THE TRAFFORD COLLEGE GROUP

Minutes of the Resources Committee Meeting
held on Wednesday 16 November 2022 at 5.30 pm via Microsoft Teams

Present:	Janet Grant	(Chairperson)
	James Scott	(Principal and CEO)
	Alison Hewitt	
	Graham Luccock	
	Jonathan O'Brien	
	Sabine Van der Veer	
	Jeremy Woodside	
In Attendance:	Barry Watson	(Corporation Secretary)
	Carmen Gonzalez-Eslava	(Deputy Principal)
	Anthony Gribben-Lisle	(ELT Consultant)
	Michelle Leslie	(Vice Principal Corporate Services & Planning)
	Kal Kay	(Chief Finance Officer)
	Kelly Wright	(Assistant Principal Funding, Performance and Planning)
	Natasha Bintley	(Director of Finance)
	Alison Duncalf	(Deputy Corporation Secretary)

Minute No:

RES/66/22 Apologies for Absence

The Corporation Secretary (CS) reported that apologies for absence had been received from Jill Bottomley, Ayo Oyebode and Louise Richardson.

A welcome was extended to Jonathan O'Brien who was attending his first meeting of the Committee.

RES/67/22 Declarations of Interest

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

RES/68/22 Minutes of the Meeting held on 11 October 2022

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

RES/69/22 Matters arising from the Minutes Proforma

The Chairperson referred members to the previously circulated summary of actions arising from the minutes and the progress attained therein.

There were no matters arising from the minutes that were not contained within the meeting's business items.

Minute No:

RES/70/22 **Digital Strategy Year End Update 2021-2022 and Plans for 2022-23**

The ELT Consultant (ELTC) referred members to the previously circulated report as prepared in conjunction with the Information Governance Group.

In respect of the Digital Strategy commitments for 2021-2022 the ELTC reported that good progress had been made albeit that some areas required an ongoing focus and further work.

The following position was outlined:

- 2021-2022 had been a mixed year and that there was still a lot of work to be undertaken particularly in terms of Impact.
- there had been a focus on a number of key strategic areas for the Group.
- there were some actions outstanding and some areas, currently Rag rated as amber (some progress made) and green (good progress made) that required further embedding.

The ELTC reported that the TLA Excellence Projects were progressing well with most having been completed with a number of projects and commitments that were still to be completed and evaluated.

The ELTC highlighted that of particular importance was student learning and assessment, both in terms of renewing the plan for digital skills assessment and development, and in how the various strands of the Group's approach to providing devices for learning and assessment would come together to create a modern and reliable platform.

There was confirmation that these priorities had informed the approach to 2022-2023.

In relation to the Digital Strategy commitments for 2022-2023 and developing the Strategy it was confirmed that year 3 of the current strategy was retained alongside the focus on the curriculum.

The priority areas for the next year were confirmed as:

- Priority 1 – Digital Solutions for Students
- Priority 2 – Digital Solutions for Staff
- Priority 3 – Universal Enablers
- Priority 4 – Infrastructure
- Priority 5 – Information Governance.

Comments and questions from members were invited.

- A member asked, with respect to the strategy for 2022-2023 and in the context of the new developments at Stockport and Cheadle, whether as Group enough resources were being invested in the development of the digital strategy.

  The ELTC responded that whilst more could always be spent the current strategy was based on delivery within limited resources. It was confirmed that in terms of the new buildings, the emphasis was upon more flexible use of new technology and that

Minute No:

moving forward the Group would continue to seek to optimize the funds available for investment.

- The members further commented that in respect of resources and in relation to day to day and future plans, was the Group delivering what was needed for students.

  The Chief Finance Officer (CFO) responded that at the time of the increase to the covenant parameters with Barclays the aim had been to increase capital spend including that in relation to digital aspects. It was added however that following the recent increases to other operational pressures, at this time, there was a need to proceed carefully. The comment was made that part of the issue was investing to save and getting the balance right.

  The Vice Principal Corporate Services and Planning (VPCSP) added that a further issue related to staffing capacity with the immediate priority on a day-to-date basis being the support of MIS.

  The VPCSP further stated that whilst there was recognition of the investment requirements of the Group this could not be undertaken on a short-term basis and that there was a need to consider capital replacement moving forward as any part of investment.

- A question was asked by a member in relation to priority 3 and “Bring, Buy, Borrow Your Own Device” and the progress that had been achieved.

  The ELTC responded that this was an area that was to be progressed further particularly in respect of how well students were going to take up the offer. It was stated that during Covid devices were made available to students to borrow and that this was a development of this theme. One aspect highlighted was the value proposition of the offer and whether students and their parents could be influenced by this proposition when choosing a college. There was recognition that this had a long lead into the recruitment cycle.

  The member expressed surprise that the majority of students did not have access to a device. The ELTC responded that the issue was around machines and devices that a student could type on.

  The PCEO added that bring your own device was one of the aspects of the strategy that the Group was currently working through. It was reiterated that of importance was making the right decisions and not ones that would have unintended consequences. A problem with students bringing their own devices that could then link into the Group system’s (Impero) was highlighted as a potential area of concern particularly from a safeguarding aspect. The PCEO cautioned that there was a need for care in the roll out of such a system.

  The PCEO suggested that a further concern related to a reduction in the number of fixed devices across the Group and the significant increase in examinations that required students to have access to a computer.

  The PCEO reiterated that the key in moving forward was the addressing off infrastructure aspects and effective utilisation of available capital and other available sources of monies.

Minute No:

- A comment was made in relation to the future and the underpinning resources required to deliver on the strategy whether that be staffing or equipment. It was suggested that moving forward the new strategy, effective from next year, may benefit from an accompanying resource plan.

  The comment was made that the biggest challenge facing the strategy was the curriculum and there was priority placed on this being addressed.

  Action: ELT Consultant

- A question was asked by a member in respect of the delivery of the strategy and if there were staff in place with the right level of skills or whether this would be a limiting factor to achievement.

  The ELTC responded that the strategy aimed to be holistic, combining both IT and MIS aspects. In addition, it was stated that another key factor was curriculum impact and the needs of the curriculum. The ELTC stated that it was recognized that the Group had had real challenges in respect of staffing and particularly in relation to expertise in MIS. There was assurance that there were strategies in place to address this including re-vitalization of the IT team and bringing cyber security in-house with some specialist external support.

  There was confirmation that from a staffing perspective the Group was actively looking at how it could attract and retain IT and MIS staff however it was suggested that there had to be recognition of the challenges of recruitment in this area.

  The VPCSP stated that in terms of bring your device there were bursaries in place to support students, an integral aspect to the Group's inclusion strategy. It was added that previously devices with a basic specification had been issued to students but they had not always been returned.

  The Assistant Principal Funding, Performance and Planning (APFPP) confirmed that in relation to examinations and the specification of the devices further work was taking place to assess the most appropriate way forward.

There were no further questions or comments raised by members and following due consideration and deliberation it was resolved that the Digital Strategy update for 2021-2022 be received noted and the plans for 2022-2023 endorsed.

RES/71/22 The Trafford College Group Draft Financial Statements for the Year Ended 31 July 2022

The Director of Finance (DOF) presented a report which included the Draft Report and Financial Statements (DRFS) for the year ended 31 July 2022.

There was confirmation that the Group was obliged to prepare an Annual Report and Financial Statements (ARFS) to 31 July each year. It was stated that the ARFS were subject to external audit and that the Regularity Self-Assessment (RSA) was subject to assurance engagement. Members were reminded that both documents were required to be submitted to the ESFA for review by 31 December 2022.

Minute No:

The DOF reported that the Group had appointed new Financial Statements and Regularity Auditors auditors this year, Armstrong Watson, adding that to date the audit had progressed smoothly.

The DOF stated that there was nothing outstanding to be reflected in the FS that was expected to be material by value or nature. There was confirmation that the standard two points would remain open through to the signing of the accounts:

- Assessment of Going Concern
- Events after the reporting period.

The FD presented a comparison to the Management Accounts to 31 July 2022 and highlighted the following:

- the adjustments that had taken place as part of the financial reporting comprising miscellaneous accruals (£55k) and R14 reconciliations around recruitment and retention or delayed achievement (AEB budget and level 3 skills guarantee and apprenticeships) of circa £340k
- an underlying surplus of £1.47m
- actuarial pension adjustments
- confirmation that there were no changes to the Group's financial health grade.

The FD expanded upon the pension scheme adjustments which were significant when compared to the previous year's liability of £44m. There was confirmation that for 2021-2022 that there had been an accounting adjustment to cap the value to nil following a movement to an asset position, which was approaching £21m.

It was noted that colleges across the country were taking different views to the treatment of the valuation of local government defined benefit pension schemes (LGPS).

In terms of an analytical review of the FS a summary of the key factors for movement from one year to the next was presented.

The following was highlighted:

- confirmation that prior year results reflect only 3 months of activity relating to Cheadle and Marple Sixth Form College reflective of the use of acquisition accounting from the point of merger on 4 May 2021.
- some variations in the income and expenditure consistent with due to 12 months of Cheadle and Marple activity in 2021-2022 as opposed to 3 months the previous year.
- the disposal of part of the Stockport site that had occurred the previous year and had not been replicated in the current year.

There was confirmation that the "front end" narrative was scheduled to be reviewed by the Audit Committee at its meeting on 21 November 2022.

The Chairperson thanked the FD for her report and invited questions and comments from members.

- A member sought clarity in respect of the position in relation to pensions.

Minute No:

The FD confirmed the change in discount rates from 1.6% to 3.5% and that the asset position was circa £10 m with other swings being in relation to liabilities and a change in actuarial assumptions. Assurance was provided that extensive discussions had taken place with the auditors and the view was that it was a future event and it was immaterial to the adjustments.

- A further comment was made in relation to the annual support made a number of years ago by the Group to the LGPS of circa £75k.

  The FD stated that this contribution had increased in recent years and was based upon a triennial review. There was confirmation the next review was due to take place in December 2022 after which a review of contributions would take place.

There were no further issues or comments raised by members and it was resolved that the appendices presented be recommended for approval to the Board of the Corporation as part of the full Annual Report and Financial Statements for The Trafford College Group to 31 July 2022.

Members noted that further amendment to the Financial Statements may occur in respect of the two open matters presented.

Action: Chief Finance Officer

RES/72/22 Management Accounts for the 2 months ending 30 September 2022

The DOF referred members to the previously circulated Management Accounts for the 2 months ending 30 September 2022.

There was confirmation that in the current academic year the Group was experiencing a lot of high-level pressures coming through from a financial position. The DOF stated that the Group was publicly funded and had not seen any financial increase to assist with inflationary pressures. Reference was made to the cost pressures associated with pay and non-pay costs including significant energy increases and across the board increases.

In respect of the strategic key performance indicators (KPIs) the following was highlighted:

- continuation of a financial health score of good
- income was showing a rag rating of red consistent with below target recruitment and pressures in some areas
- staff utilization was currently being worked through with fuller utilisation still being forecast.
- A reduction in EBITDA.

The position as at period 2 (P2) was outlined and the following highlighted;

- The impact the under delivery on income.
- The impact of staff vacancies was starting to be seen with the inability to recruit likely to continue into the current academic year with savings being subsequently offset by high agency costs.

Minute No:

- some of the non-pay costs related to activity at Stockport linked to car parking provision.
- there were additional consultancy costs in areas such as MIS where the Group had been unable to recruit.
- some of the savings to date were offsetting under-delivery across income (£154k below plan).
- 16-19 funding was in line with plan due to it being received on a lagged basis however there was likely to some in-year claw back in respect of T-levels.
- adult education (AEB) continued to be in line with plan however it was recognized that there may be in-year challenges
- Advanced Learner Loan learner numbers were currently lower than expected and the Group would continue to recruitment in January 2023 to mitigate some of the under recruitment.
- Higher Education fees were behind plan and a January 2023 offer was planned.

In relation to pay costs it was advised that total pay costs were currently lower than budget (£319k) largely due to vacant posts and it was confirmed that negotiations were ongoing in relation to pay.

It was reported that non-pay expenditure was over budget mainly due to additional consultancy costs as a result of vacancies in some key areas. In additional it was stated that reflected in the forecasts was the expected impact of energy price rises.

There was confirmation that significant risks remained in non-pay budgets particularly surrounding estates costs.

The FD stated that the cash use forecast was showing that less cash would be generated than planned in line with operational forecasts but they would remain above the cash holding covenant for the next 24 months.

In terms of other sector standard KPIs not included in the Group's Strategic KPIs there was an expectation that 3 of the 6 FEC financial benchmarks would be met with a positive position presented in relation to trade debtor days, creditor days and staff numbers.

There was confirmation the Stockport redevelopment was approaching completion and that based on the cash flow position as presented to the Department for Education as part of the bid for the Cheadle redevelopment updated covenants had been agreed with Barclays.

Questions and comments from members were invited.

- A question was asked by a member in relation to the year-to-date position for administrative staff which appeared to be significantly overspent.

  The FD confirmed that an allowance had been made for a pay award and that as the year progressed any variances were likely to mitigated.

- A comment was made by a member in relation to the known challenges encompassing aspects such as income, pay pressures, energy and covenant header. It was recognised that mitigating actions were planned and it was suggested that it

Minute No:

would be useful for the Committee to have an understanding of the priorities and the known key risks and action.

The CFO referred to the synopsis at the beginning of the paper adding that the Leadership also undertook regular review meetings in relation to funding in terms of where the Group was now and the risks moving forward. It was also confirmed that the Team scrutinized the staffing position. There was assurance that a lot of work had been undertaken and was maintained under review with the next step being to collate this information in advance of bringing a report to the next meeting of the Committee. It was noted that the report would include the identification of risk items, best- and worst-case scenarios and the remedial actions being and to be taken.

Action: Chief Finance Officer/Director of Finance

Members recognised that the position could be approaching whereby difficult decisions may need to be taken.

The Deputy Principal (DP) added that in terms of reassurance it was still relatively early in the academic year when looking at adults adding that the Group was in a different position to this time last year within which areas of the economy were recovering citing the Manchester Airport initiative. It was further stated that some reprofiling of curriculum planning had taken place and discussions were ongoing in relation to apprenticeships and adults. Other business opportunities, excepting engineering, were highlighted for which the impact had not yet been seen but it was stated that it was hopefully that they would address some of the gaps.

The PCEO reiterated that there was no a shortage of work taking place in relation to income and that it was very early days in terms of adults. It was stated a credible plan was in place for the adult education budget (AEB) and that whilst Higher Education (HE) presented a declining position, as per in the wider FE sector, a new Assistant Principal had been appointed who had good plans for the area. The view was expressed that whilst there was a declining trend the contribution rate was good.

The PCEO stated that the biggest are of concern related to apprenticeships and the potential reputational risk from the award of an Ofsted requires improvement grading. There was recognition that there was a lot of work to do notwithstanding that it was expected many colleges across the sector would also be graded as requiring improvement in this area.

The turbulent period ahead with the lack of a long-term credible plan for aspects such as energy costs, was referenced, and it was stated that nothing was “off the table” and it was likely that the Board would have some hard decisions to make moving forward.

There were no further questions or issues raised by members arising from the report and following due discussion and consideration it was resolved that the Management Accounts for the 2 months ending 30 September 2022 be recommended to the Board of the Corporation for approval.

Action: Board of the Corporation

Minute No:

RES/73/22 Equality, Diversity and Inclusion Strategy Annual Plan 2022-2023

The Vice Principal Corporate Services and Planning (VPCSP) referred members to the previously circulated Equality, Diversity and Inclusion (EDI) Annual Plan 2022-2023.

There was confirmation that the Annual Plan had yet to be considered by the EDI Committee however it was not anticipated that they would not propose any significant changes.

The VPCSP referred to the 4 strands of the strategy:

- To set out the EDI vision for the Group.
- Clarity as to how the Group would deliver against its EDI objectives.
- To ensure a safe environment where everyone can be their authentic self.
- To ensure EDI was central to future decision-making.

There was confirmation that the 4 strands were underpinned by a number of objectives. It was cautioned however that there continued to be an issue in relation to data, post the merger with Cheadle and Marple, and there was a need to encourage disclosure as a means of providing some meaningful comparators.

It was noted monitoring would also continue to take place via staff and student focus groups looking specifically at progress against the strategy and the objectives therein.

Moving forward the VPCSP stated that the annual report would record progress against each of the objectives.

Questions and comments were invited from members.

- Clarity was sought by a member in relation to governor representation on the Group's EDI Committee.

  There was confirmation that MR was the governor representative on the Committee.

- A comment was made in relation to the objective relating to diversity of the Board of the Corporation and the reference to the "Governor Ready" programme.

  The CS confirmed that the diversity of the Board had broaden considerably over the last year and it was currently expected that the Governor Ready programme would not be operated in the near future as there were no governor vacancies.

  The VPCSP stated that the objective was part of a 3-year strategy and was targeted toward the broadening of protected characteristics. It was noted that there had been much more movement with regard to this objective in respect of governors than for the Leadership Team.

  The VPCSP undertook to revisit the wording and remove reference to the Governor Ready Programme in the actions for the current year.

  Action: Vice Principal Corporate Services and Planning

Minute No:

- A member noted how well the strategy interweaved with other strategies of the Group and in highlighting the ambitious nature of the strategy and its associated objectives, asked how achievable it was likely to be.

  The VPCSP recognised that the bar had been set high, adding that the strategy was bold and required the Group to push itself. It was reiterated that the EDI strategy covered every aspect of the organisation, and in the absence of a dedicated EDI lead, there was cross referencing with other strategies.

- The question was asked by a member as what an inclusion ally was.

  The VPCSP responded that this was someone within the organisation who had undertaken appropriate training and who had an EDI remit when attending meetings i.e., to view from an EDI lens.

There were no further questions or comments raised by members and following due consideration and deliberation it was resolved that the Equality, Diversity and Inclusion Strategy Annual Plan 2022-2023 be endorsed.

RES/74/22 Final Funding Claims 2021-2022 and Contract Values 2022-2023

The Assistant Principal Funding, Performance and Planning (APFPP) referred members to the previously circulated report which provided information in relation to the final funding claim submissions in respect of funding streams income for 2021-2022 as well as the contract values for 2022-2023.

A summary update was presented in relation to the Group's performance, including clawback for both years for following key funding streams:

- 16-19
- T Levels
- Adult Education (GMCA/ESFA.
- Level 3 Skills
- Apprenticeship
- a reprofiling exercise was being undertaken in relation to 2022-2023.

Questions and comments from members were invited.

- A member sought clarity with respect to the position around GMCA Adult funding rules.

  The APFPP responded that at the time of writing the report discussions were ongoing with GMCA in relation to a potential issue around a claim for adult students who required additional support. There was confirmation that this had now been concluded and that the associated costs of £400k were no longer required to be returned. The CFO added that a meeting was also scheduled to take place the following week with the GMCA around this aspect and the for the Academic Year 2022-2023.

  The CS advised that the Audit Committee also maintained a close oversight of this area.

Minute No:

There were no further questions or issues raised by members arising from the report and after due discussion and consideration it was resolved that the funding positions for 2022-2023 and contract values for 2021-2022 be noted.

RES/75/22 Partner Subcontracting Activities Update 2022-223

The DOF referred members to the previously circulated report and an update on partner subcontracting activities.

There was confirmation that the report provided information relating to:

- 16-19 Study Programmes
- Adult Education Subcontracts
- Partnership Working in 2022-2023

The following was highlighted:

- there were no significant changes to that reported at the 11 October 2022 meeting of the Committee and the contract values and student numbers were largely unchanged.
- in respect of the Adult Education Subcontracts the 16-19 provision at Carrington and Debut had seen recruitment of a small number of learners who would be funded as adults and for which GMCA permission was required to ensure they could be funded.

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

RES/76/22 Arrangements for Future Meetings

The CS referred to the recent discussions that had taken place at the Board of the Corporation meeting arising from which Committees were invited to give consideration to their future meeting arrangements with a view to optimizing governor attendance.

There was recognition input should also be sought from those members not in attendance at the meeting.

Action: Corporation Secretary

A range of comments were made by members as follows:

- a preference for physical meetings however there was recognition of the need for there to be the opportunity for hybrid meetings
- a view that in person meetings were more effective
- a hope that moving forward there would be rotation of locations as Altrincham could be a hard location to access by public transport.
- an ambition to move toward in person meetings with an interim commitment to the continuation of a hybrid option.
- Board meetings to be held in person with greater flexibility and hybrid options for committees.

Minute No:

- A recognition that some decisions could be complex and the view that physical attendance facilitated greater articulation and more effective debate.
- That physical attendance at meetings supporting the building of positive relationships.

The Chairperson suggested that there be a commitment toward physical attendance at meetings however to in order to maximise attendance hybrid attendance would continue to be an option. There was agreement that the aspiration was to adopt physical attendance on a rotational campus basis from February 2023 onwards.

In respect of the timings of future meetings members were largely in agreement with the continuation of a start time of 5.30pm.

Action: Corporation Secretary/Governors

Discussion took place in relation to the February 2023 meeting of the Committee and whether the Stockport campus would be ready to accommodate the meeting. The VPCSP suggested that the parking facilities may not yet be resolved at this point and that it maybe that a meeting at this campus be deferred until later in the year.

There was agreement that with respect to the next meeting of the Committee the CS would have discussions with appropriate colleagues with a view to determining a suitable location.

Action: Corporation Secretary

There were no further comments from members and it was resolved that the considerations in relation to the future meeting arrangements of the Committee be noted.

RES/77/22 Any Other Business

There were no matters raised under any other business**.**

RES/78/22 Date of Next Meeting

It was agreed that the next meeting of the Committee would be held at 5.30 pm on Wednesday 8 February 2022, location to be confirmed.

Action: Corporation Secretary

The meeting closed at 7.15pm.

Sabine Van der Veer joined the meeting at 5.46pm during consideration of agenda item 5.

Anthony Gribben-Lisle left the meeting at 5.57pm following consideration of agenda item 5.