THE TRAFFORD COLLEGE GROUP

Minutes of the Resources Committee Meeting
held on Wednesday 8 February at 5.30 pm via Microsoft Teams
in the Boardroom at the Altrincham Campus Trafford College

Present:	Janet Grant	(Chairperson)
	James Scott	(Principal and CEO)
	Alison Hewitt	
	Graham Luccock	
	Jonathan O'Brien	
In Attendance:	Barry Watson	(Corporation Secretary)
	*Carmen Gonzalez-Eslava	(Deputy Principal)
	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)

* Attended via Microsoft Teams

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RES/01/23 Apologies for Absence

The Corporation Secretary (CS) reported that apologies for absence had been received from Jill Bottomley, Louise Richardson, Sabine Van der Veer and Jeremy Woodside.

Ayo Oyebode was not in attendance and no apologies were received.

RES/02/23 Declarations of Interest

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

RES/03/23 Minutes of the Meeting held on 16 November 2022

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

RES/04/23 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.

It was noted that two actions continued to be open and one action was ongoing.

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

RES/05/23 People and Culture Strategy Action Plan 2022/2023 Update

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In the absence of the Director of Human Resources and Performance (DHRP) the Vice Principal Corporate Services and Planning (VPCSP) referred members to the previously circulated People and Culture Strategy (PCS) Action Plan 2022/2023 update and presented a mid-year update.

There was confirmation that the PCS was a cross college strategy to which a collaborative approach had been adopted across the 4 strategic aims. It was confirmed that progress against each of the themes had been very good.

The following progress was highlighted:

- Organisational Culture within which, building upon the work undertaken by the Pacific Institute, the cultural alignment approach had been broaden via the Executive Leadership Team (ELT) campus roadshows and feedback to colleagues on action under the banner “you said, we did”. In addition, there was confirmation of the completion of the rollout to middle managers of the Pacific Institute Mindset programme.

- Attraction of Talent, it was reported that good progress had been made with the development of a new resource process which had subsequently been launched alongside the business planning process to ensure plans were effectively resourced to enable the achievement of plans. The positive collaboration between departments and Human Resources (HR) was highlighted with the most progress having been made where there was the biggest need.

- Employee and Organisational Development within which progress had been made and had included surveying Enabling teams to identify the priority areas that would benefit most from review and potential digital technologies. A programme of CPD masterclasses had also been established and rolled out. In relation to the development of service level agreements there was recognition there was more work that needed to take place.

- Employee Experience, for which a positive start had been made in terms of looking at workload arising from which a number of initiatives had already commenced. In addition the first part of modernizing pay had taken place and a pay offer for 2022-2023 having been put forward which provided opportunity for teacher progression outside of taking on management responsibilities.

Questions and comments were invited from members.

- A question was asked by a member in relation to the Organisational Culture strategic aim and the reaction from staff to the Roadshows.

  The VPCSP responded that the response had been positive notwithstanding some areas had been more popular. There was confirmation that overall positive discussions had taken place and that there had been a good level of debate. It was commented that it had been good to spend time interacting with the staff voice although it was recognized that the true test would be seeing positive change.

  The Principal and Chief Executive (PCEO) confirmed that he had attended most of the events and referenced the level of positive engagement. The PCEO suggested that the response was indicative of where the Group was as an organisation, adding that

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where there were "quick wins" e.g in the learner services team, these had been actioned as a priority to gain an impact but that the team was also pulling out key themes and bigger "ticket items". Reference was also made to the planned launch of a series of TTCG commitments with a view to addressing concerns around aspects such as workload and confirmation as to what the Group was planning to do about it.

- A question was asked by a member in relation to attendance at the Roadshows

  The PCEO confirmed that in general the events were well attended with a number having been held in quick succession. The PCEO further suggested that there was recognition that the Group had been through a lot of change consistent with the two mergers and layered on top of the cost-of-living challenges having a forum to talk together was important.

  In respect of the report presented the PCEO, with reference to the attraction of talent, stated that whilst the Group was in a better position than the previous year it continued to carry £1m of vacancies. The example of learner support was cited, where good progress had been made but a "revolving door" scenario had developed, a key component of which being that it was a competitive area in terms of pay. There was confirmation that a lot was being spent on agency staff and that this was something the Group needed to focus upon.

  It was further stated that another aspect of the attraction of talent related to the Health and Social Care area which continued to face challenges in the recruitment of staff. The PCEO added that the position for Construction was improved but the significant challenge facing the Group could not be underestimated.

- The potential for utilisation of flexible working was raised by a member and it was asked if there was a missed opportunity in terms of attracting people to work at the Group.

  The VPCSP responded that consideration had been given to agile and hybrid working with more opportunities being on the horizon. It was suggested that arrangements to date had largely been ad hoc and that moving forward a more formalized approach was likely to be adopted. The PCEO added that the risk in terms of recruitment needed to be addressed as an organisation including the regularising of custom and practice.

Exploration followed in relation to the work choices in some sectors including a hybrid approach of part-time substantive employment alongside the undertaking of "better" paid agency work. The comment was made by a member that there was a need for individuals to fully understand all components of their workplace package which included a range of benefits inclusive of pension contributions, sick pay and job security.

There was recognition that agency costs were driving up overall costs.

There were no further questions or comments raised by members and following due consideration and deliberation it was resolved that the People and Culture Strategy Action Plan 2022/2023 update be received and noted.

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RES/06/23 **Mid-Year Review and Progress Update Equality, Diversity and Inclusion Strategy Action Plan 2022/2023**

The VPCSP referred members to the previously circulated mid-year review of the Equality, Diversity and Inclusion (EDI) Strategy Action Plan 2022/2023.

There was confirmation that action plan included the following 4 priority areas of:

- Ensuring EDI was at the heart of who the Group was and what it did by fostering a culture which reflected its values and where everyone felt included and had a voice.

- Elimination of discrimination and advancement of equality of opportunities through an inclusive and diverse curriculum and by fostering good relationships amongst students and with staff, partners and communities.

- Ensuring EDI best practice for staff including organisational development.

- Ensuring external and community engagement activities were aligned to the Group's EDI commitment.

It was noted that not all activities were scheduled to commence prior to January 2023. For those actions due to commence prior to this date there was confirmation steady progress was being made and the following was highlighted:

- that the strategy was at the heart of the organisation
- progress had been made in a number of key areas including cultural alignment, promotion of the Group's values and the provision of a procedural and decision-making framework (priority area 1)
- the launch of the strategy had only been partially achieved with further aligned actions planned
- in terms of the curriculum a lot had been achieved including improving learner data, CPD plans and embedding EDI within the curriculum (priority area 2) with further work planned during the course of the year
- development and commencement of the People and Culture Strategy where good progress had been achieved (priority area 3)
- strong progress had been achieved against targets to support community actions including those aimed at promoting social value and civic duty (priority area 4)
- milestone targets to support personal and social development, establishing a framework for college and community partnerships and student volunteering had all be achieved.

Questions and comments from members were invited.

- A member referenced the objective in relation to demonstrating and measuring the Group's contribution to social value and it was asked what the TOMS light framework comprised.

  The VPCSP confirmed that TOMS was a national framework used to measure social values. It was suggested that the framework was less onerous than some and relatively easy to complete. The VPCSP stated that following testing TOMS was currently being used in a small number of areas.

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- A member commented on the very comprehensive action plan, and it was asked that in working through the objectives how the high level-aspirations were being maintained and kept on track.

  The VPCSP responded that a lot of work was taking place in the community led by the Student Experience Manager. The issue of measuring impact from an EDI perspective was highlighted as well as the support it would provide in helping the identification of students not being reached.

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 Action Plan 2022/2023 be received and noted.

RES/07/23 **Employee Relations Update**

The VPCSP referred members to the previously circulated report, as prepared by the DHRP, and an update on Employee Relations.

With reference to The Trafford College Group (TTCG) Pay Offer for 2022-2023 the VPCSP outlined the key components which encompassed an annual pay award; a commitment to paying a Real Living Wage (RLW) within a reasonable timeframe and in accordance with financial affordability; a proposal to extend the Upper Pay Range (UPR) to include the option for relevant colleagues to be considered for further incremental progression; and modification of the Programme Leader Pay Scale following on from any agreed changes to the UPR.

An update was presented in relation to the ongoing dialogue with the recognized trade unions and the status of their responses. There was confirmation that the Group was continuing to undertake further modelling including consideration of initiatives aligned to the pay ranges. It was noted that when this work had been finalized, which was likely to be within the next 4 weeks, further dialogue would take place with the unions.

The PCEO reiterated the stance of the Group in respect of the annual pay award offer stating that the parameters were consistent with the financial position of the college. It was added that the making of a pay award over and above the current offer would destabilise the Group's financial position and could only be financed via external government support.

The VPCSP confirmed that during the discussions with the unions it had been shared that the impact of the making of pay awards outside of the parameters tabled would result in staffing cuts.

Questions and comments from members were invited.

- A member commented on the transparency of the approach and recognised the need to progress pay awards within the funding limitations of the organisation.

  The VPCSP stated that priority would be placed upon implementing aspects for those employees who were minimally salaried and addressing commitments in relation to the national minimum wage. It was noted that the Group was currently indicating

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that payment of the proposals would take place once agreement with the unions had been attained.

- A question was asked by a member in relation to union representation across the Group.

  There was confirmation that UCU was represented across all campuses and that NEU was the main union at the Cheadle and Marple campuses plus the representative of some employees at the Stockport campus.

  The PCEO added that the issue of pay had largely not been raised during the staff engagement roadshows albeit slightly more so at Cheadle and Marple where there were historic issues.

- Members applauded the considerations within the paper in relation to workload and wellbeing.

  The VPCSP referred to the overview of actions being taken to support colleagues.

- A member asked whether there was knowledge of the position being taken by other colleges in the sector in relation to pay awards.

  The VPCSP responded that offers varied within the sector adding however that she was not aware of how many colleges had reached agreements. It was stated that TTCG had been one of the few colleges, the previous year, that had delivered a pay rise and further the Group's starting salaries, from an FE perspective, were considered to be competitive. The variance across the sector was noted.

Members were advised of an issue in relation to an application for admitted body status of the Greater Manchester Pension Fund (GMPF) following the transfer of cleaning services to a third-party provider, Bulloughs. It was confirmed that a commitment had been made by Bulloughs to TTCG employees who were transferring across, to apply for admitted body status to the GMPF in order that they would retain their existing pension arrangements.

It was reported that a meeting had taken place with the GMPF scheme, TTCG and Bullough's in order to identify the implications for the Group including the associated process to be followed and arising from which it was proposed that approval for signing the contract would be sought from the Board in due course.

Action: Director of Human Resources and Performance/Corporation Secretary

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

RES/08/23 **Sustainability Annual Plan 2022/2023**

The VPCSP referred members to the previously circulated proposed annual plan for sustainability. There was confirmation that the Sustainability Strategy for 2022/2027 had previously been approved by the Board of the Corporation.

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The VPCSP outlined the background to the annual plan and reiterated the commitment of the Group to playing its part in contributing to the decarbonization of the economy through building design, operational practices and ensuring appropriate supply of individuals with the required skills to enter or re-enter the labour market. It was further stated that there was also a commitment to collaborate with partners within Greater Manchester to support the Net Zero target.

The VPCSP reported that the focus in year one had been upon the leadership structure and collaboration. It was stated that initially actions had related to what could take place that was inexpensive however that pre the Christmas break there had been some capital windfalls to support further progression of the Group's commitments.

The VPCSP stated that the annual plan focused on 4 priority areas and highlighted the following:

- In respect of the curriculum there had been course development in line with the successful joint SDF bid with Greater Manchester Commissioning Group (GMCG) to create a "green technology hub" at the Stretford campus. Moving forward curriculum plans would include opportunities where possible to develop a "green" curriculum offer.

- For the estate there was a commitment to establishing a "smart" estate addressing aspects such as energy efficiency, sustainable design, biodiversity and digital. There was confirmation that it was anticipated that the design of Cheadle new build would offer a flagship building incorporating more sustainable options.

- Operational management and supply chain addressed areas including waste management and transport with for the current year considerations being progressed in relation to electric vehicle charger points and the associated infrastructure plus a waste management review was under development.

- Leadership, governance and partnerships had as its focus the sustainability framework, culture and community partnerships. Reference was made to the campaigns being pursued including the "switch off" campaign. In addition, the continued work with local authorities around climate action networks was also ongoing.

There was recognition that some of the stated ambitions may be impacted by financial factors. The VPCSP indicated that a resource plan would be developed, and timescales reviewed following confirmation of available capital.

Action: Vice Principal Corporate Services and Planning

Questions and comments from members were invited.

- A member raised the issue of vehicle flow between campuses.

  The VPCSP confirmed that it was necessary to undertake movement between sites where appropriate. It was noted that none of the Group's vehicles were currently electric.

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- It was further asked by the member as to whether there were any strategies in place to reduce intercampus movement.

  The VPCSP stated that in addition to the greater utilization of Teams there were also some additional elements in terms of sustainability and digital technology. It was confirmed that currently there were no targets in place, The CFO outlined the background and work being undertaken with external partners with the VPCSP adding that there was always a need to attain a balance and a sense of belonging from a staffing perspective. An action taken in respect of the closure of some sites during non-term time was highlighted.

There were no further questions or comments from members and following due consideration it was resolved that the Sustainability Action Plan, subject to any agreed amendments by the Sustainability Committee, be approved and implemented.

RES/09/23 Estates Strategy Progress Update

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

In relation to the Stockport College Campus Redevelopment, it was reported that Phase 2 was completed on 9 December 2022 which was currently within the agreed budget. There was confirmation that post completion aspects continued to be addressed with the majority of items now complete and the building occupied.

The VPCSP stated that in relation to Phase 3 and the car park and externals to the site had been engineered out earlier in the project when costs had risen. It was stated that, subject to funding, the Group was proposing commencement of these works during this year with a view to attaining a completion date of August 2023.

There was confirmation that the anticipated design, survey and other professional costs for this phase were in the region of £118k with the total anticipated cost of the car park scheme being £600k. The VPCSP indicated that there was a desire to progress the initial aspects of the scheme at a cost of £68,500 to support the making of an appointment. There was confirmation that the £68k would be funded from the £113k currently available as Phase 2 approached completion.

A comment was made around the provision of a lovely campus that for staff would be made significantly better via the completion of the car park.

In respect of the Cheadle Campus redevelopment the VPCSP reported that it had taken much longer than anticipated to gain the appropriate funding approvals during which time costs had continued to increase. Reference was made to the requirement to deliver a design within the overall budget of £26,912,000. It was also noted that further design work had taken place to reflect recent changes to curriculum requirements.

There was confirmation that the revised design for a slightly smaller building provided greater comfort in terms of the budget. It was noted that the design had been shared with the Executive Leadership Team (ELT) and consultations with interested parties were continuing to take place.

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The VPCSP appraised members of the status of the disposal plans and reported that the appeal by Sale Sports Club to the planning inspectorate had been rejected. It was noted that the final report of this outcome was awaited prior to further discussion relating to the options for the disposal of the Timperley site.

The VPCSP further reported that the Royal George Village (RGV) scheme was currently being marketed and that the Group would be writing to Savills (the Receiver) to set out the agreed land restrictions.

Questions and comments from members were invited.

- A member, in respect of the commencement of the design stage of the car park at the Stockport campus, asked for confirmation from the Chief Finance Officer (CFO) in terms of affordability.

  There was confirmation from the CFO that these monies would be from the remaining Phase 2 contingency. The VPCSP added that a revenue issue currently prevailed in terms of the payment for staff car parking and further there were also issues around staff well-being that would be addressed via the timely progression of the car parking provision.

  There was reassurance that the progression of the design would not impact on the approvals associated with the actual works which would be considered in the first instance via the Strategic Property Working Group (SPWG).

- A question was asked by a member as to whether consideration had been given to the provision of a “green” car park.

  The VPCSP responded that capital funding had been made available to the Group on the basis of the cheapest variable. It was also suggested that drainage requirements would need to be considered.

  Notwithstanding the funding aspect members were supportive of the proposal that the considerations in relation to design incorporate the available green and/or more environmentally friendly options.

  Action: Vice Principal Planning and Corporate Services

There were no further questions or comments from members and following consideration it was resolved that the estates strategy progress update be received and noted.

RES/10/23 Wood Lane Lease and Ridge Sports Association Constitution

The Chief Finance Officer (CFO) referred members to the previously circulated report in respect of the Wood Land Lease and Ridge Sports Association Constitution.

There was confirmation that the Group owned a separate playing field on Wood Lane, within 0.5miles of the Marple campus. It was confirmed that the facilities were shared with Marple Rugby Union Football Club; Mellor Football Club; and Marple Athletic Junior Football Club. The CFO outlined the background and historic relationship in

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place as well as the work being undertaken with external partners in respect of these facilities.

It was noted that the lease reflected the arrangement previously in place and presented formalization of the relationships plus the inclusion of a recent development in relation to funding for a 3G pitch.

The CFO confirmed that the recommendation as presented related to the approval of revised lease and constitution as well as the continuation of discussions around the development of a 3G pitch.

Confirmation was provided that the approvals were not prohibitive in the terms of the new ONS classification consistent with the lease already being in existence and that it did not present as a new long-term arrangement. It was noted that Eversheds had advised accordingly in respect of the revised lease and constitution.

Questions and comments from members were invited.

- A question was asked by a member in relation to the level of use made by the Group of these facilities.

  The CFO responded that the Group's use of the site was currently limited however, with the introduction of a 3G pitch it was likely that its usage would increase in place of upgrading the pitches at the Marple site.

  The CFO expanded upon the current business case within which the Football Association had undertaken to provide a project manager.

  The CFO confirmed that the Committee was asked to review and comment on the report, appendices and supporting documentation with a view to recommending the signing and sealing of the aforementioned documents.

There were no further questions or comments from members and following due consideration and deliberation it was resolved that:

(a) it be recommended to the Board of the Corporation that the aforementioned documents be signed and sealed accordingly to facilitate the formalisation of prevailing arrangements into a lease: and
(b) the recent development in regard to potential funding for a 3G pitch on the site be noted: and
(c) it be agreed that management oversee the production of a full business case and be named as the contact on the application.

Action: Corporation Secretary/Board of the Corporation

RES/11/23 Office for Students Capital Funding 2022/2025

The Director of Finance (DOF) referred members to the previously circulated report and an update on the £1.75m capital funding award from the Office for Students (OfS) for the period 2022-2025.

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There was confirmation that the report provided information relating to:

- Objective of grant expenditure
- Expenditure
- Procurement activity to ensure value for money
- Risk Management
- OfS Capital Monitoring Arrangements

The DOF advised that activity was continuing to ensure that the expenditure and management of the OfS grant aligned with that for which had been awarded and ultimately with the aim of securing increased learner numbers and outcomes. There was confirmation that to date, there were no significant concerns or issues for the Committee to be aware of.

It was noted that as at 31 March 2023 there was planned expenditure of approaching £740k for which the Group would shortly be reporting on to the OfS. There was confirmation that by the end of July 2023 it was anticipated that the spend will be approaching £1.13m.

Key areas of spend were confirmed to be:

- specialist equipment;
- digital resources relating to both computer resources and wifi infrastructure; and
- estates work at the Vernon Tower addressing aspects such as the entrance and improvements to the windows to make them more environmentally friendly.

In terms of project risks the DOF confirmed that there were no key issues or risks to report associated with meeting the funding target requirements. It was noted that the Project Group continued to meet and the area was maintained under the oversight of the Assistant Principal Higher Skills.

Members were reminded that should the grant funding not be spent the monies were required to be returned to the OfS.

It was further reported that the Group had recently been successful in its bid to the HE Injection Fund arising from an award of circa £300k capital and £100k revenue monies had been approved.

There were no questions or issues raised by members arising and following due consideration it was resolved that the report and update on the Office for Student Capital Funding 2022/2025 be received and noted.

RES/12/23 Management Accounts for the 5 months ending 31 December 2022

The DOF referred members to the previously circulated Management Accounts for the 6 months ending 31 December 2022.

There was confirmation that for the current academic year a pragmatic view of the Group's income forecasts had been adopted with two main changes for this period; a revision down of the AEB income and an increase in expected high needs funding from local authorities.

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There was confirmation that there continued to be a focus on meeting the AEB allocation, however consistent with the current position and previous post-Covid years outturn a prudent approach had been adopted. With respect to high needs agreement of figures with Stockport Council was ongoing but that the additional demand from these students provided an explanation of some of the additional costs in student support.

Other areas of note were confirmed to be:

- that the energy relief scheme had been replace with an energy discount scheme from 1 April 2023
- the 16-19 allocation toolkit had been released which enabled modelling as to what this may mean for the Group's income next year post receipt of the actual allocation in March
- pay costs continued to be forecast in line with the offer made to the unions with a close oversight of new vacancies also being maintained by the executive team
- the risk to covenant compliance and financial health grade remained high with further deterioration to the EBITDA, without mitigating measures, could see a potential breach of the debt cover covenant and a financial health grading of requires improvement (RI).

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

- a Financial Health score of good continued to be forecasted for the year
- income was forecasting a negative variance of £1.2m (rag rated red)
- staff utilization was below the full year forecast of 95% at 91% (rag rated amber)
- EBITDA as a percentage of income was currently forecasting a variance of 1.3% (rag rated red)
- the adjusted current ratio was projecting a negative variance of 0.33 (rag rated red).

In terms of the executive summary and key headlines the following was reported:

- staff costs were presenting a positive position with pay costs being £106k better than budget however this was offset by the use of agency staff
- non pay costs were reducing month on month but the challenge of high energy costs continued to prevail
- cash balances continued to be within the covenant requirements with a comfortable cash position presented
- capital was above where it was expected to be at this time of year with a with further activity at the Stockport campus expected before the end of the year
- the Group was in receipt of a number of new capital grants which had not yet been received and recorded within the accounts.

With respect to the staffing position, it was noted that vacancies currently stood at the £1m mark, however it was stated similar monies were being spent on agency fees.

The comment was made that moving forward a position of increasing costs and decreased numbers was presented. Assurance was provided that a lot of work was taking place to address agency cover and that in addition class sizes were also being reviewed.

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It was stated that a forensic review of vacancies was ongoing based on the current position and the indicators for the following year.

The PCEO suggested that the Group's position was not out of kilter with the wider sector, nationally student recruitment was down alongside rising costs in terms of both staffing and energy.

The CFO reported that a meeting had been held with the Group's bankers the previous week at which clear and honest conversations had taken place. It was noted that the bank had indicated that they were having similar conversations with all of their clients.

- A question was asked by a member as whether there were any indications as to likely student numbers for the next academic year.

  The PCEO responded that it was hard to say at this moment in time, however it was known that higher needs had increased substantially and that the Group was working closely with local authorities. It was suggested that it was also anticipated the ESFA allocation would be increased for the next year.

  The view was expressed that it was hoped that some growth would be seen at the Stockport campus consistent with the investment undertaken in the campus and facilities.

  There was recognition of the importance of marketing and growth of the business.

In relation to the forecasted EBITDA it was stated that should it drop by £12k this would have a negative impact downgrading the Group's financial health. There was assurance that the executive was doing everything it could to minimise such an outcome. It was recognized however that whilst the Group did not wish to drop into RI it would be worse had this not been seen as being on the horizon i.e., there was an understanding of the financial position of the Group.

- The question was asked by a member as to whether the Group was at risk of "scraping" into a good financial health status and whether this could have a negative impact in future years.

  The PCEO responded that the driver should not be the "hitting" of a metric. It was added that a RI classification would bring with it additional levels of scrutiny by both the ESFA and FE Commissioner.

  The DOF further stated that a RI financial health status would mean that the Group would not be eligible to apply for much of the Department for Education (DfE) capital funding.

  The view was expressed that remedial actions had to be taken around the Group's cost basis and that this was something which was already being progressed. It was stated that the worst-case scenario would be where remedial actions were taken with associated consequences and the Group still filtered into RI.

  There was assurance that the leadership was undertaking a huge amount of work in terms of reviewing and controlling the Group's cost basis.

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Reference was made to a robust presentation recently made to the Confidential Board meeting by the PCEO during which potential actions had been explored. The view was expressed that the next step would be to revisit and review the likely impact of what these actions would be and further their subsequent impact on the Group's financial health.

The PCEO added that actions were being considered for both the current academic year and the next year. It was suggested that there were more options for the next year albeit that they may be less palatable.

In conclusion it was stated that without intervention from the government next year it was very likely that a significant number of colleges would drop into the RI financial health category.

There were no further questions or comments from members arising from the report and following due discussion and consideration it was resolved that the Management Accounts for the 5 months ending 31 December 2022 be recommended to the Board of the Corporation for approval.

Action: Board of the Corporation

RES/13/23 Learner Numbers and Funding Update 2022/2023

The Assistant Principal Funding Performance and Planning (APFPP) referred members to the previously circulated report and a summary update in relation to the current recruitment and learner numbers.

The APFPP provided an overview of the funding streams and highlighted the following:

- 16-19 ESFA numbers were showing no significant change, with the position being was as expected consistent with the bulk of the activity having taken place in September
- T levels currently had 44 on programme against an allocation of 127 and for which clawback of circa £116k was expected subject to retention
- the allocation for next year's ESFA funded learners was expected to be lower however following re-structuring of funding bands for 2023/2024 a slight increase in the bands was pending with further detail to be shared in March 2023
- AEB starts currently stood at 4,026 against an allocation of 7,082, with actions being taken in-year to target full delivery of the allocation
- in respect of new AEB activity additional courses under a partnership model with Code Nation were planned as well as in other key sectors including ESOL plus work in the Community
- the Group was also seeking to engage with more adults and employers on a more flexible basis
- 16-18 Apprenticeships currently stood at 68 against an allocation of 272 and for 19+ Apprenticeships 159 against an allocation of 284
- Apprenticeships continued to be actively recruiting however funding for new starts had been reduced in line with feedback from Apprenticeship departments
- for Higher Education there was no significant change at this point in the year with 208 full-time and 128 part-time learners
- work was taking place to review and align the curriculum offer for the next planning cycle

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- advanced learner loans were currently under target with 203 learners enrolled compared to a target of 253
- full cost provision currently stood at 242 against 374 with the aim that there be delivery against the target.

Questions and comments from members were invited.

- It was asked by a member as to whether the recruitment drive in January 2023 had had an impact.

  The PCEO responded that the impact had not been significant. It was added however that apprenticeships would continue to be recruited to in-year.

  The PCEO stated that there continued to be updates in terms of what needed to take place in respect of apprenticeships and further the Group had had to take some tough decisions around recruitment to apprenticeships aligned to recruitment of staff. The comment was also made that post the pandemic a number of apprentices were out of funding and that this had impacted upon the capacity to recruit new starters. There was confirmation however that the staffing position had improved and that the Group was now in a position to recruit to new apprenticeships.

- A comment was made in relation to persons from Ukraine and Hong Kong moving into the area and the support being made available to them.

  There was confirmation that the Assistant Principal Adult and Employer Engagement was working to meet this area of potential demand via ESOL provision.

Discussion followed in relation to partnership arrangements with local employers in respect of apprenticeship provision. Reference was made to the good relationship with the NHS where the Group was well integrated into ongoing conversations and a strong relationship was in place.

There were no further comments and questions from members and following due discussion and consideration it was resolved that the position statement in relation to Learning Numbers and Funding Update 2022/2023 be received and noted.

RES/14/23 Partner Subcontracting Activities Update 2022/2023

The APPFP referred members to the previously circulated report and a summary update on the current position in relation to subcontracted provision across the Group.

The APPFP confirmed that subcontracting activity on ESFA funded programmes for young people for the current academic year were in place with Flixton Girls' School, Carrington Riding School, Debut Academy of Performing Arts and Stockport County Football Club. It was reported that at day 42 learner numbers were under plan for most programmes, which resulted in an expected saving to non-pay expenditure but that the lower numbers would contribute to a reduced allocation in 2023-2024 for 16-19 provision.

There was confirmation that whilst there was no impact during the current academic year due to the lagged learner model based on the -80 difference in place this would result in a circa £400k impact on the allocation for next year, with a corresponding reduction in partnership costs of circa £320k.

Minute No:

The APPFP reported that following the recent introduction of funding monitoring the subcontracting arrangements were scheduled to be audited by the Group's external auditors, Armstrong Watson, during the week commencing 6 February 2023.

There were no further questions or comments from members and following due discussion and consideration it was resolved that the summary update on the Partner Subcontracting Activities 2022/2023 be received and noted.

RES/15/23 Any Other Business

The Chairperson reported that this was the last meeting of the Director of Finance. Members thanked the DOF for all her hard work and support and wished her well in her new role.

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

RES/16/23 Date of Next Meeting

It was agreed that the next meeting of the Committee would be held at 5.30 pm on Wednesday 26 April 2023 via Microsoft Teams.

Action: Corporation Secretary

The meeting closed at 7.31pm.

Alison Hewitt joined the meeting at 6.09pm during consideration of agenda item 7.