Acting Director of Finance (ADF) presented a report, which informed members of the financial performance of the Group for the period up to 31 July 2021. The ADF confirmed that the final outcomes and results for the year remained subject to audit by Grant Thornton.

The Management Accounts for the year ending 31 July 2021 were also included in the report.

Members were reminded that the report reflected the full financial position to 31 July 2021 with a full year of “legacy” Trafford College Group (TTCG) activity plus 3 months (May, June and July) of Cheadle and Marple Sixth Form College (CAMSFC) activity in terms of income and expenditure (I&E) and cashflow. There was confirmation that the balance sheet presented was the combined balance sheet as at 31 July 2021.

The following key aspects were highlighted:

- the surplus on operations was £1,262k compared with a forecasted budgeted deficit of (£552)k and it was advised that this position was supported by this position was supported by additional ESFA 16-18 growth receipts (numbers significantly above 2020/2021 allocation) and merger funding (incomplete utilisation of the redundancy budget of £300k);
- above budget pay costs (£894k), reflecting to a large extent higher staff costs to deliver against higher income;
- non pay costs were below budget (£719k) due to tight controls and lower expenditure arising from Covid and periods of physical closure of buildings;
- exam costs had been lower consistent with lower HE and adult numbers (£275k);
- the timing of the sale of land at Stockport, the lease back costs for which would be seen in future years;
- significant cash balances at the end of the year of circa £16m which was linked to the phasing of the Stockport redevelopment, the sale and timing of land disposal receipts and the advanced funding received from GMCA; and
- it was reported that the underlying cash position taking into account the above was £9.7m.

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The position in relation to the key financial targets agreed for the 2020/2021 academic year in relation to financial health, pay to income ratio and cash balances were outlined. The ADF confirmed that each of the targets had been achieved.

It was further advised that the pay to income ratio was 65% and not 64% as previously advised due to a formulaic adjustment.

Members were also advised concerning the outturn against forecasts for EBITDA in terms of best, mid and worst case scenarios. It was noted that the final outturn EBITDA was £4,352k which was comfortably ahead of the mid case forecast due mainly to merger receipt funding.

Members were reminded that the future management accounts would be based on FE Commission's best practice guide and that the new format would be presented for consideration to future meetings of the Committee.

Action: Chief Finance Officer

Questions from members were invited

- A question was asked by a member in respect of the timing of the availability of the final accounts for 2020/2021.

  The CS clarified that a full set of the Accounts would be presented for consideration at the meeting of the Audit Committee scheduled to take place on 22 November 2021 and that the Resources Committee would also receive the "numbers" as opposed to a full set of the Accounts for consideration at its meeting on the 17 November 2021. It was confirmed that the full sign off of the Accounts would be undertaken by the Board of the Corporation at its meeting on 15 December 2021.

- A question was asked by a member as to whether there may be any issues emerging/on the horizon that the Committee should be aware of.

  The ADF responded that the main change had related to the new audit requirements previously accommodated by a letter from the ESFA to qualify the income. It was reported that Grant Thornton were currently undertaking testing in relation to income and further there was also a piece of work being undertaken with a view to providing assurances in relation to funding and the correct draw down of funding for students.

  The CS indicated that the cost of the Grant Thornton work was likely to be in region of £8,500 however it was added that there may be some additional costs from this work associated with the merger with Cheadle and Marple Sixth Form College.

- A further question was asked by a member in relation to the Group's financial health and how far the Group was from attaining an outstanding financial grading.

  The CFO responded that the Group was not far away from securing an outstanding rating.

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There were no other questions or issues raised by members arising from the report and after due discussion and consideration it was resolved that the Management Accounts for year ending 31 July 2021 be recommended to the Board of the Corporation for approval.

Action: Board of the Corporation

RES/36/21 Annual Treasury Management Update 2021

The CFO presented a report which provided the annual treasury management update to the Committee consistent with the requirements set out in the Group's Financial Regulations.

The CFO confirmed that the report also detailed information regarding the Group's financial performance in terms of meeting the Bank's loan covenant requirements.

The CFO reported that the Group had, with reasonable comfort, met all of its banking covenants and members were directed to the breakdown provided against each individual covenant requirement together with the projected position for 2021/2022.

The CFO further reported that a revised cashflow had been prepared for August 2021 (Period 1) without any management accounts to ensure the most update cash forecasts were being used when making Treasury decisions.

There was confirmation that the Group currently had excessive cash balances, as at the year end, which were forecast to remain quite high during the current planning period i.e. to July 2023.

The CFO outlined a range of investment options for the consideration of members. It was stated that the preferred option was to spread the investments with two financial institutions together with the Group's bank. The CFO added that in order to progress this option there would be a requirement to increase the maximum bank deposit limit of £1m, excepting where the investment was with the Group's bankers as set out in the Group's Treasury Management Policy.

The CFO expanded on the proposal and highlighted the following:

- that the Group currently has £17m cash (as at the end of August 2021) and a number of options were presented to best utilise the cash taking into consideration both value for money and the minimization of counterparty risk

- that the preferred option was to place £2m in short term deposit accounts at each of the three main clearing banks (£6m in total) for periods up to 180 days, with maturity dates staggered across the financial year

- that the revised cashflow prepared for August 2021 (Period 1) had been presented to ensure the most up to date cash forecasts are used when making Treasury decisions.

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Attention was also drawn to the accompanying information and narrative in relation to:

- loan capital and interest
- loan covenants
- loan special conditions
- loan security
- cashflow forecasts
- cash investments
- day to day banking
- treasury activity for 2021/2022 and 2022/2023

Questions from members were invited.

- A member referenced option three and the paying off of the Group's loan.

  The CFO responded that had the Group not had the Cheadle and Marple site proposals under development this may have been an option. It was added that at this point to pay off the loan would incur the payment of a significant amount of interest up front and further than in 2 to 3 years time a new loan would be required i.e. there would be double paying in terms of the interest.

  A member commented that it was good to bring this forward as an option recognising however that this was not something that would normally be considered.

- A member highlighted the do nothing option via a temporary waiver and an increase in the limit.

  The CFO responded that option 2 managed the counter party risk and also stated that the monies in the bank could make a difference between the assessment of the Group as a financially good or outstanding entity. Assurance was provided that the investments would be carefully managed.

- Clarity was sought with respect to the Group's Financial Regulations, and the Treasury Management Policy therein, and the level of authority around investments based on the stipulation of a £1m maximum with an organization in a low risk category.

  The CFO referred to the Group's Financial Regulations which states that the Group may currently invest in up to four banks up to a maximum of £1m at each institution.

  The CFO provided clarity that the Treasury Management Policy (TMP) was now incorporated within the Financial Regulations. There was recognition that this change had been consistent with advice from the auditors. It was noted that the TMP indicated that any proposal to place a new investment should be submitted to the Committee before a commitment was made but it was added that the approval of any amendment to the wider Financial Regulations sat with the Board of the Corporation.

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There was agreement that the CFO and CS revisit the Financial Regulations in order to clarify authorisation levels and further that endorsement of the recommendation of the Committee be sought from the Board of the Corporation at its meeting on 20 October 2021.

Action: Chief Finance Officer/Corporation Secretary/Board of the Corporation

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

Members further approved the following resolution:

- that option 2 be approved to ensure investment of surplus funds in short term deposit accounts as permitted under the Treasury Management Policy;

- agreement of a temporary waiver to the limit which was currently set at £1m per institution for this financial year only, and to permit deposits of up to £2m for up to 6 months; and

- that the Committee seek endorsement from the Board of the Corporation prior to the Chief Finance Officer taking associated action.

Action: Board of the Corporation

RES/37/21 **Procurement Strategy 2021/2024 and Action Plan 2021/2022**

The CFO referred members to the previously circulated report and an update of the Procurement Strategy 2021/2024 (PS) and accompanying Procurement Action Plan relating to the 2021/2022 academic year.

The CFO confirmed that the PS had been written to align with the Group's Strategic Plan 2021/2024 and further highlighted the following:

- that the Committee would annually receive a report on procurement activities and appended to the report there would be an update to the action plan for the year ahead
- that the early sections of the PS were new with the remainder largely being consistent with the preceding PS
- that a key objective was the delivery of £300k of non-pay savings
- the PS was underpinned by the Value for Money Strategy which sets out the criteria against which to assess value for money spending: economy; efficiency and effectiveness.

The CFO confirmed that the PS had been updated to reflect the Groups key strategic priorities and enablers. The CFO further highlighted the four "Es" economy, efficiency, effectiveness and the addition of equity as the fourth "E". Reference was also made to the generation of savings and the harnessing of the purchasing power of the Group.

There were no questions from members arising from the report and following due consideration it was resolved that the Procurement Strategy 2021/2024 be

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recommended to the Board of the Corporation for approval and that the Procurement Action Plan incorporating the efficiency savings for 2021/2002 be noted.

Action: Board of the Corporation

RES/38/21 Accommodation Update – October 2021

The VPCSP referred members to the previously circulated report and an update on accommodation strategy activities for the Group.

The VPCSP highlighted the following:

- Stockport College Campus Redevelopment Phase 1 had been completed on schedule and the building was now in operation.

- Stockport College Campus Redevelopment Phase 2 which had as its main challenge cost which was consistent with the rise in construction costs nationally. There was confirmation that the overall budget excluded the car park and a contingency for further increases to material and equipment costs. It was indicated that following an initial budget review it was anticipated that the additional costs could be covered through Group funds and a potential disposal receipt. There was confirmation that the build was progressing well in terms of design and that the finish and move in date was on target for post Christmas 2022. It was indicated that the aspect in respect of additional elements to the build outside of the plan has still to be resolved and there would be a need to decide how they would be picked up.

- Cheadle Campus Preferred Option, it was confirmed that substantial work was taking place with respect to the preparation for the for the application and design. There was recognition that the application to the ESFA for Capital Grant Support Funding of 12 November 2021 presented a tight deadline.

- In terms of disposal plans and the Timperley site there was confirmation that the disposal continued to move slowly and that discussions with relevant stakeholders were ongoing.

- With respect to the potential land disposal at Stockport it was noted that discussions with relevant stakeholders were also ongoing and very positive.

- T Level Capital Fund Wave 3 Capital application. There was confirmation that the Group had been advised the application had been approved in principle subject to the clarification of some additional information which had now been submitted to the ESFA.

- The VPCSP confirmed that the Group had been allocated a FECA Condition Improvement Grant of £1,350k to undertake works to achieve the condition improvement of substandard or deteriorating buildings. It was reported that works had taken place in advance of the 30 September 2021 deadline and that a funding return was to be submitted during October 2021.

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Questions from members were invited.

- A question was asked by a member in relation to land disposal at Stockport and the potential for any clawback of monies by the ESFA.

  The VPCSP responded that the clawback of monies by the ESFA was limited to the Cheadle and Marple estate and did not included Stockport. The VPCSP added that with respect to the mothballed building, in addition to the receipt of purchase monies the ownership liabilities associated with the building would also be removed.

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

RES/39/21 **Any Other Business**

There were no matters raised under any other business.

RES/40/21 **Date of Next Meeting**

It was agreed that the next Committee meeting would be held on Wednesday 17 November 2021 at 5.30 pm.

Action: Corporation Secretary

The Director of Human Resources and Performance left the meeting at 6.21pm pm after the consideration of agenda item 6.

The meeting closed at 19.04 pm.