

THE TRAFFORD COLLEGE GROUP

**Minutes of the Meeting of the Resources Committee
held at 5.30 pm on Thursday 28 April 2022 via Microsoft Teams**

Present: Janet Grant (Chairperson)
James Scott (Principal and CEO)
Alison Hewitt
Graham Luccock
Louise Richardson
Sabine Van der Veer

In Attendance: Alison Duncalf (Deputy Corporation Secretary)
Kal Kay (Chief Finance Officer)
Michelle Leslie (Vice Principal Corporate Services and Planning)
Kelly Wright (Assistant Principal – Planning, Funding and Performance)

Minute No:

RES/15/22 Apologies for Absence

The Deputy Corporation Secretary (DCS) reported that apologies for absence had been received from Jeremy Woodside and Jill Bottomley.

The Deputy Principal and Corporation Secretary were unable to attend the meeting.

RES/16/22 Declarations of Direct or Indirect Interest in any of the meetings business items

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

RES/17/22 Minutes of the meeting held on 03 March 2022

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

RES/18/22 Matters Arising from the Minutes

- i) RES/06/22 – Partner Subcontracting Activities Mid-Year 2021-2022 Update Flixton Girls' School

The Principal and CEO (PCEO) confirmed that there was currently no further update to make since the last meeting. It was further confirmed that a business case had been submitted to the ESFA by the Group and the Headteacher of Flixton Girls' School. It was advised that a key aspect of the business case was the ability to continue to support the vulnerable female students that attended the school.

It was added that should the ESFA be unhappy with the continuation of the provision other options would be explored. The PCEO stated that the Chief Executive of Trafford Council had been informed of the risk and the potential for their involvement.

Minute No:

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

RES/19/22**Employment Relations Update**

The Vice Principal Corporate Services and Planning (VPCSP) provided a verbal update in respect of employee relations covering the pay award proposals and the curriculum review.

The VPCSP reported that in relation to the pay award this proposal related to an annual pay increase for all staff excepting Senior Post Holders whose pay review was being undertaken by the Remuneration Committee in June 2022. There was confirmation that agreement had been reached with UNISON in relation to a 2% pay award to be made to support staff; that UCU (who represented the majority of teachers) were giving considerations to the offer; and NEU had rejected the offer.

The VPCSP indicated that discussions would continue and members would be updated accordingly.

The VPCSP stated that the other aspect related to the ongoing Curriculum Review for which consultation with staff had commenced. It was reported that all affected staff had participated in one-to-one meetings. There was confirmation that technically 12 staff were at risk and that it was anticipated that there may be up to 4 redundancies.

The VPCSP reiterated that the consultation process was genuine in nature and that the Group were willing to consider alternatives to the original proposals.

Questions from members were invited.

- A question was asked by a member in relation to the pay award position elsewhere in the sector.

The VPCSP responded that the position varied elsewhere with some institutions offering more and some less adding that the Group's position differed as its offer was in two parts. It was stated that there had not been a national payscale for some time.

The VPCSP confirmed that the aim was to attain a starting salary that matched teacher salaries.

- A further question was asked by a member as to when the Curriculum Review was likely to be completed.

The VPCSP indicated that the review would be completed well in advance of the new academic year and that the process was currently on target to achieve this timeframe.

There were no further questions or issues raised by members and following due consideration it was resolved that the Employee Relations update be received and noted.

Minute No:**RES/20/22 Local Government Pension Scheme (LGPS) Employer Discretions Statement of Policy**

The VPCSP referred members to the previously circulated paper and information on the LGPS Employer Discretions Statement of Policy.

The VPCSP stated that the Local Government Pension Scheme Regulations 2014 required all scheme employers to publish and keep under review a written policy statement on how they would apply their discretionary powers in relation to certain provision of the scheme.

There was confirmation that the Policy had last been reviewed in July 2021 and had been updated to reflect additional discretionary requirements.

The following issues were highlighted:

- In preparing the policy statement consideration had been given to the Group's responsibility to maintain confidence in it as a public body. The Corporation also had a responsibility to ensure that any actions taken with regards to reviewing, making revisions or applying the policy took into account the Group's responsibility as a public body.
- The application of any of the adopted regulations should be made in exceptional circumstances only.
- The Policy had been extended to include responses to additional discretionary requirements that had been recently introduced.

Members were referred to an overview of the regulations which outlined discretionary elements and corresponding statements in respect of the proposed policy of the Group. The VPCSP added that the discretionary elements had not been used by the Group for a considerable period of time.

Questions from members were invited.

- A member highlighted section 4 "discretions relating to leavers before 1 April 1998" and asked a question in relation to the reference made to persons aged 50 years whereas elsewhere the age referred to was 55 years.

The VPCSP confirmed that there was a change at this point i.e 1 April 1998 and the age threshold changed from 50 to 55 years.

- Clarity was sought by a member in relation to the covering paper and the references made to the Corporation and Group.

There was confirmation that the references to the Corporation were consistent with its position as the employer and that the policy related to the discretionary application of the LGPS and the parameters in which the Group may be authorised to act should it be required to do so.

There were no further questions or issues raised by members and following due consideration and discussion it was resolved that the Local Government Pension Scheme Discretions Statement of Policy be recommended to the Board of the Corporation for approval.

Minute No:**Action: Board of the Corporation****RES/21/22****Learner Numbers and Funding 2021/2022 Update**

The Assistant Principal Funding Performance and Planning (APFPP) referred members to the previously circulated papers and a summary update of the current and expected year end position for recruitment in relation to student numbers and funding.

The APFPP highlighted the following issues:

- some minor changes had taken place since the last report mainly around apprenticeships
- for AEB Funded ESFA Non-devolved Areas, an effective recovery plan was in place to ensure the allocation was achieved (currently a £445k expected outturn versus £526k allocation) with 76 enrolments having taken place since the previous reporting period
- there had been an additional 614 GMCA AEB funded enrolments, with the allocation being on target to achieve a mid-case expected outturn
- an additional 78 Apprenticeship learners had been recruited since the last reporting period with £3,806k expected to be achieved by the end of the year
- the HE position continued to be as reported at the commencement of the academic year.

Questions from members were invited.

- Clarity was sought by a member in relation to Apprenticeships, consistent with the reported position and whether a mid-case position was likely to be attained.

The APFPP confirmed that this was the case with the Group likely to achieve the mid-case position.

- A member highlighted the recent figures submitted for study programmes and T Levels and asked for an explanation around the hours aspect.

The APFPP responded that the contract was set up to generate payment on the planned hours of delivery. There was confirmation that information was collated in relation to study and vocational elements arising from which the planned hours were calculated.

- In relation to AEB funding a member commented on the position the Group found itself in in terms of catching up toward the end of the academic year.

The PCEO stated that over the years the Group had enjoyed success in this area but that a very challenging market place was now presented with less adults having engaged in onsite education in recent years. It was suggested that there had also been a change in priorities including changes to the labour market and an increased workforce demand for staff.

The PCEO added that there were a number of issues that were making the adult market difficult to sustain with one aspect relating to Adult Learner Support and the challenges of recruiting staff to these roles, with support to young people

Minute No:

having been prioritised. It was stated that the other aspect related to subcontracting for which there was a decreased reliance with the Group currently only contracting with one provider, Code Nation.

The PCEO indicated that there was greater confidence moving forward in to the next academic year. There was confirmation that areas of adult education were being developed and that the Group was exploring the ways in which it could extend its reach. It was added that areas of the economy where employers were finding it difficult to recruit staff were being identified with a view to developing bespoke training. The innovative approach of the Assistant Principal Adult and Employer Engagement in identifying the additional opportunities to meet the budget was highlighted.

- A member asked if all Adult Education subcontracting provision was fully on site.

The PCEO responded that the vast majority was on site with the exception of the Code Nation provision who had a blended offer. The PCEO indicated that Code Nation's pre the pandemic had been all on site and that the blended offer had been introduced during Covid and been retained moving forward. It was added that the Group, during Covid, also developed fully online options and that moving forward there was a desire to develop further truly blended adult programmes which it was considered would support improved retention as well as an increased reach. There was confirmation that there was a need to determine which programmes this approach would be suitable for.

Action: Assistant Principal Adult and Employer Engagement

- The member enquired as to the timeline associated with the development of these blended programmes.

The PCEO indicated that the timeline would be dependent upon on what was to be offered adding that it was envisaged that there would be a minimum of a 6-month lead in time.

There were no further questions or issues raised by members and following due consideration it was resolved that the Learner Numbers and Funding 2021/2022 update report be received and noted.

RES/22/22**Draft Management Accounts for the Period Ending 31 March 2022**

The Chief Finance Officer (CFO) referred members to the previously circulated report and the draft management accounts for the period to 31 March 2022. Members noted that the delay in the circulation of the accounts had been due to the timing of the Easter break and the completion of internal reviews. The CFO confirmed that the finalised accounts had been published earlier today.

The CFO reported on the following key issues:

- the key headlines
- financial health
- income and expenditure

Minute No:

- the balance sheet
- cash including the cash flow statement and detailed cashflows
- loans
- other KPIs
- capital
- sub-contracted activity
- known changes to future years budgets.

The following aspects were highlighted:

- the risks around Adult Education and the focus on maximising the AEB allocation, primarily on the Adult Learner Support element and that a declaration had been made in respect of the potential underspend, which was broadly in line with the mid case forecast, to the GMCA
- the position in relation to the pay award and forecasting of 2% subject to attaining agreement with the trade unions
- confirmation that the support staff pay award had been paid, the impact of which would appear in future accounts
- that there had been no significant changes in the monthly reporting
- the performance against the financial KPIs all of which, as at 31 March 2022, would be met with the exception of the staff to income ratio
- confirmation that a conversation had taken place with the ESFA in respect of the staff to income ratio where the view had been that 68% was good considering the recent merger with Cheadle and Marple colleges where staff costs had traditionally been higher
- financial health was forecasted to be outstanding recognising that there was currently financial strength but that should the headroom figures start to come down a further review would need to be undertaken.

Questions from members were invited.

- A member commented on the forecasted position of there being no overage payable to the ESFA in respect of the 2021/2022 academic year. The member further commented on the sector standard KPIs and an average class size of 12. It was asked if there was a national benchmark.

The CFO responded that further work was required in this area to address where there was distortion from in-fills as well as the “cleaning” of data but added that from a college wide perspective the expectation nationally was 16 but that the figure varied according to the type of provision.

- A member commented upon the pay forecast figure of 2% and asked as to the position re movement.

The CFO referred to the presentation made to the last meeting of the Committee by the Director of Finance in which the level of headroom had been shared, adding that any outcome outside the 2% would require modelling through for future years.

Minute No:

- The view was expressed by a member that notwithstanding the healthy finances of the Group there were many financial challenges on the horizon particularly in relation rising costs and the Cheadle campus re-development.

The CFO responded that there were big financial challenges ahead alongside increasing inflation but following the growth in the 16-18 funding rate for next year it was considered that the Group had a good starting point.

- A member asked that with respect to suppliers and utilities was the Group satisfied that it had the best deals in place.

The CFO responded that the Group currently procured energy through a Public Procurement arrangement and that for Cheadle and Marple slightly different arrangements were in place. There was recognition that rising costs would have an impact moving forward.

There were no further questions or issues raised by members and following due consideration and deliberation it was resolved that the Management Accounts for the period to 31 March 2022 be recommended to the Board of the Corporation for approval.

Action: Board of the Corporation**RES/23/22****Policy Updates**

The CFO referred members to the previously circulated covering report and three policies for consideration ahead of the new academic year.

There was confirmation that the policies had been updated to reflect any changes in job titles, teams and dates. Areas of specific change were highlighted as follows:

- a) Financial Regulations 2022/2023
 - Section 10.3.3 and the addition of the section regarding the role of the Strategic Property Working Group
 - Section 15.5 and a change in the wording around the Resources Committee owning and approving the Treasury Management Policy, and the removal of section 15.6 which detailed the Treasury Management Policy.
- b) Fees Policy 2022/2023
 - Section 5 and additional information around the Apprenticeship Standards and workplace learning
 - Section 9 and an amendment of the international section to remove all the previous detail given that we no longer supported sponsored students.
- c) Supply Chain Fees and Charging Policy 2022/2023
 - removal of the detailed appendix detailing 3 years of subcontracted activity which was duplicated by information now published on the website each year.

Minute No:

There were no questions or issues raised by members and following due consideration it was resolved that the following revised and updated policies be recommended to the Board of the Corporation for approval with the effective date for each of the policies being 1 August 2022:

- **Financial Regulations 2022/2023**
- **Fees Policy 2022/2023**
- **Supply Chain and Charging Policy 2022/2023.**

Action: Board of the Corporation**RES/24/22****Partner Subcontracting Activities In-Year 2021/2022 Update**

The APFPP referred members to the previously circulated update report for 2021/2022 in relation to partner sub-contracting activity.

An overview of the subcontracting and partnership activity was presented as well as partnership working in 2021/2022. The following as highlighted:

- subcontracting activity on ESFA funded study programmes for young people (16-19) were continuing for the year with Flixton Girls' School, Carrington Riding School, Debut Academy of Performing Arts, Interactive Business Limited and Stockport County Football Club
- following the approved increase in Code Nation activity work was taking place with Code Nation to achieve this activity
- recruitment was very much in line with student numbers
- the ESFA requested evidence of due diligence checks, a new requirement for this year, which had been undertaken and submitted within the required timeframe
- as at the R08 ILR submission Code Nation had completed £250,150 of activity (of which £1,752 ESFA and £248,399 GMCA) with the cost to the Group being 80%.

The PCEO commented that as part of the Curriculum Development Area Reviews (CDAR) process thorough checks on the quality of partners, most of which were long standing, had been undertaken. There was confirmation that reporting on the outcomes of the CDARs would be made to the FE Curriculum and Quality Committee in due course.

Action: Interim Director of Quality, Performance and Standards

Questions from members were invited.

- A member referred to the positive news in respect of Code Nation and asked whether it was likely that an increase on the current years contract would be sought for 2022-2023.

It was suggested that a similar approach would be adopted for 2022-2023 and a starting point of £2509k however it was added that growth may be limited by the view of the GMCA and the requirement that delivery take place locally.

There were no questions or issues raised by members and following due consideration and deliberation it was unanimously resolved that the mid-year update

Minute No:

report in respect of Partner Subcontracting Activities 2021/2022 be received and noted.

RES/25/22**Accommodation Update 2022**

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

The following updates were reported:

- Phase 2 of the Stockport Campus Redevelopment had commenced with the build was on target to meet the completion date of 8 December 2022
- the outcome of the Cheadle Campus Capital Application to the Further Education Capital Transformation Fund continued to be awaited
- post the submission of the application via a separate merger-related process no feedback had been received but a meeting had been held with a representative of the Department of Education following which it was understood that sign off from the Minister was awaited
- should the application be successful there would be a tight time scale for the project and it could not be assumed that there would be a significant level of interest from those wishing to be involved
- preparatory work was ongoing and an initial meeting had been held with Sports England as well as work to support a review of the planning requirements and an exercise to procure the project team
- there continued to be a focus on readiness to progress the project should the necessary support be secured
- in terms of disposal plans, discussions were continuing with Trafford Council in relation to the Group's aspirations to dispose of surplus land at the Altrincham site which included a sports pitch and overflow car park
- in relation to the Stockport site, Investar had advised that they were scheduled to meet with the planning team at Stockport Council to review their proposals for their car park and the Lyme Tower scheme.

Questions from members were invited.

- A question was asked by a member in relation to Phase 2 of the Stockport Campus Redevelopment and whether a fixed price had been secured and that there was an aim of no variations and managed expectations.

The VPCSP concurred with this position.

- A member referred to the Cheadle Campus project and the listed consultancy services. It was asked whether the remaining balance was sufficient for the outstanding services required.

The VPCSP responded that the project team comprised the biggest cost as opposed to the consultants and confirmed that it was believed the remaining monies would be sufficient.

Minute No:

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

RES/26/22 Any Other Business

There were no further matters arising under any other business.

RES/27/22 Date of the Next Meeting

It was agreed that the next meeting of the Committee would be held on Wednesday 22 June 2022 at 5.30pm.

The meeting closed at 6.35pm

Alison Hewitt left the meeting at 6.15pm during consideration of agenda item 8.