WEST NOTTINGHAMSHIRE COLLEGE
FINANCE & ESTATES COMMITTEE

Minutes of the meeting held in the Boardroom, Derby Road site on Thursday 27 February 2014 at 4.15 pm

BOARD MEMBERS PRESENT:	Terry Dean, Chair Asha Khemka Hari Punchihewa Colin Sawers
ALSO IN ATTENDANCE:	Maxine Bagshaw, Clerk to the Corporation Andrew Martin, Deputy Principal/Director of Finance Tom Stevens, Executive Director: Capital Projects & Estates

		ACTION by whom	DATE by when
14.01	**DECLARATION OF INTEREST**		
	The Chair reminded those present to declare at the start of the meeting any interests that they may have in items on the agenda. No interests were declared.		
14.02	**WELCOME, INTRODUCTIONS AND APOLOGIES FOR ABSENCE**		
	Apologies for absence were received from Malcolm Hall, Kate Allsop and David Overton (in relation to Estates matters only).		
14.03	**MINUTES OF THE MEETING HELD ON 14 NOVEMBER 2013**		
	AGREED: that the minutes of the meeting held on 14 November 2013 were a correct record and were signed by the Chair.	Chair	27 Feb 2014
14.04	**MATTERS ARISING AND ACTION PROGRESS REPORT**		
	Members reviewed the content of the minutes and the action progress table at page 12 and all agreed that items requested were progressing well.		
14.05	**PROPERTY STRATEGY UPDATE**		
	The Executive Director: Capital Projects & Estates introduced this item and drew a number of matters to members` attention: • Cladding six-storey tower and three-storey block – the tower will be complete internally except for installation of the sails (anticipated April 2014) by the end of February 2014. Work on three storey block commenced on schedule, completion date July 2014 and the		

Signed : ___________________________Chair Date:

programme is running on time. The sails have all been designed and should start to arrive in March with the anticipation that the building should be ready for occupation in April. It was noted that the sails for the six-storey block are to be provided by Keyclad and not KME.

- Link Bridge – refurbishment commenced on 17 February 2014 for eight weeks, access under the bridge prohibited for vehicles and pedestrians. Planning permission granted to open side gate on Nottingham Road for temporary access. Programme is anticipated to complete on 28 April 2014 and is progressing well at this time.
- Campus Cladding summary – current forecast for project costs is £4,648,149 compared with a budget of £4,731,212. A small surplus is expected. It was confirmed that the College has had a very small windfall in relation to the ability to move a tensile steel machine from the three-storey block. Suppliers have bought back the equipment, which weighs approximately 9.5 tonne at a cost of £1200. The supplier paid for and arranged the crane, which was used. The space that has been created can now be utilised as an additional classroom. Updated financial reviews have been undertaken on main contractor J Tomlinson, and main sub-contractors Keyclad and KME. All suppliers are trading positively.
- Derby Road science laboratory – Innova Design Solutions appointed. Work underway for completion by 28 February 2014. The work is in effect done and ready for student occupation.
- Engineering Innovation Centre – Wild Goose Construction appointed in December 2013. Work is moving on rapidly with mezzanine constructed and block work walls commenced for section one of the projects to relocate Fabrication and Welding during Easter 2014. Quotations have been received from specialist companies to relocate engineering equipment. The preferred supplier is Emcon Ltd, at a cost of £39,744.91 plus VAT. It was confirmed that this is a positive figure when compared to the contingency, but will be at an additional cost to the original budget. It was confirmed that detailed discussions have taken place with the Curriculum Managers regarding the moving of the equipment, to ensure that only equipment required is transferred. Financial reviews of Wild Goose Construction and main sub-contractors Garners Catering Equipment, Templemill Engineering and Amptron Electrical Services have been successfully completed.
- Electricity and Gas supply to Engineering Centre – the Executive Director: Capital Projects & Estates indicated that this has still not been resolved and therefore represents a significant risk to the timetable. He explained that until final drawings are received he cannot start legals. Another complication to the time programme is the capacity of power available versus the requirements and need for reinforcements. Consultants have been appointed and are reviewing and the initial advice is that Western Distribution Power need to reinforce and at this point in time they simply do not know whether this can be done. In terms of this element of the project, all agreed that the critical date in March had to be met. If the College was not able to move the Fabrication and Welding department on time, then

there would be a domino effect, which has to be avoided because of the significant consequences. All agreed that this was something that had to be managed, even if it required temporary solutions to be put in place. Because of the significance of this issue as a risk, it was agreed that a report would be provided at the next meeting detailing the contingencies in place to mitigate.

EDCP&E

1 May 2014

- Skills Infrastructure Capital Fund (SICF) – College informed on 19 December 2013 that it was unsuccessful in its bid for specialist equipment to support the Fashion curriculum.
- Further Education Condition Fund – this is a newly launched fund and the College is eligible for £500k to commit to improving the condition of the estate from category C. It is proposed to commit £225k to improve the heating system in the six-storey tower and three-storey block, plus £275k contribution to the cladding project. Members` attention was drawn to the page 22 detail which breaks down the elements of the project. It was explained that the College will need to commit another 2 thirds match funding to ensure it receives the allocation. In terms of the cost savings likely as a response to upgraded heating systems, it was confirmed that these would be £30k - £40k on an annual basis. The Committee requested that the team also look in to include efficiency lighting as part of the energy project, as this is something that is quite topical at this time. Members reviewed the project and were generally supportive of the application made.
- Studio School – design complete and schedule of works agreed. Programme of work agreed. Planning permission granted for removal of trees at the main Chesterfield Road building, works commenced in week commencing 17 February 2014. College to decant for main refurbishment in the week commencing 14 April 2014. In terms of the lease documentation it was explained that this has still not been signed, although it was hoped that it would have been ready for this meeting. EFA have granted access to the site on a permissions basis whilst the lease is outstanding. All agreed that there was a need to push the Local Authority and the DfE on this as the funding agreement requirement could be at risk if the lease is not finalised and agreed.

The Executive Director: Capital Projects & Estates explained that once the current capital plans have been completed, then the College will only be left with 18% of its estate as substandard category C, the remaining aspects are mainly at Ashfield, but small parts of Derby Road.

Members` attention was drawn to the VWS Property Update at page 17. It was confirmed that the VWS Board continue to consider the property portfolio, size, location, etc at each of their meetings.

AGREED:

a) To note the update provided.
b) To agree the appointment of Emcon at a project cost of £39,744.91 plus VAT for the specialist removal of equipment from the

Signed : ____________________________Chair Date:

Fabrication & Welding, Engineering & Motor Vehicle workshops.

c) To approve the design, supply and installation of substation for electricity and housing for gas by Energetics at a cost of £6,772 plus VAT.

d) To agree the submission of the proposal to the Skills Funding Agency for a capital grant of £500k to renew and remodernise the existing Estate. The funds to be allocated as a contribution of £275k to the cladding project and £225k to improve the heating system in the six storey tower and three storey block,

e) To agree the appointment of Watermans to prepare tender drawings and specifications for issue, monitor, commission and witness improvements to the heating system at Derby Road at a cost of £8500 plus VAT.

14.06 MANAGEMENT ACCOUNTS TO 31 JANUARY 2014

The Director of Finance introduced this item and drew members` attention to a number of particular items:

- The financial performance for the Group continues to be adversely affected by the trading performance of Vision Workforce Skills, as the business faces further restructure. As a result, losses are being incurred over a longer period than had initially been planned.
- Excluding the result of VWS, the College Group (old) has generated an operating surplus before interest and depreciation of £738k for the first half of the year. This compares to the budget of £1,199k and the prior year result of £632k.
- The old Group position continues to be affected by the weak performance of Work Place Learning within the College, which is £1,084k behind budget. This is partly offset by the continued strong performance of bksb, which generated a £592k surplus before depreciation.
- Including VWS, the College Group result before interest and depreciation is a loss of £2,049k, with the VWS loss of £2,787k in the six months to date.
- The College and subsidiaries are completing the mid year reforecast including planned restructure within the areas of concern for Work Related Training and VWS.
- The College has generated a surplus of £146k before interest and depreciation in the year to date, which is below the £713k budget, but improved over the prior year loss of £129k. This result remains primarily due to the performance of the Work Place Learning School and the softening of margins within franchising (approximately £280k lost contribution for the year to date). A secondary factor is the weaker than expected performance by two of the Schools of Learning, (a combined adverse variance of £330k).
- College income was £3,248k worse than budgeted at £26,655k for the year to date. The main adverse variance being 16-18 apprentices which continues to underperform (£3,943k for the year to date) generating only £2,752k of income. College own delivery has weakened this month and is now below phased budget at £816k. The

main cause of the adverse variance is the pass through of actual VWS delivery which at only £521k is just 15% of the target of £3,468k with no improvement in month.

- The adult skills budget income exceeded budget by £669k. However, there was a £140k underperformance in month. The over performance, however, is due to partner adult learner responsive activity, which had a favourable variance of £ 1,251k at £1,727k. This continued in month, but cannot be sustained as it is unlikely any additional contract allocation for the year for this can be obtained.
- Overall adult learner responsive income at £3,651k is £2,078k above phased budget. NVQ activity delivered by the College at £172k remains well below the year to date budget of £1,302k and is a core contributor to the weak work related learning performance.
- There were also adverse variances within HE income, £90k, other funding council income £28k and other income £131k.
- Pay costs are £414k below budget for the year to date due to good cost control within admin and central services, where there was a £779k favourable variance, which covered the budgeted pay saving of £468k. This, however, incorporates the release of the contingency budget. Overall teaching staff (teaching staff and sessional teaching staff) was just above budget at £5,264k. Work Place Learning continues to overspend on teaching costs, albeit at a slower rate and now has an overspend of £161k on teaching costs despite the underperformance on income.
- Non-pay costs are better than budget by £2,378k as a result of a favourable variance on franchise provision costs of £2,465k. Excluding franchise costs, non-pay is £87k worse than planned, the main overspend being in teaching (£83k adverse, stable), administration and central services (£218k adverse, getting slightly worse), Exams (£103k adverse) and premises costs which in total are £65k overspent (improving).
- The most significant favourable variance is other support where costs have been spent more slowly than expected, although this is offset by lower recognised income.
- Most Schools of Learning are now delivering favourable variances notably Academic, Public Services & Sport Studies which has a £162k favourable variance with a 46% contribution.
- Weaker financial performances are the 24.6% contribution made by Business Professional & Continuing Education (£131k below budget); and the 22.8% contribution of Lifestyle Academy, both of which deteriorated in month. All other Schools of Learning made contributions between 28.2 % and 35.1 %.
- Vision Workforce Skills performance continues to be behind budget pending the implementation of further restructure (a loss of £2,787k before depreciation) mainly as a result of the lower than planned 16-18 apprentice income, whilst fixed costs retained to deliver these courses remain high (property occupation).
- The Company is, however, developing alternative income streams, predominantly adult focused and in the workplace. These courses deliver much lower income per assessor hour and do not require the

Signed : ___________________________Chair Date:

majority of the fixed cost infrastructure originally planned to retain within the business.

- As part of this process the Company has now completed the termination of Croydon site lease. An early surrender of Luton site lease has also been negotiated and completed at below the cost included within the dowry.
- bksb continues to perform well as a result of consistent growth and strong cost control. The surplus for the year to date at £591k is £140k above plan. Total Income at £1,257k is £53k below plan, with income currently running at plan.
- Vision Apprentices has achieved a break even position, £19k worse than plan due to the substantially lower than planned income, consistent with the College sales performance in apprenticeships.
- The Balance Sheet includes borrowing associated with the new build programme with a total value of £13.5m at the end of January 2014, a draw down of £5m since last financial year end. This has incurred interest costs of £265k in the first half the year.
- Group short term solvency has improved from year end (by £1.295m)as a result of the financing drawn down and receipt of £1.503m of deferred capital grants more than offsetting the capital expenditure of £2.545m and group loses for the year to date.
- Cash balances excluding VWS at £11.862m are £6.506m higher than forecast, albeit with a sharp but predicted fall in the month as SFA funds from last year which had not been earned were clawed back. Cash balances for the group stood at £12.271m.

In general discussion it was acknowledged that the top level College performance is significantly influenced by VWS performance. The Director of Finance explained that the key failure in relation to the original business plan was in relation to the targeted number of 16-18 IT Apprentices. He indicated that VWS currently do not have an IT Specialist on the Sales Team and this will obviously need to be addressed. However, it is dangerous, in his view, to pin the whole Company business plan on such a specialist niche area at a particular level. It was acknowledged that with hindsight the business plan for VWS was overly ambitious and in fact the business was more broken/stagnant than had originally been appreciated. The lack of activity in the business, combined with demotivation of staff has meant that the Management Team have had an uphill struggle. In addition to this, the Company has now been through two complete restructures of the Sales Team, all of which have led to some delays in getting on the right track. In addition to this, some staff roles are not exactly right and fit for purpose, this has taken time to review. It was acknowledged that the 16-18 apprenticeship product is just too specific a strategy to rely upon going forward and the products offered by the Company need to be broader. All agreed that there was a need to restructure the business to respond to the direction of travel.

The Principal and the Director of Finance confirmed that they had participated in a very productive meeting of the VWS Board on Tuesday of this week. They gave assurances that responsive plans were in place, both in terms of sales, business opportunities and ways in which property savings can be identified, these to be as quickly as possible.

Members reviewed page 43, which is the balance, sheet and questioned why the level of Creditors and Debtors have gone up so significantly. It was questioned whether this was usual at this particular point in time or whether there was a specific reason. In terms of Debtors, it was confirmed that the College simply has more students with loans now than ever before. In relation to Creditors the SFA have paid on profile not actual performance to date, and therefore there will be a claw back in the coming months to reflect the under performance to date.

AGREED: to note the content of the Management Accounts to 31 January 2014.

14.07 COLLEGE MID YEAR FINANCIAL REFORECAST 2013/14

The Director of Finance introduced this item and drew a number of specific matters to members` attention:

- This report provides the Committee with the outcome of the mid year financial review of the College Group activities for the 2013/14 financial year. It sets out the key reasons for changes to the original budget for the year, set and approved by the Board in July 2013, explaining the impact on income, costs, cash flows, the balance sheet and the College Group result.
- As in previous years, this will be the single point in the year at which the College financial forecast amends the original budget. However, due to the specific challenges within Vision Workforce Skills, the Board has already received a further forecast update following the first quarter of trading activity.
- The revised forecast will be used for the remainder of the year to assess the College's financial performance, and will be reconciled to the July management accounts and financial statements at the end of the year.
- Subsidiary company forecasts are subject to the presentation and approval by each company Board but have been included in the group position presented for information.
- The College Group approaches the current mid-year forecast following a challenging assimilation of the new Vision Workforce Skills business and a disappointing result for the 2012/13 financial year.
- Emerging challenges in the core business through Work Related Training have been identified and are being addressed whilst the College core partnership programme continues to suffer from margin pressures despite greater delivery flexibility and contract capacity.
- The inherent issues created through the Work Related Training performance in particular will result in an irreversible impact on the budget for 2013/14 in year. Changes made during the year will

Signed : ____________________________Chair Date:

impact favourably on the 2014/15 budget, but will not be resolved to offset the in-year impact in any significant way.

- Across the core income budgets, there has been a mixed performance in the first half of the year leading to a significantly different forecast out turn compared to the original budgeted position.
- Adult Skills Income excluding VWS is expected to be £17.4million compared to the original budget of £13.8million, an increase of £3.6million. This increase has been secured through additional contract capacity for adult apprenticeships and a pending growth proposal for employability programmes.
- With the adult skills delivery, the College`s own delivery will be significantly lower than budgeted, with a forecast out turn of £4.9million compared to the original budget of £6.3million. This is essentially the key issue within the challenges in Work Related Training which requires an adjustment to the cost base to move case loadings to normal levels.
- Partner delivery is the element that will make up the balance of the higher forecast within adult skills although the margins achieved from our partner programme are substantially lower than budgeted. Excluding VWS, the budgeted margin contribution across the Adult Skills programme was £2.89million at 24.9%. The mid-year forecast, whilst providing an improved contribution of £3.02million, will yield an overall margin of 19.7%.
- Income from the core 16-18 classroom delivery programme will remain as budgeted at £12million although additional learner support will be £200k lower than budgeted due to high needs learner volumes of 139 falling short of the 165 target.
- College direct delivery of apprenticeship programmes is largely on track and is forecast to remain on course for the remainder of the year at £1.7million of activity. The current restructure within the area will require careful management in order to maintain activity levels during a period of uncertainty for the staff.
- Higher Education income will be boosted be the release of a prior year provision for claw back following confirmation of funding out turn value providing a benefit of £290k in the year.
- HE tuition fees at £2.0million will be around £400k lower than anticipated as a result of the lower fees charged to continuing learners on old regime arrangements. Essentially, the learner recruitment included a larger than expected number of top up learners for whom the College honoured a fee level commitment which was not compensated by additional volumes across the overall cohort. As a result, the average yield per student is lower than had been budgeted, although this is likely to disappear as the old regime students wash out of the system at the end of the current financial year.
- Overall vocational tuition fees will be lower than budgeted, partially caused by the introduction of the advanced learning loan system and will result in an adverse impact of £450k in the year.

- ESF programme for NEET and Skills Support for the Workforce have been included in the forecast at a level of £2.9million. However, the majority of this activity is delivered through the consortium members with little impact on the bottom line. In the original budget, the programme was expected to delivery just £350k of income.
- As a result of the changes highlighted above, overall income for the College excluding VWS will be £49.8million compared to the original budget of £45.6million.
- Whilst this appears positive on the face of it, the main additional income comes through ESF (£2.55million and 5% margin) and partner delivery (£3.7million at 19.7% margin) with a shortfall of direct delivery of £1.7million, all of which is fully resourced.
- The shortfall in direct delivery of £1.7million falls straight to the bottom line with the offsetting contributions for the additional partner activity only adding £729k in response. Essentially, this makes for a net bottom line impact of £971k and makes up the vast majority of the adverse change in the College performance for the year.
- Following a positive first half of the year, where pay costs have under spent against the original budget, the prognosis within the financial forecast remains positive for making savings against budget for the full year.
- The original budget anticipated pay costs of £25.5million including a contingency of around £300k which has been utilised to absorb the annual pay review in January 2014 of 0.7% as agreed by the Board.
- The full year forecast for pay expenditure has been set at £24.8million, anticipating the additional costs of restructure for work related training (£150k) and a limited impact in savings for the remainder of the year.
- Current monthly pay levels of £2.045million would suggest a full year spend of 24.5million although the forecast has been developed on a more detailed basis taking into account the business delivery requirements and activities in the second half of the year.
- Teaching pay costs of £10.8million including sessional costs are forecast to be around £200k higher than budgeted with some of the inefficiency and overspend in the first half of the year relating to work related training.
- Non-teaching costs are expected to be 1.5million lower than original budget as the cost control around replacement posts has been rigorously enforced during the year and will continue to be the case into the future. Non-teaching sessional costs for learner support of £487k will be £280k higher than budget due to inaccuracies in the original budget setting process.
- Total non-pay costs of £26,336k include non-VWS partner costs of £12,300k. Excluding all partner costs from the non–pay forecast results in an overall no-pay spend of £11.91million. This compares to the original budget of £11.44million.
- Within non-pay there are many small changes when comparing the budget to forecast but the main adverse changes includes spending on teaching departments where the forecast has increased by £148k,

AGE grants where costs are £100k higher, although this is offset by the same amount of additional income, and additional registration fee costs of £124k.

- All non-pay budgets for the remainder of the year have been set at or close to original budgeted levels unless specific essential spend items have been agreed. This includes an additional spend of £60k in order to externally validate the teaching and learning experience to confirm the inspection ready status of the College provision.
- The original budget for the College anticipated out turn deficit of £472k for the 2013/14 financial year. The mid-year forecast anticipates that this budget will not be attained and the out turn will be a deficit of £1,410k, leading to a worsening of £939k.
- As has been set out in the text above, the core under delivery of the direct work related training programme will result in an irrecoverable impact on the year. The changes being implemented at the present time will help to address this issue moving forwards but due to the cost of restructure has little impact for the remainder of the year.
- The disappointing aspect of the forecast result stems from the opportunity provided through additional income within the adult skills budget. However, the margin pressure on the partner programme has meant that the additional £3.7m of activity will result in just a £137k of margin contribution which otherwise would have been £790k better had the budgeted margin been achieved

In general discussion it was confirmed that there will be some further changes to the reforecast position following the VWS Board meeting on Tuesday. It was explained that the VWS Board think that 100% of attainment of the initial reforecast position is a risk and, therefore, they have requested that attainment of 85% of the target detailed be used in the forecast as it is realistic. The Company will still work towards hitting the £1.9million loss figure, but feel that a £2.4million deficit projection is a much more realistic position.

Members reviewed the income and expenditure account on page 49, and felt that in relation to Vision Workforce Skills, there are not enough staff savings identified, particularly for a company that is under performing to the level that it is. It was acknowledged that the Company has lots of excess capacity and this has to be addressed. It was acknowledged that there would not be much in year benefit regarding staff restructure, but if the restructuring process was introduced as planned, then it would lead to £1.3million - £1.4million cost savings in the next academic year.

Members reviewed the balance sheet at page 52, and accepted that despite the operating position, the balance sheet remains OK and stable. The position is reasonably strong in terms of the short term position. However, it was made clear that the 2014/15 operating position needs to significantly improve, so that the College can meet its bank covenants in relation to the loans agreed and in place.

Members discussed partner activity, and it was confirmed that for outsourced provision, 19.7% is the margin on all provision. The Director of Finance confirmed that the College is currently reviewing its partner relationships and will look to change going forward. The team will look to review the Partner Strategy in what is a very challenging environment, where income, budgets and quality all need to be balanced.

The Committee, in principle, were happy with the reforecast position and were happy to make the recommendation to the Board that it be agreed. This is, however, subject to further adjustments to be modelled following the VWS meeting earlier in the week.

AGREED: in principle, to recommend that the Board approve College mid-year reforecast for 2013/14.

14.08 <u>COLLEGE FEE POLICY 2014/15</u>

The Director of Finance introduced this item and confirmed:

- The College reviews its fee policy on an annual basis and has seen fee levels rise as Government funding has been targeted on specific groups of adult learners. The initial move to a sharing investment with 50/50 levels of fees and intervention was reached in 2010/11.
- The College did not increase fees in 2013/14 other than in relation to the introduction of the Advanced Learner Loan facility in September 2013. This was introduced by Government as a means to review revenue expenditure on adult education and to empower individuals to take personal responsibility for the investment in learning.
- The College fee policy for 2013/14 remained consistent with prior years. Further amendments were made to the credit policy by which adult fee payers utilise a phased payment or instalment plan for more expensive courses.
- Current fee position was summarised at paragraph 8. It was noted that in 2012/13 tuition fee income increased by 66% from £1,043,931 to £1,747,093 largely due to the increase in HE tuition fees. For 2013/14 total tuition fees will increase further following second year of higher HE fees and the first year of fees through the Advanced Learner Loan system.
- Fee remission categories – these are set out on page 55 and include a) fully remitted fees, b) contribution towards cost of study (co-funded), and c) College own fee remission categories.
- Proposed policy for 2014/15:
  a) Higher education – HE students are at all times responsible for paying their fees. In some circumstances student fees are paid by either a sponsor or student finance England SFE using the student loan system. If at the time of enrolment the student does not provide either evidence of sponsorship or acceptance through SFE they will be asked to pay a refundable fee of £250. This fee will be refunded if evidence is provided on or before 13 September 2014, but if this evidence is not provided by this

date the £250 will not be refunded and the student will be liable for the full fee. It is believed that this will, in effect, tie an individual into a small element of commitment. The College has increased its full time higher education fee levels by £250 for 2014/15. Fee levels for 2014/15 will be a) £5750 for full time learners (up from £5500), b) £3000 for part time learners (unchanged), and c) £1000 per module (unchanged). Old regime students will continue to be charged at the rate prevailing at the time of enrolment, which was £1380 for full time students, for 2014/15 it is only expected that there will be a handful of individual learners who fall into this category. If a HE student withdraws on or before the 13 September, in any academic year, they will be charged an administration fee only of £25. If the student withdraws after 13 September and on or before 31 October in an academic year, they will be charged 25% of the fee for the total year. A HE withdrawal on or after 1 November in an academic year will result in the student being liable for the total fee for the year. Students funded through the student loan system via SFE will not receive any refund of monies paid to the College by SFA, and will not be liable for any unpaid fees at the point of enrolment on the condition that an approved student loan was in place before 30 September in the academic year of study. For students not funded through a sponsor or through a student loan company an option to pay full time or part time fees in instalments will be available with equal payments due for collection in October, February and May following payment of a 25% deposit at the point of enrolment.

b) Further Education – the most significant change to the policy for 2014/15 is that apprentices aged 23+ on level 3 plus programmes will no longer be required to take out a 24+ Advanced Learner loan. Loans already issued will not have to be repaid. Course fees for adult apprenticeship programmes will continue at £500 for the majority of adult apprentices. Adult learner loans for 19-23 year olds on level 3 courses will continue. The College will not increase its tuition fee levels in 2014/15 from those charged in 2013/14 for all other groups of learners, recognising the challenging economic environment, and the competitive nature of FE fees across the area.

c) Discretion – the Head of School will continue to have discretion to set fees at a higher level than the assumed rate to reflect the market conditions, this must be agreed before the commencement of the delivery of any programme under consideration. Discretion to charge fees lower than described by this policy may only be exercised as part of the curriculum planning process and must be approved by the agreement of the Deputy Principal: Teaching & Learning for classroom based courses, and the Vice Principal: Business Development for work based courses.

In general discussion it was acknowledged that the proposals are not suggesting any major changes save for higher education, what is proposed is a pragmatic policy, this will be the second year in succession that base costs of fees are not increased. It was explained that this is a safe policy with no radical elements. It was acknowledged that the College recruits from its local area and community and there is a need to have regard to this. It was explained that a lot of adult fee paying students are simply not coming to the College if remissions are not available, and again this has to be borne in mind when the policy is set.

Members all agreed that the policy was a pragmatic one and were happy to approve the same.

AGREED: to approve the fee policy for 2014/15 as presented.

14.09 AOB

There were no items of additional business.

14.10 CONFIDENTIAL ITEMS

It was agreed that confidential items would be recorded separately.

14.11 DATE OF NEXT MEETING

It was confirmed that the next meeting was scheduled for 1 May 2014.

Meeting closed at 5.55 pm.

Signed : ____________________________Chair Date: