



**CALDERDALE COLLEGE
FINANCE AND RESOURCES COMMITTEE MEETING**

**Minutes of the Meeting held on 25 March 2021 at 17.00 by MS Teams
Present:**

Malcolm Rogers	External Governor & Chair
Peter Clark	External Governor & Chair of the Corporation
Richard Laycock	External Governor
Andrew Wright	External Governor
John Rees	Principal & Chief Executive

In Attendance:

Julia Gray	Vice Principal (Quality & People Services)
Sharon Bowker	Executive Director (Finance & Funding)
Rob Rawlinson	Director of Operations
Ebrahim Dockrat	Director of Commercial Services and Partnerships (for Item FR/21/107)
Jane Taylor-Holmes	Clerk

Agenda: No items of other business were added to the agenda.

Min Ref.	Minutes	Action
	FR/21/101 - Apologies for absence	
1	Apologies for absence were received from Pat Drake, External Governor.	
2	Committee members formally welcomed Richard Laycock to the Committee.	
	FR/21/102 – Confirmation of eligibility, quorum and declarations of interest	
3	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.	

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4	<p>FR/21/103 – Minutes of the meeting held on 19 November 2020</p> <p>Resolved: The minutes of the meeting held on 19 November 2020 including Part 2 were approved as a true and accurate record.</p>	
5	<p>FR/21/104 – Matters arising</p> <p>All matters arising were complete or on the agenda.</p>	
6	<p>FR/21/105 – Estates</p> <p>Mrs S Bowker, Executive Director (Finance & Funding) provided an update on the capital grant and refurbishments schedule.</p> <p>Mrs Bowker referred Committee members to the FE Capital Grant Allocation and the table on page 22 of the report.</p> <p>It was noted that table one was based on estimates which were provided due to the tight timescale to submit the application. The itemised management fees in the final submission had been previously split throughout the projects in table 1. In relation to the underspend on the perimeter fencing the decision had been made to use the underspend on external LED lighting.</p> <p>There was an increase in the College contribution to around £75,000; however, confirmation had been received that this price would not change. Mrs Bowker explained that this would be funded out of the College capital budget which had been underspent this year.</p> <p>When the fund was originally released there was a stipulation that the funding had to be spent by the end of March - this had now been extended. The income had been received and invoices were required to be submitted by the end of September, although the work would be complete by the end of June.</p> <p>Committee members noted the significant challenges in the original timescale and to expedite the process the College had adopted the framework procurement route. In future capital bids, hopefully, time will allow a more robust process to be undertaken.</p> <p>Committee members asked about the estimate costs and</p>	
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	<p>the difference between these and the final costs. Mrs Bowker explained that in normal circumstances a number of quotes would be received. The contractor had provided all the quotes at short notice to meet the tight bid timescale, which explained the differences between estimated and final costs.</p>	
13	<p>It was noted that there was significant benefit to the College and the work done would improve the site and reduce utility bills.</p>	
14	<p>It was further noted that whilst the spend had increased, this was still within the capital expenditure budget and all spend would be capitalised.</p>	
15	<p>Mrs Bowker referred to the two recent capital bids which had been submitted.</p>	
16	<p>In relation to the Capital Transformation Fund, the College had submitted a Stage one bid by the deadline of 22 March. Mrs Bowker provided a high-level summary of the bid. It was noted that this would initially be assessed by DfE and the College would find out in May whether it can progress to Stage 2, which would require a full RIBA stage 2 application. The bid was linked to condition need and the main focus was on the restoration of the PwC building. The bid value was just under £8 million, and as part of the process the college could match fund up to 50% of the value of the bid. However, given the College's tight financial position it had offered a contribution of £500,000 in the application.</p>	
17	<p>It was noted that the restoration work will reduce future maintenance work costs.</p>	
18	<p>In relation to LED lighting, Mr J Rees, Principal and Chief Executive explained that the LED lighting in that project is internal and therefore not a duplication of the outdoor LED lighting within the current capital work being undertaken. Mr Rees further explained there would be at least two rounds of funding and if the College is unsuccessful, it can re-bid in the next round.</p>	
19	<p>For the benefit of those Committee members who had not been present at an earlier Governor meeting when the potential bids were discussed and agreed, Mr M Rogers, External Governor & Chair of the Committee, provided background information on the College's financial health</p>	

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20	<p>grading assessment and the impact on this of the level of College cash contribution to the bids.</p> <p>It was noted that timescales for delivery were more generous and provided a completion date of 2024 for current bids. There would be significant long-term savings associated with projects.</p>	
21	<p>In relation to the T-Level fund bid, Mrs Bowker explained that consultants had provided some support in compiling the bid which had to be directly linked to T-Levels. The bid included a change of areas for teaching and some relocation to the Inspire Centre. The deadline for submission had been extended to Sunday 28 March. This was a far more detailed application and was capped based on the number of T-Levels to be delivered; for the College it was a maximum of £2.45 million. The bid was in the region of £2.1 million. Again, up to 50% match funding could be submitted but the likely contribution offered would be in the region of 10%. A decision was due by the end of July 2021. It was noted that some Colleges were submitting applications with no contribution and others were submitting more than 10%.</p>	
22	<p>Resolved: The Committee noted the report.</p>	
	<p>FR/21/106 – Self Assessment Report – Business Areas and Association Action Plans</p>	
23	<p>Ms J Gray, Vice Principal (Quality & People Services) presented the Report.</p>	
24	<p>Ms Gray explained that in order to get a full evaluation, a framework was required by which to assess. When the College refreshed the strategic plan and had a service excellence objective, the new framework had been developed around service excellence.</p>	
25	<p>Committee members noted that in relation to external funding, RISE and the commercial element of the Inspire Centre, the categories were adjusted with additional criteria on the financial aspects and commerciality of the services.</p>	
26	<p>Committee members reviewed the grades at 1.3 of the paper. It was noted that in some circumstances areas were unable to grade, but systems would be put in place to allow such areas to grade in future years.</p>	

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27	Ms Gray explained that the strengths and areas for improvement were identified within the paper. Internal business support units generally needed to improve communication. Ms Gray explained that there was a significant piece of work being undertaken where managers were liaising to ensure that all service level agreements were being reviewed as detailed in section 2 of the report.	
28	In terms of success, the quality assurance process had been much improved. Whilst there was still room for improvement, the process and value was accepted and recognised.	
29	Committee members noted the improved system and processes. It was noted that further value would be added when service level agreements were in place and tested.	
30	Committee members commended the work done to build the framework to produce a baseline against which future self-assessments could be compared.	
31	Mr P Clark, External Governor & Chair of the Corporation explained that he had attended some of the evaluation sessions and there had been a real change in approach and commitment to the process.	
32	It was agreed that further feedback would be provided to the next Committee meeting to provide information from the output gathered by the 30 March.	Action: Ms Gray June 2021
33	In relation to the grades of Requires Improvement, Committee members asked if these were surprising to the College. Mr Rees commented that the assessments made were honest and accurate and had been accepted by the Teams. There were some areas where there may have been a little surprise from the Teams in relation to the assessment; however, the process has been fully accepted and there has been self-reflection by participants.	
34	Committee members thanked Ms Gray for the report and commented that they looked forward to seeing progress in future assessments.	
35	Resolved: The Committee noted the report.	
	FR/21/107 – Commercial and Partnerships	

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	<p>External Funding</p>	
36	Mr E Dockrat, Director of Commercial Services and Partnerships presented a report providing an update on external funding contracts. Committee members commended the new format of the paper.	
37	Mr Dockrat explained that the report had been developed to focus on new initiatives, with an activity update in the appendix.	
38	Mr Dockrat provided further information on the four key areas of interest within section 2 of the report.	
39	In relation to 2.1 LTRS Engineering project, Mr Dockrat explained that this was a multi-strands project and involved working with number of engineering stakeholders. This was a project to undertake development in Brighouse and look at and engage with engineering partners in the area. Engineering was the largest sector after public sector in the area. The College was partnered with the Textile Centre of Excellence to produce a design toolkit and undertake a skills audit to support the region's manufacturers. The project would be rolled out with the support of consultants and was a three-month project to June.	
40	Mr Wright asked whether this would support the College Engineering project and Mr Dockrat confirmed that this would help inform the work at Brighouse and provide the College with vital information to support the new ambitions in engineering.	
41	In relation to 2.2, Mr Dockrat referred to the apprenticeship care project and explained that this related to a project submitted initially in 2019. The project is in partnership with the WYCC consortium and has an overall value of around £3.5million and a value to the College of £1.6million.	
42	The contribution from the College is not cash but comes from the College and COVEA apprenticeship levy. The project will enable the College to develop the engineering ambitions and includes investment in engagement with employers and supporting the development of the relationship with stakeholders. One area which is being considered is BAME participation in apprenticeships and	

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	encouraging under-represented groups in apprenticeships. This would also include some bespoke courses for employers. The project would commence in the coming weeks.	
43	Mr Rees commented on the important connection to make to how this linked to the College strategy of engaging employers in the curriculum offer, and how this was influenced and informed by employers to make sure programmes reflect need. Mr Rees also commented on how this was linked into the Skills for Jobs White Paper and the priority in engaging with employers and stakeholders.	
44	The benefits of the external funding unit were noted and how the projects drive the strategic objectives and the College as a whole. The report was a very timely report summarising work in the area and things which were expected to be delivered going forward.	
45	It was further noted that the care pilot was utilising apprentices to support economic recovery post COVID.	
46	Mr Dockrat provided further information in relation to the Kickstart programme. This was launched in September and provided a fantastic opportunity designed to support people leaving furlough, in an attempt to reduce unemployment. There was an opportunity to offer an allowance to an employer to cover a placement. The College was now the sole gateway provider and this was a really good way to engage with employers. The programme was about creating pathways to more substantive programmes such as apprenticeships and was part of a number of incentives working with unemployed people. The package was being developed to support employers, provide skills support and lead to apprenticeship provision.	
47	It was noted that the DWP was struggling with processing the placements. There was lots of interest in the programme and this would help some participants towards apprenticeship work.	
48	Further information was provided in relation to the Apprenticeship Hub in North Yorkshire which was a growing area of provision. Mr Dockrat explained that the hub was co-located with the LEP at York University. The LEP was keen for the College to bid in partnership with the	

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	<p>County Council who were using their levy to support to bid. The aim of the hub is to promote apprenticeships in the area with a levy transfer offer being developed. The hub is to support providers in the area and promote the service in the area. Within the LEP area, the College was delivering work to the value of £23 million.</p> <p>49 In relation to progress on existing contracts Mr Dockrat explained that there had been a dip in SSW project's performance as is expected, as all the work is business-facing. The Skills bank contract was coming to end at the end of the month; however, new starts could be reported until June. It was hoped that the College could still maximise the contract.</p> <p>50 The Skills bank contract was being evaluated and results would be shared. The College has gained the contract to continue provision until December and then the provision will go out to tender. The College would re-bid; the current contract was with the SFA.</p> <p>51 Mr Dockrat explained that the West Yorkshire projects had suffered and the environment was very challenging. Income figures against RISE were significantly down and had been re-forecast. There continued to be the commitment to follow opportunities to recover in future years.</p> <p>52 Resolved: The Committee noted the report.</p> <p>External Funding – Sub Contracting</p> <p>53 Mr Dockrat presented a report on current sub-contracting as at March 2021.</p> <p>54 Resolved: to recommend to the Board at its April 2021 meeting the updated list of subcontractors for non-core provision.</p>	
	<p>FR/21/108 – Financial Performance Report</p> <p>Management Accounts to 28 February 2021 including year-end outturn</p> <p>55 Mrs Bowker presented the management accounts up to Period 7 (end February 2021).</p> <p>56 Committee members noted that the position had changed</p>	

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	<p>significantly since November. When the budget was approved, the assumption had been that the College would return to 'business as usual' in December. Lockdown in early January had not been budgeted and the financial performance was substantially worse as a result.</p>	
57	<p>It was noted that costs continued to be well managed. External work was subcontracted and expenditure in this area could therefore be closely matched to income.</p>	
58	<p>Mrs Bowker explained the challenges in relation to the AEB budget. The main challenge was the inability to deliver in the community due to lockdown. There was a backlog of learners waiting to learn and progress in this area would be supported if the College could move to face to face delivery in community centres from 12 April. Some learners may be doing more than one course. For now, the College had assumed that AEB would be delivered to budget and national decisions regarding any clawback were awaited.</p>	
59	<p>Mrs Bowker explained that the current operating deficit of £743,000 was higher than the forecast deficit of £500,000. The College was still carrying some additional costs regarding COVID for which no additional funding had been providing. It was agreed that the worsening deficit and losses were not sustainable.</p>	
60	<p>Mr Rogers confirmed that he was continuing to have monthly meetings with Mrs Bowker to monitor the financial performance and provide support where needed.</p>	
61	<p>Mr Rees commented that one of the key variables which was not yet know, was the reconciliation figure regarding AEB funding. The matter was not within the control of the College as this included allowing community learning venues to open and the question around appetite of learners to return. The College had a long waiting list of people who wanted to re-engage.</p>	
62	<p>Committee members asked about the cash position. Mrs Bowker explained that cash remained healthy, the issue really was the impact on financial health grade. If the College was graded as 'requires improvement', this could trigger intervention. The College continued to have a low loan ratio; it was the operating deficit which impacted the financial health grade.</p>	

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63	Mrs Bowker explained that if the College was successful in both capital bids and was subject to clawback, this would impact on cash levels and may provide difficulty.	
64	Committee members noted the increase in the deficit position and that this would impact on the future years' budget.	
65	When the budget for 2020/21 had been initially agreed, this was on the basis of a three-year recovery plan with break-even position in 2021/22. It was noted that there may be also be an impact in relation on next year's accounts, as some apprenticeships were on breaks in learning which may impact on future years if they were unable to complete.	
66	In addition, some apprentices may be made redundant and there had been assumptions made about carrying over apprentices which would generate future earnings.	
67	It was noted that the 2021/22 budget would be presented to the June Finance and Resources Committee and to the Corporation for formal approval by the Board in July.	
68	Resolved: The Committee noted the report.	
	<p data-bbox="284 1223 858 1256">FR/21/109 – Fees Policy 2021/22</p> <p data-bbox="204 1290 995 1323">69 Mrs Bowker presented the Fees Policy 2021/22.</p> <p data-bbox="204 1357 1150 1469">70 Mrs Bowker commented that this had been updated and due to the fullness of the amendments, the old policy had been provided for information.</p> <p data-bbox="204 1503 1150 1648">71 There had been changes to the Policy regarding the liability of the fee-paying learners who withdraw. A fairer approach and mechanism for collecting only partial fees was proposed.</p> <p data-bbox="204 1682 991 1715">72 Committee members were referred to page 72.</p> <p data-bbox="204 1749 1142 1962">73 Committee members asked about the potential impact of the change. Mrs Bowker explained that the College pays around £30,000 per year in legal fees to recover unpaid fees. Allowing partial refunds would have a financial impact in the region of £30,000-£50,000; therefore, the impact net of legal fees would be around £20,000.</p>	

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74	It was agreed that it would be useful to monitor those students who were leaving courses. It was also agreed that the revised Policy may be more attractive to learners.	<p data-bbox="1182 645 1353 730">Action: Mrs Bowker 2022/23</p> <p data-bbox="1182 965 1353 1050">Action: Mrs Bowker June 2021</p>
75	No fee increase was proposed, Mrs Bowker referred to the inability of the College to complete with universities in the area in terms of facilities.	
76	Committee members asked about increasing fees in line with staff costs. It was agreed that this would be considered and a Policy statement about periodic review of fees would be considered. It was agreed that a three yearly review would be appropriate.	
77	In relation to the quantum of HE fees, the full year income was around £1 million, which was around 5% of total income. It was noted that HE did make a positive contribution to the College's overall financial performance.	
78	It was further agreed that on page 86 – International Learners, the wording would be considered to ensure that this was the appropriate wording for the section.	
79	Resolved: Subject to the amendment at page 86, the Committee approved the Fees Policy 2021/22.	
	FR/21/110 – Data Protection Report	
80	Committee members received the data protection update report.	
81	It was noted that Governor compliance with cyber awareness and phishing training was now over 50%; there had been some technical challenges around access.	
82	Resolved: The Committee noted the report.	
	FR/21/111 – Risk Management	
83	Mrs Bowker presented the Committee's Risk Register and members noted that there had been two new risks added to the Register.	
84	One new risk was in relation to the Engineering partnerships project and one was in relation to the effective management of subcontractor, partner and associate delivery.	

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85	There were no changes in relation to the scoring of risks.	<p style="text-align: center;">Action: Mrs Bowker June 2021</p>
86	Committee members discussed the potential risk of concurrent capital projects and the management of these. It was agreed that a risk would be added to reflect the risk.	
87	Committee members discussed the rating of the external environment and funding. It was noted that there was some mitigation in place and therefore agreed to keep the score at 20.	
88	Resolved: The Committee noted the report.	
	<p>FR/21/112 – Items to be reported to the Board:</p> <p>89 It was agreed that the following would be recommended to the Board for approval:</p> <p>90 ➤ The updated list of subcontractors for non-core provision.</p> <p>91 Committee had approved;</p> <ul style="list-style-type: none"> • Subcontracting report • Fees Policy 2021/22 • The relevant risks and their scores in the Risk Register <p>92 It was agreed that the following would be reported to the Board as having been noted by the Committee;</p> <ul style="list-style-type: none"> ➤ That appropriate spending had been identified for the capital grant and work was progressing to ensure work was completed within the timescales. ➤ The value of the new business unit SAR process had been discussed and the assessment received. ➤ The continuing financial challenges arising from COVID and the increase in deficit, noting that all appropriate steps were being taken regarding cost control. ➤ In relation to external contracts there had been some slowing down; however, the reduction in income was offset by lower expenditure. ➤ Data protection report, showing no issues had arisen. ➤ The relevant parts of the Risk register. 	
	<p>FR/21/113 – Dates of Future Meetings</p> <p>93 Finance and Resources Committee – 24 June 2021 at 5.00pm</p>	

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Signed as a true and accurate record

Chair: Malcolm Rogers

Date : 24 June 2021