



**CALDERDALE COLLEGE  
FINANCE AND RESOURCES COMMITTEE MEETING**

**Minutes of the Meeting held on 19 March 2020, 5pm, C Floor, Calderdale College and via telephone conference call**

**Present:**

Malcolm Rogers	External Governor & Chair
Peter Clark	External Governor & Chair of the Corporation (via telephone)
John Rees	Principal & Chief Executive
Fiona Armer	External Governor (via telephone)
Andrew Wright	Co-Opted Governor (via telephone)

**In Attendance:**

Denise Carter-Cheng	Deputy Principal – Finance and Resources
Joanne Platt	Interim Clerk
Ebrahim Dockrat	Director of Commercial Services and Partnerships (for Item FR/20/111)

***Agenda: An item of other business was added to the agenda.***

Min Ref.	Minutes	Action
1	The Chair welcomed everyone to the meeting and introduced Joanne Platt who was covering the role of Clerk in the absence of Jane Taylor-Holmes.	
2	The Chair advised the Committee that as a result of the COVID-19 Pandemic, things had changed significantly since the reports had been prepared for the meeting and in the circumstances, many of the financial forecasts within the reports could no longer be relied upon to be accurate. The Committee agreed therefore not to spend too much time discussing those financial forecasts.	
3	As a result of the Pandemic, three members of the Committee had dialled into the meeting rather than attending in person and there was an expectation that future committee and Board meetings would be conducted via video conferencing.	

<b>Min Ref.</b>	<b>Minutes</b>	<b>Action</b>
4 5	<p data-bbox="284 315 874 349"><b>FR/20/106 - Apologies for absence</b></p> <p data-bbox="284 387 1171 454">Apologies were received from Pat Drake and Rob Rawlinson.</p>	
6 7	<p data-bbox="284 530 1171 598"><b>FR/20/107 – Confirmation of eligibility, quorum and declarations of interest</b></p> <p data-bbox="284 636 1171 741">No notice had been received of any member becoming ineligible to hold office. The meeting was quorate and there were no declarations of interest in agenda items.</p>	
8 9 10 11	<p data-bbox="284 815 1007 848"><b>FR/20/108 – Minutes of previous meetings</b></p> <p data-bbox="284 887 1171 954">The minutes of the meeting of 21 November 2019 were approved as a correct record.</p> <p data-bbox="284 992 1171 1059">The minutes of the special meeting of 20 February 2020 were approved as a correct record.</p> <p data-bbox="284 1097 1171 1202"><b>Resolved – the minutes of the meetings of 21 November 2019 and 20 February 2020 be approved as a true and accurate record.</b></p>	
12 13 14 15	<p data-bbox="284 1279 767 1312"><b>FR/20/109 – Matters arising</b></p> <p data-bbox="284 1350 1171 1525">In relation to the action arising out of agenda item FR/19/112, it was noted that a report on cyber fraud awareness training was to be considered by the Search and Governance Committee at its meeting on 26 March. It was therefore agreed to close this action.</p> <p data-bbox="284 1563 1171 1668">In relation to the action arising out of agenda item FR/19/149, it was noted that this would be reported to the Committee in June.</p> <p data-bbox="284 1706 906 1740">All further matters arising were complete.</p>	
16 17	<p data-bbox="284 1812 1082 1845"><b>FR/20/110 – Deep Dive (Estates and Premises)</b></p> <p data-bbox="284 1883 1171 1989">In view of the current situation with regard to COVID-19 and the impact on the Estates Team, this item was deferred to a future meeting.</p>	

<b>Min Ref.</b>	<b>Minutes</b>	<b>Action</b>
18	<b>Resolved: to defer the Estates and Premises Deep Dive to a future meeting</b>	
19	<b>FR/20/111 – Commercial and Partnerships</b>	
20	Ebrahim Dockrat presented a report providing an update on external funding contracts. Although the paper was correct at the time of writing, forecasts will be affected by the COVID-19 Pandemic and can therefore no longer be relied upon as accurate.	
21	It was noted that the Skills Support for the Workforce / Redundancy (SSW1) ESF 2016-19 was about to close down with 91% delivery. The final claim value matches the predicted outturn for all projects of £35.6m.	
22	Skills Support for the Workforce / Redundancy (SSW2) ESF 2019-21 would be impacted by the Pandemic.	
23	SSW2 includes the Tees Valley and York, North Yorkshire and East Riding More Developed and Transitional contracts.	
24	It was noted that the ESFA have offered the opportunity to extend these contracts to March 2023 with the expectation that growth up to the maximum of 50% of the contract value will be awarded. The total maximum growth funds available for all three contracts is £4.7m.	
25	It was noted that the College has had feedback on SSW last week in relation to the cessation of training and the ESFA has requested that we submit information on how the Pandemic is impacting together with proposed solutions for resolution.	
26	Sheffield City Region (SCR) Skills Bank is an integral part of the business support offer of SCR with the overall aim to support business with a clear growth plan by co-investing in the development of their workforce. It was noted that Skills Bank is not subject to ESF management rules and is funded on an annual allocation of profile delivery.	

<b>Min Ref.</b>	<b>Minutes</b>	<b>Action</b>
27	The College is paid on starts and business referrals. It is an annual contract but the College has had confirmation of a 3-year contract. The reporting is the current year to the end of June 2010, so there is still 3-months to go, which are now uncertain.	
28	Skills Bank is proposing significant changes to what may be delivered, for example, on-line learning.	
29	John Rees asked if the SCR could extend the contract in the light of the current situation and it was confirmed that the Combined Authority is meeting with the Treasury to look at what flexibilities can be offered in the current climate.	
30	DWP ESF Open Calls (Yorkshire, North Yorkshire and East Riding) relate to skills delivery in the North Yorkshire and East Riding LEP area and rely on employer contributions as part of the required match funding. The Business Scale-Up Development Programme is £1.5m over 3-years to August 2022 and the Specialist Skills Support Programme is £1.67m over 3-years to October 2022. Recruitment and initial set up was underway and we expected to receive Funding Agreements in February with delivery commencing in late Spring. However, this is now uncertain due to the state of the economy as a result of the Pandemic. This will need further discussion when the contracts are in place.	
31	Governors noted the significant negative impact of people not attending training as a result of the Pandemic. The College doesn't directly deliver on most contracts, and although a good number of providers can offer on-line training, not all are equipped to do this yet.	
32	As contracts have to be match funded by employers, there is likely to be a significant impact.	
33	Andrew Wright said that LEPs were approaching Government to see how much support would be available to each region and whether it was possible to vire funding allocated to other projects and that the College needs to ask how much support is available to it once the LEP has received confirmation from Government.	

<b>Min Ref.</b>	<b>Minutes</b>	<b>Action</b>
34	John Rees said there was lots of discussion on allowing flexibility across funding streams and that the College should ensure that it properly documents issues and the additional costs incurred as a result of the Pandemic.	
35	He said it was very difficult to predict and model, for example, the costs of on-line teaching and the impact of this on recruitment and the College needs to model the immediate impact through to next year and re-think the financial position in its entirety.	
36	The report also provided an update on ESFA Compliance Visits and Article 125/127 Audits.	
37	In relation to ESFA Compliance, nine visits have taken place in relation to SSW2 and nine advisory / observation notes have been issued and Governors noted the actions taken by management to address these.	
38	In relation to Article 125/127 Audits, one visit and five desk based verification audits have taken place, all resulting in no issues being identified and no actions required.	
39	<b>Resolved: The Committee noted the report.</b>	
40	<b>External Funding – Sub Contracting</b>	
41	Ebrahim Dockrat presented a report on current sub-contracting as at March 2020.	
42	In relation to ESF Skills Support for the Workforce and Redundancy (SSW/R), there were 35 live Subcontractors delivering against 24 Subcontractor Agreements, across two regions.	
43	In relation to Sheffield Skills Bank, there were 22 live Subcontractors, delivering across one region.	
44	It was also noted that the College had prepared and submitted a response to the Government Consultation on Reforms to subcontracting education for learners over 16.	

Min Ref.	Minutes	Action
45	<b>RESOLVED: to confirm to the Board at its April 2020 meeting that all sub-contractual arrangements for non-core provision meet the strategic aims of the College, enhance the opportunities and quality of the training offer and are of high quality and low risk.</b>	
46	<b>RESOLVED: to recommend to the Board at its April 2020 meeting the updated list of subcontractors for non-core provision.</b>	
47	<b>Ebrahim Dockrat left the meeting.</b>	
48	<b>FR/20/112 – Financial Performance Report</b>	
49	<b>Management Accounts to 29 February 2020</b>	
50	Denise Cheng-Carter presented the management accounts up to Period 7 (end February 2020). At the time the report was prepared, it was noted that there as an operating deficit of £803k, which is £754k below budget. Income is £1,636k below budget, however, both pay and non-pay expenditure are also £206k and £676k below budget respectively.	
51	In relation to Apprenticeships: 16-18 apprenticeships is £107k below budget and 19+ is £349k below budget. At forecast 2 overall apprenticeship income is revised down by £253k. This is due to the mix and balance of provision, delayed sign up and commencement of new apprentices in part affected by the ESFA funding audit/investigation.	
52	In relation to HE fees, this is currently £142k below budget due to under recruitment.	
53	Contract income is £947k below budget. However, non-pay expenditure is also below budget by £181k and £561k respectively. At forecast 2 overall income is revised down by £1,004k due to significant delays by DWP in issuing of both YNER Business Scale up and Specialist Skills contracts.	
54	The Forecast 2 operating surplus has been reduced to £120k, from £240k. This is predominantly due to the reduction of income for Apprentices and contracts as outlined above.	

<b>Min Ref.</b>	<b>Minutes</b>	<b>Action</b>
55	<p>The Committee noted that the forecasted position was now unlikely to be accurate as a result of the impact of COVID-19 and its effect on predicted income and it was likely that the year-end position would be significantly worse than predicted and was likely to go into deficit. However, it was noted that the impact is difficult to predict at this time in line with other colleges.</p>	
56	<p>Governors noted that the forecast in the report was an accurate one based on concrete evidence at the time the report was prepared and based on past accuracy of forecasting, Governors were confident of the likely outturn at that point in time.</p>	
57	<p><b>RESOLVED: the Committee noted the report and the likely significant impact arising from the COVID-19 Pandemic on the College’s financial outturn.</b></p>	
58	<p><b>FR/20/113 – Performance Report</b></p>	
59	<p>Denise Cheng-Carter presented the performance report containing Key Performance Indicators (KPIs) of relevance to the Committee’s Terms of Reference.</p>	
60	<p>Key points to note at the time the report was prepared are as follows:</p>	
61	<p><b>Recruitment</b></p> <ul style="list-style-type: none"> <li>➤ 16-18 and 19+ and Apprenticeships are rated AMBER.</li> <li>➤ 19+ and Apprenticeships to move to GREEN by the year end</li> <li>➤ 16-18 will remain at AMBER.</li> <li>➤ HE is rated RED due to under recruitment</li> </ul>	
62	<p><b>Finance</b></p> <ul style="list-style-type: none"> <li>➤ Operating surplus rated RED with forecast to move to GREEN by year end.</li> </ul>	
63	<p><b>People</b></p> <ul style="list-style-type: none"> <li>➤ Appraisals rated GREEN. 2019 window now closed – target was 90%.</li> <li>➤ Mandatory Training Prevent rated RED with plans in place to move to GREEN at the year end.</li> </ul>	

Min Ref.	Minutes	Action
64	The Committee noted that the financial position is no longer certain in light of the COVID-19 Pandemic and agreed that in the current climate, the report should be amended to show this as RED by year end.	<b>Mrs Cheng-Carter</b>
65	The Committee also noted that the plans to move the mandatory Prevent training on-line is predicted to have a positive impact on performance.	
66	Governors queried the amber performance in relation to IT security (specificity in relation to Phishing) and it was confirmed that a reminder had been sent to all staff of the importance of not clicking on links arriving from uncertain sources.	
67	John Rees informed Governors that assurances had been sent to all College applicants that their places were secure for the forthcoming year.	
68	<b>RESOLVED: : the Committee noted the report and the likely significant impact arising from the COVID-19 Pandemic on the College’s financial KPIs.</b>	
69	<b>FR/20/114 – Fees Policy for 2020/21</b>	<b>Mrs Cheng-Carter</b>
70	Governors considered the Fees Policy for 2020/21 and noted that there are no major changes. The Policy has been updated to reflect current funding and regulatory body guidance.	
71	Peter Clark noted that job titles need to be updated in Paragraph 5.6.	
72	<b>RESOLVED: Subject to the amendment of job titles as noted above, the Committee agreed to recommend the Fees Policy for 2020/21 to the Board for approval at its April 2020 meeting.</b>	
73	<b>FR/20/115 – Data Protection Update</b>	
74	The Committee considered a report providing an update in relation to the General Data Protection Regulations (GDPR).	



Min Ref.	Minutes	Action
75	It was noted that there had been no Subject Access Requests of Data Breaches in the last quarter and only one request for personal data to be erased.	
76	It was also noted that the GDPR Policy had been updated and that 95.9% of staff have completed the mandatory GDPR training.	
77	<b>RESOLVED: the Committee noted the report.</b>	
78	<p><b>FR/20/116 – Risk Management</b></p> <p>79 Denise Cheng-Carter presented the Committee’s Risk Register which had been compiled before the COVID-19 Pandemic.</p> <p>80 As a result of the impact of the Pandemic, the Committee agreed to revise four of the risk scores as follows:</p> <p>81 <b>Risk 3 (External Funding):</b> Score increased to 20 (likelihood 5 and impact 4), turning this risk from green to red.</p> <p>82 <b>Risk 5 (Income):</b> Score increased to 20 (likelihood 5 and impact 4), turning this risk from green to red.</p> <p>83 <b>Risk 6 (Expenditure):</b> Score increased to 16 (likelihood 4 and impact 4), turning this risk from green to amber. The Committee acknowledged that whilst some costs could still be controlled during the Pandemic, the costs of implementing the College’s Business Continuity Plan was outside of the College’s control.</p> <p>84 <b>Risk 9 (Staff retention and recruitment):</b> Score increased to 16 (likelihood 4 and impact 4), turning this risk from green to amber. The Committee acknowledged the impact on staff motivation of the current situation and the uncertainty over funding and the ability to recover additional costs which may impact on staff retention and recruitment in the future. However, it was also acknowledged that the College is in no worse a position than other Colleges in this regard and therefore did not feel the necessity to increase the risk score further at this time.</p>	

Min Ref.	Minutes	Action
85	<b>RESOLVED: that the Risk Register be amended to reflect the revised risk scores for Risks 3, 5, 6 and 9 before reporting to Audit Committee on 26 March and to Board on 23 April.</b>	<b>Mrs Cheng-Carter</b>
86	<p><b>FR/20/117– Items to be recommended to the Board for approval:</b></p> <p>87 ➤ Updated list of subcontractors for non-core provision</p> <p>88 ➤ Fees Policy 2020/21</p> <p>89 It was agreed that the following would be reported to the Board:</p> <p>90 ➤ The uncertainty of the College’s external funding and resultant impact on the College’s financial position arising from the COVID-19 Pandemic</p> <p>91 ➤ That all sub-contractual arrangements for non-core provision meet the strategic aims of the College, enhance the opportunities and quality of the training offer and are of high quality and low risk.</p> <p>92 ➤ That the Estates and Premises Deep Dive has been deferred due to other commitments of the Estates Team as a result of the Pandemic</p> <p>93 ➤ That the Committee has increased the risk scores of four of its risks as a result of the Pandemic</p> <p>➤ That there have been no Data Protection breaches in the last quarter and the GDPR Policy has been updated</p>	
94	<p><b>FR/20/118 – Dates of Future Meetings</b></p> <p>5.00pm, Thursday 11 June 2020</p>	
95	<p><b>Any other business</b></p> <p>96 The Committee discussed the impact of the COVID-19 Pandemic on the College’s financial position and that despite the uncertainty over the year-end position, that the Board would have to set a budget for the 2020/21 academic year at its July Board meeting.</p> <p>97 The Committee acknowledged that despite its previous success in setting surplus budgets, in reality, it may be necessary to set a deficit budget for 2020/21.</p>	

**Signed as a true and accurate record**

Chair: Malcolm Rogers

Date: 2 July 2020