

## THE TRAFFORD &amp; STOCKPORT COLLEGE GROUP

**Minutes of the Resources Committee Meeting  
held on Wednesday 24 April 2024 at 5.30 pm  
via Microsoft Teams**

<b>Present:</b>	Graham Luccock James Scott Jill Bottomley Ayo Oyebode Louise Richardson Jonathan O'Brien	(Chairperson) (Principal and CEO)
<b>In Attendance:</b>	Rebecca Clare Alison Duncalf Dave Fitton Carmen Gonzalez-Eslava Naomi Harrop Michelle Leslie Lyndsay Sheridan Henry Taylor-Toone Kelly Wright	(Corporation Secretary) (Deputy Corporation Secretary) (Director of IT and Digital Services) (Deputy Principal) (Director of Human Resources and Performance) (Vice Principal Corporate Services and Planning) (Director of Finance) (Chief Finance Officer) (Assistant Principal Planning, Funding and Performance)

**Minute No:****RES/16/24      Apologies for Absence**

The CS reported that apologies for absence had been received from Janet Grant (Chairperson) and Alison Hewitt (Vice Chairperson). Graham Luccock was Chairperson of the meeting.

Members further noted the ongoing sabbatical period of Jeremy Woodside, as previously approved by the Board of the Corporation.

**RES/17/24      Declarations of Interest**

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

**RES/18/24      Minutes of the Meeting held on 21 February 2024**

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

**RES/19/24      Matters Arising from the Minutes**

The CS referred members to the pro forma actions arising from the minutes of previous meetings and it was noted that a number of matters arising had been completed or would be covered through the business items and/or were future actions.

The following matters were raised by members:

**Minute No:****(i) RES/08/24 – Management Accounts for the 5 months ending 31 December 2023**

The Chief Finance Officer (CFO) confirmed that work was continuing in relation to a new design for the Management Accounts and that it was expected that a proforma would be available for the 19 June 2024 meeting of the Committee.

**Action: Chief Finance Officer**

**(ii) RES/05/24 – Sustainability Strategy Outcomes 2022-2023 – Courses aligned to the Green Curriculum**

The Deputy Principal (DP) indicated that it was her understanding that this action was closed but undertook to recirculate the updated course information.

**Action: Deputy Principal**

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

**RES/20/24 People and Culture Strategy Mid-Year Update 2023-2024**

The Director of Human Resources and Performance (DHRP) referred members to the previously circulated report and People and Culture Strategy (P&CS) Mid-Year Update 2023-2024.

There was confirmation that the P&CS annual plan in 2023-2024 was year 2 of the strategy and progress against the four priority strands was outlined:

Priority 1 – Organisational culture – a One college group culture driven by its values and continuous focus on delivering the ambitions within the TSCG Strategic Plan.

Priority 2 – Attraction of talent and attracting the best colleagues to every vacancy through being a sector leading employer.

Priority 3 – Employee and Organisational development – ensuring that every colleague and team had the development that they need to thrive in their roles, meet organisational objectives and achieve their career ambitions.

Priority 4 – Employee experience – establishing the Group as a “great place to work”.

There was confirmation that overall progress against the 41 actions had been positive. The following areas were highlighted:

- that 3 areas had been rag rated as red which related to a recommendation for a career-based approach for Learning Support roles; a benchmark report for selected enabling roles; and the launch of the York Annual Staff Survey
- it was confirmed that all 3 actions would be completed in year, it was further confirmed that the York annual staff survey had been sent out to staff earlier in the day

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- that in all categories other than priority 1 most actions had been rag rated as green with actions rated as amber being in progress and with a target date for reporting later in the year.

Questions and comments were invited from members.

- The PCEO reported that the government’s “attraction of talent” initiative, currently in place for schools, was being extended to the FE sector. It was noted that the initiative related to subject areas where there were shortages and for which there would be financial incentives. It was stated that going forward it was hoped this would help in the employment of teaching staff to hard to recruit areas.
- A member, with reference to the York Annual Staff Survey, asked as to when the survey outcomes were likely to be available.

The DHRP responded that the results would be available before the end of the academic year, adding that she was hopeful that they could be presented to the next meeting of the Committee.

**Action: Director of Human Resources and Performance**

**There were no further questions or comments from members and following due consideration it was resolved that the People and Culture Mid-Year Update 2023-2024 be received and noted.**

**RES/21/24****Equality, Diversity and Inclusion Annual Plan 2023-2024 Mid-Year Update**

The Vice Principal Corporate Services and Planning referred members to the previously circulated report and a mid-year update in respect of the agreed actions detailed in the Equality Diversity and Inclusion (EDI) Plan.

There was confirmation that the new reporting format had been adopted in response to comments from members. It was noted that the mid-year report no longer included the complete plan for which oversight was maintained via Link Governors with further oversight undertaken at each meeting of the Equality and Diversity Committee.

Members noted that this was year 2 of the EDI Strategy and that the development of the Plan had been the product of a close collaboration between internal stakeholders and that for many areas the actions reflected the ambition to further develop and consolidate the progress achieved in 2022-2023.

There was confirmation that the objectives and actions had been set against four categories as follows;

- Category 1 – to ensure that EDI was at the heart of who we are and what we did by fostering a culture that reflected our values and where everyone feels included and has a voice
- Category 2 – to eliminate discrimination and advance equality of opportunities through an inclusive and diverse curriculum by fostering good relationships amongst students and with staff, partners and communities

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- Category 3 – to ensure best EDI practice for all staff including organisational development
- Category 4 – to ensure external and community engagement activities were aligned to the Group’s EDI commitment.

In terms of the 46 agreed actions, it was reported that overall progress had been positive. It was noted that 2 areas were RAG rated red:

- that relating to an EDI action plan of associated procedures and guidance that had not yet been developed; and
- the decision that had been taken not to proceed, at this time, with training for inclusion allies during 2023-2024 due to other non-pay spend priorities.

There was confirmation that for all categories, other than category 3, most of the actions had been rated as green with more actions (rated as amber) scheduled to start during the summer term.

Questions and comments were invited from members.

- A member commented on the positive progress made and requested that this report be shared with MR in her capacity as Link Governor.

The VPCSP undertook to share the report accordingly, adding that she would also ensure that all members of the EDI Committee had access to a copy of the report.

**Action: Vice Principal Corporate Services and Planning**

**There were no further questions or comments raised by members and following due consideration it was resolved that the EDI Annual Plan 2023-2024 mid-year update be received and noted.**

**RES/22/24****Finance Update**

The Chief Finance Officer (CFO) presented a finance update to members with reference to the following supporting reports/documents:

- a presentation and finance update covering P08 Management Accounts; High Level FY 2024-2025 Budget; and an Office for Students (OfS) and Department of Education (DfE) Funding Update
- the Management Accounts P08 to March 2024 and accompanying covering report
- a Capital Funding update report.

The presentation made by the CFO highlighted the following:

- P08 Education EBITDA Forecast including a comparison of P07 versus P08 full year forecast
- a deterioration from P07 and the continuation of a prudent approach to the final Apprenticeship position
- Risks (no over delivery of AEB; Apprenticeships; HE clawback; Non-pay notwithstanding this was a declining risk; failure to deliver High Needs; and release of the remaining risk reserve) and opportunities (Apprenticeships and 110%

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delivery AEB delivery versus 105% forecast); that for pay the opportunities offset the risks; financial health was on the edge of “Good”; and there was headroom in respect of the covenants

- Apprenticeship income and the focus upon clearing the D-locks, noting that a better position was presented from the same point in 2022-2023, and that moving into 2024-2025 the position was looking positive supported by the launch of the One File onboarding system in September 2024
- presentation of a worst, mid and best-case position in respect of Apprenticeship income with a prudent approach being adopted
- the cash position, in which cash was £4m higher than budget consistent with the cash held for the Cheadle project and with the aim that interest income be maximised over the next 12 month period
- confirmation that there were no immediate short term cash issues with a more challenging position projected for the end of 2025-2026.

The CFO further presented a high-level overview of the 2024-2025 budget and highlighted the following:

- a net income increase of £4.7m (£6m net of High Needs and pension spends) and assumptions in relation to 5% growth in Apprenticeships; a pay award of up to 3%; investment in staff in relation to both English and maths and T-levels
- other aspects to include determination of the level of investment in enabling teams; restructuring should it become necessary for the delivery of the strategy; cessation of the HE subcontracting arrangement with OLC; application of inflation of 2% to non-pay (in the context of more effective purchasing of utilities); and the building up of contingency income
- to attain a position to take advantage of opportunities to invest more in capital projects; to aim to materially increase the underlying capital position; and to do this whilst improving the Group’s Financial Health.

**Management Accounts**

Further detail was provided in respect of the Management Accounts as follows:

- the forecast EBITDA was down £382k against budget at £1.931m versus £2.313m, an adverse variance of £332k
- financial health was showing as Good however should there be further deterioration of the EBITDA a Requires Improvement grading would prevail
- increased income via funding for High Needs learners was offset by increased pay costs for the additional staff needed and this had been included in the forecast
- AEB forecast was to overachieve against the GMCA budget (106.5%) whilst the ESFA AEB budget was under allocation (52%) as reflected in the forecast
- an extra allocation received in P06 of £150k had not been included in the forecast
- in relation to the risks associated with apprenticeships enrolments and D-Locks there was a current full year exposure of £611k, of which there was a forecasted 75% reduction in this risk (full year forecast income of £3.2m versus £4.1m, a £912k variance and a year-to-date recognition of £1.7m, against a full year potential of £2.8m, however, this was reliant upon all D-Locks being resolved)
- confirmation that with 50% resolution of the D-Locks the full income would be £2.6m
- that a pay award had been costed within the budget but staff costs would require close in-year management consistent with increased agency costs

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- a summary of the non-pay forecast overspends which included Administration of £200k, mainly in IT; Exams with an expected end of year overspend of £300k; Estates with a mid-case forecast overspend of £417k and worst case of £546k; and Partnership costs for which the overspend was a result of the OLC partnership not having been included in the original budget however the increase in expenditure had been overset with an increase in the HE income line
- a cash position of £12.4m as at 31 March 2024 recognising that this included the Cheadle reserve; capital grants paid in advance; and potential learner support fund repayment amount of £878k
- that the Group remains covenant compliant.

Questions and comments were invited from members.

- A member asked as to where the in-year pay savings were coming from.

The CFO made reference to the high level of vacancies particularly around Learning Facilitators. There was confirmation that the savings were mainly non recurrent.

- A member further asked as to whether the position in relation to Learning Facilitators was having a knock-on effect upon the curriculum and quality.

The CFO responded that support was being targeted as effectively as possible with the areas in most need being prioritised.

- A member commented on the largely positive picture presented for the next year. With respect to inflation of 2% and its application to non-pay it was suggested that this was quite low. It was asked if the Group had any long-term contracts with uplifts aligned to CPI and/or RPI.

The CFO responded that he was not aware of any such contracts, adding that a lot of work was taking place to ensure the information and assumptions were robust. The CFO further reminded members that the overview in its current format was high level.

- It was asked by a member as to whether the information in the presentation had been shared with the bank.

The CFO confirmed that the information had been shared.

**Capital Funding Update**

A summary of the position in relation to Office for Students (OfS) and Department of Education (DfE) capital projects was presented within which it was reported that good progress was being made across all grants.

The following was highlighted:

- Office for Students (OfS) Capital Grant, of the £1.7m there had been spend of £1.3m with a further £400k planned
- DfE Condition Improvement Grant, confirmation that of the £1,179k grant the full allocation had been spent/claimed

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- DfE Energy Efficiency Grant, of the £471k grant there had been spend of £118k with a further £353k planned
- HTQ Skills Injection Fund, confirmation that of the £268k fund the full allocation had been spent/claimed
- T Level Specialist Equipment, of the £372k there had been spend of £40k with £280k planned and £52k clawed back
- LSIF, of the £765k there had been spend of £727k with £38k remaining
- RAAC, for which the DfE were committed to fully reimbursing establishments for all RAAC related remedial works.

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

- (a) the reporting in respect of the pending full set of Management Accounts for the 8 months ending 31 March 2024 be received and noted and taken into consideration in when recommending the Period 08 Management Accounts to the Board of the Corporation for approval;**
- (b) the 2024/2025 budget high level position, as presented, be received and noted; and**
- (c) the capital funding update be received and noted.**

**Action: Board of the Corporation**

**RES/23/24****Sustainability Strategy Mid-Year Review**

The VPCSP referred members to the previously circulated report and an update on the progress against the Sustainability Annual Plan 2023-2024.

There was confirmation that 2023-2024 was year 2 of the Sustainability Annual Plan and that it had been the product of collaboration between internal stakeholders from across the Group.

The priority strands derived from the strategy, objectives and actions were confirmed to be:

- Priority Strand 1 – to establish the Group as a sector leading provider in the delivery of a “green” curriculum
- Priority Strand 2 – through building and management, contribute to the delivery of sustainable communities via environmental objectives, which support the reduction of the Group’s carbon footprint
- Priority Strand 3 – to deliver ethical and best practice circular economy principles on operational processes and practices including those delivered by third parties
- Priority Strand 4 – to ensure the successful implementation of the Group’s sustainable strategy through effective governance, leadership and the strengthening of relationships with external partners.

There was confirmation that of the 21 objectives agreed, positive progress had been made against all categories with all being classified as either green (completed) or amber (on target to complete).

Questions and comments were invited from members.

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- A member confirmed that she had attended the last meeting of the Sustainability Committee and endorsed the positive progress that had been attained over the last year.

**There were no further questions or issues raised by members and following due consideration it was resolved that the Sustainability Strategy mid-year review be received and noted.**

**RES/24/24****Accommodation Strategy Update**

The VPCSP referred members to the previously circulated report and an update on the Cheadle Campus redevelopment as recently reported to the Strategic Property Working Group.

The view was expressed that post the completion of the Cheadle project it was likely that the Working Group would be disbanded and reporting on accommodation related strategy and issues would resume via the Resources Committee.

An overview of the report was presented in which the following was detailed:

- an update in relation to the design
- the position in respect of planning encompassing the planning conditions; the restrictive covenants; and planning programme
- the new build and external works programme
- projects costs
- the contract and confirmation that it had been signed
- the risk register

Questions and comments were invited from members.

- A member asked as to whether there had been any response from local residents in relation to the project.

The VPCSP responded that the next meeting with residents was scheduled to take place on 2 May 2024. There was assurance that any comments or concerns received from residents were being responded to and that there was a commitment to work positively with the neighbours of the Cheadle site.

**There were no further questions or comments from members and after due consideration it was resolved that the Accommodation Strategy Update be received and noted.**

**RES/25/24****Partner Subcontracting Mid-Year Update 2023-2024**

The Assistant Principal Planning, Funding and Performance (APFP) referred members to the previously circulated report and an update on the current position in relation to Group's Partner Subcontracting during 2023-2024.

It was noted that there were no significant changes to report since the last reporting period and that the Group continued to work with its partners. There was confirmation that in relation to the current academic year this would be the last year for new starts from OLC (Adult and Higher Education) and Flixton Girls School (16-18 provision).



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There was confirmation that work was ongoing in relation to adult partnership arrangements working with Working Wonders and Code Nation. It was noted that it was expected that the target for the year would be met.

It was reported that work continued with the new HE partnership arrangement (OLC) with additional activity taking place in terms 2 and 3. In relation to the OLC partnership clarity was provided that there would be no enrolments for 2024-2025 following a change in funding arrangements arising from which the current qualification delivered (Level 5 Diploma in Education) had been defunded and was no longer eligible for SLC.

It was commented that the Group was exploring alternative mechanisms to replace the OLC provision in order to be able to continue to support these learners. It was noted that the provision largely related to learners on short courses, some of whom would progress. There was confirmation that numbers were in the region of 100.

The PCEO reported that sub-contracting proposals had been submitted for approval which included Year 2 for Flixton Girls School. In addition, it was confirmed that the internal audit report in relation to re subcontracting and partnerships was awaited and likely to be available for presentation to and consideration by the Audit Committee at its meeting on 24 June 2024.

**Action: Audit Committee**

Questions and comments were invited from members.

- A question was asked by a member in relation to partnership and contractors from the perspective of tax law and IR25.

The DHRP responded that each year the Group was informed of the partners and appropriate checks were progressed accordingly and if necessary, rejected.

**There were no further questions or issues raised by members and following due consideration it was resolved that the Partner Subcontracting Mid-Year Update 2023-2024 be received and noted.**

**RES/26/24****Learner Numbers and Funding Update 2023-2024**

The Assistant Principal Planning, Funding and Performance (APFP) presented a report which provided a summary update in relation learner numbers and predicted learner funding income. There was confirmation that the report was complementary to the CFO's reporting made earlier in the meeting.

The APFP provided an updated position in relation to learner numbers and highlighted the following:

- ESFA (Education and Skills Funding Agency) Funding - 16 to 19 revenue funding

It was advised that the 16-19 learner numbers currently stood at 108% of allocation and that moving forward the focus would be upon retention and achievement.

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## - 16-19 T Levels

Recruitment in relation to 16-19 T Levels was unchanged from the previous report with numbers currently at 109 against an allocation of 187 with in-year clawback of circa £76k having been confirmed with allowance having been made in the budget accordingly.

## - Adult Education Budget (AEB) (ESFA and Greater Manchester Combined Authority)

It was reported that to date there had been 7,988 enrolments processes on the system against an allocation of 10,043 (80%) for the 2023-2024 academic year, an increase of 1,161 since the last report. There was confirmation of the ongoing recruitment strategy for the remainder of the academic year within which the Group was working towards 110% of allocation.

## - Apprenticeships

It was advised that 346 new apprenticeship commencements had been recorded against a target of 686 learners, an increase of 57 starts since the last report. There was confirmation that enrolment numbers were still expected to increase, with monthly profiling of planned starts taking place.

In terms of the new and continuing Apprenticeship enrolments it was confirmed that 156 learners were in a D-lock error position and 68 learners were in ILR error, a decrease since the previous reporting period. Assurance was provided that there continued to be a relentless focus to ensure issues were swiftly resolved.

## - Higher Education (HE)

It was advised that 384 HE active learners were enrolled in the system against a planned target of 384 enrolments, an increase of 6 since the last report.

## - Advanced Learner Loans

It was advised that with respect to Advanced Learner Loans 144 active learners had been enrolled against a target of 209, an increase of 7 since the last report.

## - Full Cost (Internal)

It was reported that the initial target of 419 full cost enrolments had been exceeded with 685 enrolments having been processed, an increase of 153 since the last report.

The APPFP further referred to the information provided within the report in relation to 2024-2025 and receipt of the Group's official funding allocation from the ESFA. There was confirmation that the allocation presented a significant increase in the 16-19 funding compared to the previous year consistent with the growth in learner numbers in 2023-2024 (lagged learner model) and the revised methodology being adopted by the DfE to calculate the disadvantage uplift for learners.

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Questions and comments were invited from members.

- A member raised the issue of small business and asked whether the update in respect of training and access to funding for Apprenticeships had been taken into account for the new academic year.

The APPFP responded that this had been taken into account but recognised that there continued to be further work to undertake with employers.

The member highlighted the potential in this area adding that many small employers and SMEs lacked awareness of this aspect and that there was an issue as to how they could be reached.

The CFO cautioned that whilst the Group was keen to increase work with a range of employers there was a need to attain balance particularly around administration capabilities and the avoidance of further D-lock errors.

The DP added that employers also needed to be part of the Apprenticeship journey and to actively deliver on-the-job training. The emphasis upon the preservation of the quality aspect of the provision was further highlighted.

**There were no further questions or issues raised from members arising from the report and following due discussion and consideration it was resolved that the Learner Numbers and Funding update report be noted.**

**RES/27/24****Financial Regulations Update**

Members noted that reporting against this item had been deferred until the next meeting of the Committee scheduled to take place on 19 June 2024.

The CFO further made reference to the recent Department for Education (DfE) data update and pending changes which included new public sector procurement legislation effective from 1 October 2024.

**Action: Corporation Secretary/Chief Finance Officer**

**RES/28/24****Policies**

The CFO referred members to the previously circulated report and information in relation to the Supply Chain and Fee Charging Policy 2024-2025 and the Fees Policy 2024-2025, both of which would be effective from 1 August 2024.

Members were directed to the copies of the proposed policies and the tracked changes therein.

It was noted there were no significant changes proposed in relation to the Supply Chain and Fees Policy 2024-2025.

With respect to the Fees Policy 2024-2025 the following changes were highlighted:

- updates to the dates
- inclusion of the links relevant to the 2024-2025 academic year

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- an updated Appendix 1 to reflect ESFA updates.

**There were no questions or comments raised by members and following due consideration it was resolved that the following policies be recommended to the Board of the Corporation for approval:**

- (a) Supply Chain and Fee Chargers Policy 2024-2025**
- (b) Fees Policy 2024-2025.**

**Action: Board of the Corporation**

**RES/29/24 Any Other Business**

There were no matters raised under any other business.

**RES/30/24 Date of Next Meeting**

It was agreed that the next meeting of the Committee would be held at 5.30pm on Wednesday 19 June 2024 via Microsoft Teams.

The meeting ended at 6.34pm