

**SANDWELL COLLEGE**

**Minutes of the Finance & Strategy Committee meeting held on**  
**Thursday 25 February 2021, 4.00pm**

Present:                   K Ellis               Independent Governor (Chair)  
                              G Pennington   Principal  
                              P Stanaway       Independent Governor

In attendance:        J Bailey            Exec Director, Finance and Corporate Resources  
                              B Beaty            Exec Director, HR and OD  
                              S Griffiths        Exec Director, Strategy and Projects  
                              D Holden         Vice Principal, Curriculum  
                              E Scotford        Clerk to the Corporation

Apologies:            None

Absent:                 A Taylor           Independent Governor (Chair)

		<b>Action</b>
F21.1	<b><u>Welcome and Apologies</u></b>	
	All present were welcomed to the inaugural meeting of the Committee and were reminded of the purpose of the Committee.  There were no apologies. Alan Taylor did not arrive.	
	RESOLVED THAT: Ken Ellis was elected to chair the meeting: proposed by: PS, seconded by: GP	
F21.2	<b><u>Declarations of Interest</u></b>	
	Paul Stanaway declared an interest as an employee of Sandwell & West Birmingham Hospitals NHS Trust.	
F21.3	<b><u>College Projects update</u></b> Presented by Simon Griffiths, Exec Director, Strategy and Projects	
21.3.1	An update was given on the active and proposed capital-based project work, together with a summary of the College's current position relating to the various funding streams available for capital works.	
21.3.2	There has been a positive response to the Cadbury Science City and excellent progress is being made with the project.	
21.3.3	The overall programme of activities now and in the summer were outlined: Work on the East block commences on Monday 1 March 2021; from May to the end of August, work on the Science block will take place.	
21.3.4 NFP		
21.3.5	An explanation was given of the T level capital fund.	
21.3.6	The Board decision in June 2020 related to the opportunity to purchase Terry Duffy House as well as alterations to Central campus and Cadbury. The main driver at the time was the acquisition of Terry Duffy House. This was now very unlikely to proceed following a change in the national	

	leadership of the Labour Party and a subsequent change in strategy which had led to the Party putting their assets on hold.	
21.3.7	The College has implemented its plans and redesign of student space in reaction to the Covid-19 situation and some of the work has subsequently been become less urgent.	
21.3.8	It was unlikely the College would be able to find another building as suitable as Terry Duffy House within the required timescales. Therefore, due to the benefits of developing Cadbury Science City and the LEP match funding which could be secured, there were a number of advantages to moving the provision to Cadbury.	
21.3.9	The College has made the DfE aware of its proposed change of approach and they are supportive.	
21.3.10	The T level Capital Funding must be spent by March 2022. The proposed project is achievable within the funding and timescale.  This funding would complete the East block renovations. There is also an opportunity for a moderate sized new building to provide space for T level delivery. There might be some flexibilities in the overall budget for the refurbishment at Cadbury.	
21.3.11	The original proposal saw the College match funding 50%, and borrowing to purchase Terry Duffy House. Moving the provision over to Cadbury removes the risk as no borrowing would be required.	
21.3.12	It enables the leveraging in of LEP funding as match funding. It would mean a bigger project could be achieved to the benefit of students and the local area.  This would be a positive move so the College sought approval of the proposal from the Committee and subsequently the Board.	
21.3.13	Governors asked if the College was confident there would be no impact on service provision without the acquisition of Terry Duffy House, and what would happen if the LEP and DfE changed their mind and advised that provision had to be located in West Bromwich or Sandwell.  The College advised that delivery of outputs was able to be carried out in Cadbury as in Sandwell. There would be a better usage of space through an agile timetable at Central campus. With regard to Cadbury, no other Birmingham FE college would be delivering T levels in the second wave, which would give the College a USP.  If the DfE decided that provision had to be in West Bromwich, then the College could revisit its plans but another new fund was being launched, the FE College Transformation Fund, and there were other funding routes which could be explored.	
21.3.14 NFP		
21.3.15	Governors recognised that the College had its own component parts in its estates portfolio including Cadbury and Central St Michael's and noted that Terry Duffy House would have been a more expensive option than the redevelopment of Cadbury which was already within the College's portfolio.	

21.3.16	The College reminded Governors that the College had also acquired space at West Plaza for adult education. The College could lead the way for T levels in Birmingham with the refurbishment of Cadbury.	
21.3.17	The College outlined details of the Cadbury condition improvement which could be achieved via the DfE's recently announced general FE College Transformation Fund. This fund is subject to a 2-stage competitive application process.	
21.3.18	The Transformation Fund relates to general estate condition: windows, roofs, heating, ventilation, etc.  The College has already identified several projects which would meet the requirements of this funding.	
21.3.19	Governors noted the short deadline of 15 March 2021 and asked if the DfE intended for this to be targeted at 'exciting' projects.  The College reassured that the DfE's intention was for the fund to be used for the upscaling of certain elements of college estates.	
21.3.20	Governors asked how much it would cost to refurbish and improve the whole Cadbury site up to standard.  The College advised that a condition survey had identified all parts of the Cadbury estate in need of renovation and it would concentrate on D and E blocks, i.e. the buildings in need of repairs, and also any other essential and urgent works.	
21.3.21	Governors asked if the further education sector had access to green funding.  The College advised that there was a Decarbonisation Fund but this had been superseded by the FE Colleges Transformation Fund.	
21.3.22	The second part of the Transformation Fund would focus on bids relating to the College's West Bromwich portfolio.  The Engineering Centre at Phoenix Street currently requires refurbishment and upgrading and ideally the College would be looking to purchase some of the surrounding land. The historical background to the College's ownership of the site was explained. The Towns Fund would support its refurbishment with funding of £2.7 million which the College could match fund. However, it was possible the Transformation Fund could be directed to this work, with the Towns Funding utilised for other projects. The next update on the Towns Fund Bids was likely to be March 2021.	
21.3.23	RESOLVED THAT: <ul style="list-style-type: none"> <li>• Governors supported the projects outlined, i.e. Cadbury Science City; T level Capital Fund (wave 2); Cadbury Condition Improvement; Towns Fund related projects</li> <li>• Governors would recommend to Board meeting on 8 March 2021 that the Board approve: <ol style="list-style-type: none"> <li>i. the proposal to relocate the T level Capital Funding (wave 2) for use at Cadbury College</li> <li>ii. the use of the Further Education College Transformation Fund for Cadbury (Condition Improvement) and Sandwell Engineering Centre (Phoenix Street) Condition</li> </ol> </li> </ul>	

	Improvement	
F21.4	<b><u>Strategic Plan</u></b>	
21.4.1	The Principal explained the format of the Strategic Plan and outlined its context: the College's locality, deprivation, employment opportunities, the ambition of its local authorities, Sandwell and Birmingham; the recent White Paper.	
21.4.2	Governors were reminded of the background to the College's initiatives and policies in previous year's versions of the Plan.	
	PS left the meeting	
21.4.3	Colleges have a strong steer for employers to be central to their plans, particularly for the non-academic route. This ties in with curriculum requirements, i.e. T levels, classroom based apprenticeships, and preparing students to move into the working world rather than HE after FE.	
21.4.4	Asset development will enhance college facilities. Better facilities are needed to deliver T levels and meet employer demand.	
21.4.5	The recent White paper signals a greater focus on adults, with employment outcomes for adults being key.  This will lead to more employer centric demand on colleges in coming years. The College had already identified this need over the last couple of years as demonstrated by its creation of a Skills Division.	
	PS returned to the meeting	
21.4.6	Governors noted the clear and exciting ambitions of the College and welcomed the first draft of the Strategic Plan which they would recommend to the Board for detailed discussion at a Board Strategy session. This would allow Governors time to focus on the College's purpose and how to achieve its vision.	
21.4.7	Governors appreciated the Strategic Plan provided a framework for monitoring and included helpful metrics.	
21.4.8	Governors believed there were clear opportunities for the College and large local public sector organisations to work closely together.	
21.4.9	RESOLVED THAT: <ul style="list-style-type: none"> <li>• Governors reviewed and discussed draft Strategic Plan 2021/22 to 2023/24.</li> <li>• Governors would recommend the draft Plan to the Board as the starting point for discussion at the next strategy session of the Board.</li> </ul>	
F21.5	<b><u>Management Accounts</u></b> Presented by the Exec Director, Finance & Resources	
21.5.1	Cash levels are healthy and slightly ahead of the September forecast due to the timing of payments. Cash inflows and outflows through capital projects have been factored in.	

21.5.2	At the 6-month point in the year, income and expenditure is largely on track, with some slight variables, e.g. apprenticeships income is slightly ahead compared to the full in-year budget; funding agency income is higher than the original budget due to the Ed Tech project (£100k full year WMCA) and programme formula adjustment (ESFA main 16-18); Refectory income is below budget because of the Covid-19 situation; staffing costs are ahead due to significant growth this year.	
21.5.3	The College has invested in academic coaches using the catch-up funds announced in July. The College received £850k of the £96 million awarded this year to colleges. Small group tuition is in place targeted at certain learners to rectify lost learning. The cost is in excess of budget but is covered by income.	
21.5.4	Non-pay costs are largely on track for the time of year, variables relate to West Plaza and Covid costs; some savings have been achieved following the bringing cleaning staff in-house.	
21.5.5	<p>Outturn by the end of the year will benefit from in-year growth funding for 16-18 of £1.25 million which is a great testament to the strong recruitment of learners in September. This informs strategy for the rest of the year and provides a healthy overall surplus.</p> <p>The College has taken a prudent approach to the budget. Provision has been set for adult student delivery to ensure they do not fall behind because of the Covid-19 situation. This will be optimised by the work of the Assistant Principal and her team.</p>	
21.5.6	Some staff are on furlough at the moment but numbers will reduce following the announcement of the reopening of schools and colleges.	
21.5.7	The year-end financial position should realise an overall surplus of £400k+ which equates to an Outstanding financial health rating.	
21.5.8	The portacabins at Cadbury were acquired free from Cirencester College and will help with decanting learners during the building works.	
21.5.9	<p>Governors asked if the organisation was committed to the living wage.</p> <p>The College confirmed it was and gave the example of the cleaners who had been brought in-house recently who would benefit from it.</p>	
21.5.10	RESOLVED THAT: Governors received the management accounts.	
F21.6	<b><u>Capital expenditure report and Capital Plan update</u></b> Presented by the Exec Director, Finance & Resources	
21.6.01	<p>The Exec Director, Finance &amp; Resources, explained the College's capital strategy.</p> <p>The 2019/20 capital budget, as approved at the July 2020 Board meeting, was £1.5m. The capital spend for the 6 months to January 2021 was £1.8m - the context of substantial amounts of additional funding from the LEP and the Further Education Capital Allocation (FECA) was outlined.</p>	
21.6.02	Due to the Covid-19 situation, the College has acquired over 1500 laptops for staff and students in addition to the allocation of 800 from the DfE. This will help with the College's strategy for delivering its curriculum in the next 3-4 years.	

	<p>Other costs incurred in dealing with Covid were outlined.</p> <p>The College is pursuing an insurance claim for exceptional costs to mitigate the impact of Covid. This is limited to £250k.</p>	
21.6.03	In response to a Governor's question, the Exec Director, Finance & Resources, explained how the College defined capital.	
21.6.04	RESOLVED THAT: Governors received the Capital expenditure report and Capital Plan update.	
21.6.1	<b>Capital – Cadbury Science City (Science labs)</b>	
	Minute No. F21.3 also refers.	
21.6.1.1	Since the January Board meeting, the College has worked hard to ensure it could achieve value for money from the project. AA Projects has now been able to progress plans for the remainder of the project. Options have been explored and detailed cost discussions with Willmott Dixon have taken place including critical evaluation of costs by AA Project's qualified Quantity Surveyors. This has confirmed it is possible to achieve the project aims whilst staying within budget and achieving value for money.	
21.6.1.2	<p>Governors noted there was a potential gap between budget and actual costs and asked how the College would deal with that.</p> <p>The College advised that it had a level of confidence the project would not go over budget but the detailed discussions would enable it to keep costs controlled.</p>	
21.6.1.3	The College explained the various stages of the project so far and how assurance had been gained at each stage. When it reached the contract stage of the Science blocks project it benefit from being able to have a more direct relationship with Willmott Dixon, at the moment the College was drawing on the knowledge of their architects and AA projects.	
21.6.1.4	<p>RESOLVED THAT:</p> <p>Governors would recommend to the Board approval of the appointment of Willmott Dixon as the principal contractor for the Cadbury Science City project (incorporating the science laboratory refurbishments as well as the already approved East Block renovations) up to the budget limit and not beyond.</p>	
F21.7	<p><b>HR report</b></p> <p>Presented by the Exec Director, HR and OD</p>	
21.7.1	Recruitment has been challenging during the pandemic but the College has worked hard to continue to attract the right skills and high quality candidates. There is now a dedicated HR lead in place for this aspect of work which has enabled the work to be escalated.	
21.7.2	The College is focusing on building and publicising its employer brand.	
21.7.3	A strong induction continues to be in place to support new employees during the first months of employment despite the pandemic.	
21.7.4	Employer relations – the College has had an interesting relationship with trade unions and much work has taken place in recent years to improve	

	<p>this. The pay agreement has been a significant milestone in that journey and has been positive for college staff.</p>	
21.7.5	<p>Absence and wellbeing is at the heart of the College's activity and it has worked hard to support staff, particularly during the pandemic. There is a central repository which houses a wide range of support and services for staff. The College now has 32 trained mental health first aiders, far more than other comparable sized colleges.</p> <p>The absence rate has increased slightly but this is not surprising in a pandemic and in recent weeks has reduced to more usual levels. It is not a particular concern but will continue to be monitored.</p>	
21.7.6	<p>Development and recognition is an important strand of the HR function. It has been an area of focus which has seen significant achievements including the Talent Matters scheme and the Our Great College development programme. It has had a significant cultural impact. The work will continue.</p>	
21.7.7	<p>The internal communications agenda has been developed over the last year and has been popular and appreciated by staff, particularly the Keeping Connected programme which enables staff to maintain their social interaction with peers and colleagues affected by remote working. Success at Sandwell focuses solely on good news and has been well received.</p>	
21.7.8	<p>The College is supporting the Kick Start initiative with 13 people set to join next month. The College will benefit from the recruits' enthusiasm, enterprise and skills and they, in return, will receive an excellent opportunity at a difficult time.</p>	
21.7.9	<p>Work has taken place on workforce composition from a diversity perspective. An HR Partner has been aligned to this particular area to form strong relationships and understand this area of the college. Diversity actions can be driven through that.</p> <p>The College welcomed the opportunity offered to speak to colleagues at the local Hospital Trust about programmes on diversity and share knowledge and best practice.</p>	
21.7.10	<p>Governors asked if the College had a 'local jobs for local people' approach to recruitment.</p> <p>The College advised that there were particular challenges in some areas, e.g. engineering but it agreed with the underlying premise.</p>	
21.7.11	<p>Governors hoped there would be an opportunity for a celebration event following the end of the pandemic to thank staff for their hard work and support of students during this time.</p>	
21.7.12	<p>Governors asked if the organisation believed that any staff member could influence the direction of the organisation.</p> <p>The College advised that its employee voice was powerful at both a collective and individual level and explained the variety of initiatives to support this including the Principal's open door policy and the Q&amp;S videos which had been shared with staff and which had been particularly welcomed during the Covid-19 situation.</p>	
	<p>RESOLVED THAT: Governors received the HR report.</p>	

F21.8	<b><u>Risk Register</u></b>	
21.8.1	Governors reviewed and monitored the Risk Register. Governors asked that people risks be included in the next version brought to the Committee.	Exec Dir, Fin & Res
21.8.2	There had been no substantial change to the version previously presented to the December and January meetings of the Board.	
21.8.3	Governors noted the Government had made a grant towards TPS.  The College confirmed that the in-year growth included the TPS fund. Government support has been confirmed for next year too which will help when setting the budget.	
21.8.4	Detailed discussion took place on Risk 8 – cladding. It was agreed that a condition report would be commissioned from the College’s Fire Safety expert. It was suggested that the FE College Transformation Fund submission include cladding replacement.	VP, Curr
21.8.5	It was noted that Interserve had now gone out of business but the College had warranties in place which it could pursue if necessary.	
21.8.6	The College advised that the building could continue to be used safely because of its evacuation policy.	
21.8.7	The key recommendation from the most recent fire service report related to fire doors. All fire doors at Central campus had recently been replaced at a considerable cost to the College.	
	RESOLVED THAT: <ul style="list-style-type: none"> <li>• Governors received and monitored the Risk Register.</li> <li>• A condition would be commissioned from the College’s Fire Safety expert.</li> </ul>	VP, Curr
F21.9	<b><u>Policies</u></b>	
	RESOLVED THAT: A policies schedule would be compiled. Clerk to follow up.	Clerk
F21.10	<b><u>Any Other Business</u></b>	
	There was no other business.	
F21.11	<b><u>Date and time of next meeting</u></b> Thursday 24 June 2021, 4.00pm  Future meeting dates of the Committee to be reviewed.	

The meeting ended at 5.40pm

Signed: ..... (Chair) Date: 24 June 2021