

CALDERDALE COLLEGE



INSPIRING LEARNERS TO SUCCEED IN LIFE & IN WORK

MINUTES OF THE MEETING OF THE FINANCIAL PERFORMANCE AND EFFICIENCY HELD ON 25 FEBRUARY 2016

Present

Rachel Court	Governor
Simon Hannah	Governor
Shaffiq Mahmood (Chair)	Governor
Julie McClelland	Governor
John Rees	Governor (Principal)(part)
Malcolm Rogers	Governor

The quorum for the meeting was three Members.

In attendance

Ron Hill	Acting Clerk to the Corporation
Denise Cheng-Carter	Deputy Principal
Steven Byrne	SBA Associates (part)

The meeting was held in the Boardroom, Calderdale College, Halifax and started at 4.45pm.

Chair of the Financial Performance and Efficiency Committee: to 31 July 2016

- 53 Following the resignation from Board membership of Shaffiq Mahmood (with effect from 31 May 2016) Members considered their options for the office of Chair and Vice Chair of the Committee.
- 54 For the office of Chair of the Committee, Malcolm Rogers was proposed (JMc) and seconded (RC). For the office of Vice Chair of the Committee, Rachel Court was proposed (JMc) and seconded (MR).

55 RESOLVED

The Financial Performance and Efficiency Committee resolved to appoint Malcolm Rogers as Chair of the Financial Performance and Efficiency Committee and Rachel Court as Vice Chair of the Financial Performance and Efficiency Committee, both with effect from 1 June 2016.

As preparation for chairing from 1 June 2016, Malcolm Rogers to work with Shaffiq Mahmood, the Deputy Principal and Principal with the expectation of acting as chair for the next meeting on 12 May 2016.

Apologies

- 56 Apologies were received from John Rees for late arrival.

Declaration of Interests

- 57 The Chair reminded Members to declare their interests as and when necessary on the agenda.

Minutes of the Financial Performance and Efficiency Committee held on 17 December 2015

58 RESOLVED :-

The minutes of the Financial Performance and Efficiency Committee meeting held on 17 December 2015 were approved as a true and correct record

Matters arising

- 59 The following matters were raised
- Members requested circulation of the final version of the minutes of the Financial Performance and Efficiency Committee meeting held on 15 October 2015 with particular interest in the wording of Minute 18;
 - The Deputy Principal explained that the position where pay and non-pay would add to 100% would be 'break-even'; reference to 105.2% at Minute 43 suggested a deficit of 5.2%;
 - As a general point, Members wished to have clearer messages from financial reporting so that the Committee (and Board members) could be sure of the underlying financial performance and efficiency of the College. The Deputy Principal explained that the reporting was arranged according to Skills Funding Council guidance but she agreed to consider improved financial health communication for business planning/performance with Governors including the budget preparation for the year to 31 July 2017 and to begin a parallel reporting pilot to gain Governor feedback prior to the start of the financial year to 31 July 2017;
 - Members requested a schedule of actions for the Committee (similar to the schedule provided to the Board) to improve the tracking of decisions and actions.

Capital Project – 'Unlocking Potential'

[Steve Byrne joined the meeting at 5.03pm]

- 60 Steve Byrne provided an update in support of the written report provided to Members. He highlighted the improved processes for window replacement and noted that whilst there was a three week delay on construction, the overall project was on schedule for completion for 23 August 2016. Steve Byrne reminded Members that this was difficult project (given the impact on students and staff) and that effective communication was key to securing progress.
- 61 Members queried the possible use of contingency funds. Steve Byrne explained that he was operating within expectations for this stage of the project.
- 62 Members queried the effect of the project on student and staff morale. The Deputy Principal believed that students were more positive at this stage than staff (some of whom were experiencing dislocation to working arrangements).
- 63 Members considered the performance of and relations with the funder of £4.977m i.e. the Leeds City Region LEP. It was noted that the funder was currently satisfied with progress and was monitoring the project closely.

- 64 Steve Byrne informed that the reported project costs have risen from £8.877m to £9.017m. He explained that the additional 'cost' was the accounting for staff time as a contribution to the project for matched funding purposes.
- 65 Steve Byrne informed that the monitoring of Apprenticeship time on the project would begin from Monday 22 February 2016.
- 66 With respect to the project risk register, Members queried what had changed and asked for clearer reporting for future meetings. Members requested the use of RAG colours with improved summary and analysis in the cover report. Members also requested use of a 'heat map' for the representation of changes.
- 67 Steve Byrne confirmed that the potential impact of identified risks was declining, with no 'red' areas and the movement from 'amber' to 'green'.

68 RESOLVED

The Committee resolved to note the report and to request the identified actions for the next meeting of the Committee.

[Steve Byrne left the meeting at 5.23pm]

Financial Performance Report

- 69 The Deputy Principal presented the management accounts to 31 January 2016. She circulated a revised College KPIs table for the year to 31 July 2016. Members observed that the KPIs suggested that the financial performance of the College was very dependent on the Period 9 – Period 12 timeframe. The Deputy Principal explained that the anticipated income for the College in the year to 31 July 2016 is scheduled to be paid to the College in this range Period 9 - Period 12.
- 70 Members requested a key variance table to account for the difference between planned and actual financial performance.
- 71 Members observed the decline in cash days towards Period 12 and questioned whether this was a matter of concern. The Deputy Principal explained that the decline in cash days profile was to pay for capital project towards its completion date. Members requested a stripping out of additional from core financial profiling to present a clearer picture for Governors.
- 72 Members queried the anticipated future impact of the under-recruitment of 16 – 18s in 2015/16. The Deputy Principal advised that there could be a decline of funding by £200k in 2016/17, although a proportion of current 16 – 18 learners are eligible for higher funding band support.
- 73 The Deputy Principal accepted the view of Members that the reported current average class size of 11.18 was too low for efficiency.
- 74 Members requested understanding of the proposed curriculum plans for 2016/17 and, in particular, to be able to understand the financial performance and efficiency implications. It was noted that the Learner Committee had requested a curriculum mapping exercise to inform this process.
- 75 Members queried 'trade debtors' of £1.5m on total. The Deputy Principal reported that she did not have a particular concern regarding bad debts.

76 RESOLVED

The Financial Performance and Efficiency Committee resolved to note the management accounts, commentary and key financial performance indicators to 31 January 2016.

Fee Policy Framework 2016/17

- 77 The Deputy Principal presented the written report. Members discussed the possibility of increasing the higher education fee for 2016/17.

[Julie McClelland declared her interest as a member of senior staff at the University of Huddersfield]

- 78 The Deputy Principal explained that the College had benchmarked its position in relation to competitors and there could be merit in an increase in fees for 2017/18. This process would have to begin soon with an application to the Office for Fair Access to Higher Education. Members requested early consideration of the case for the increase in higher education fees for 2017/18 prior to any submission to OFFA.

[John Rees joined the meeting at 5.44pm]

79 RESOLVED

The Financial Performance and Efficiency Committee resolved, with delegated authority, to approve the revised Fee Policy Framework for 2016/17.

Growth Initiatives

- 80 The Deputy Principal presented the written report which listed a range of initiatives (some short term, some longer term).
- a. **Engineering**
Members advised care to identify and develop niche provision, based on well-researched market intelligence. Members also requested that linkages and progression routes are designed for students, rather than develop isolated courses. Members wished to give consideration to the business case for any proposals. The Principal advised that work was ongoing and would be forthcoming for Committee consideration if and when developed. It was accepted that this theme was not going to produce income for the year to 31 July 2016.
 - b. **Partnerships**
The Deputy Principal described projects with Barnardo's and Workpays Ltd, both of which should generate income within the current financial year.
 - c. **Apprenticeships**
The Deputy Principal described the opportunities for new Apprenticeship opportunities, some of which could produce income in the year to 31 July 2016, some with longer term importance.
 - d. **Sub Contracting from Leeds College of Building**
This is provision associated with a DWP/CITB Construction project that will start immediately and run until March 2017.

81 RESOLVED

The Financial Performance and Efficiency Committee resolved to note the report.

Financial Reporting

82 Further to discussions at the Board meeting of 11 February 2016 and Member suggestions at the Committee meeting, the Chair Elect and Vice Chair Elect of the Financial Performance and Efficiency Committee will meet with the Deputy Principal and Head of Finance. Proposals will be prepared and circulated to Committee members in advance of the next meeting.

Date and Time of Next Meeting

83 The next meeting of the Committee will be held on Thursday 12 May 2016 (4.45pm) when Chair Elect Malcolm Rogers will chair the meeting.

Members recorded their thanks to Shaffiq Mahmood for his significant contribution to the Financial Performance and Efficiency Committee (and previous versions) as a Governor of the Calderdale College Board.

The meeting closed at 6.20pm

Ron Hill
Acting Clerk to the Corporation

Signature: <i>M C Rogers</i>
Date: 14/7/16

