

Graham Guest
Principal
Telford College, Haybridge Road
Wellington
Shropshire TF1 2NP

(Sent via email)

13 February 2020

Dear Graham

Re: Grant Funding Agreement dated 28th February 2018 and subsequent Deed of Variation dated 29th March 2018 made between Shropshire Council acting as the Accountable Body for the Marches Local Enterprise Partnership and Telford College

Thank you for hosting a meeting between Telford College and the Marches Local Enterprise Partnership (9 December 2019) in respect to the Telford College Growth Deal 3 – Virtual & Augmented Reality (VAR) Suite Project. The purpose of the meeting was to discuss the previously circulated Marches Local Enterprise Partnership (LEP) Audit Report (08 November 2019) and next steps.

During the meeting Telford College tabled a formal response to the LEP Audit Report, presenting additional evidence relating to queries raised around items received. In line with the agreed actions I can confirm that officers from both the LEP secretariat team and Shropshire Council have undertaken a full and comprehensive review of the formal response and the evidence pack provided.

Please find below responses from the Marches LEP in respect to the report:

Telford College – Response	Marches LEP Response
Covering Email – <i>‘Following the meeting we contacted the supplier of the Atomic Chair with bike (full motion) and enquired about delivery in January. The supplier confirmed they cannot deliver in January so therefore the College will return the loan bike receiving back the £15,500 and will in turn refund £11,780 to the LEP’.</i>	The reimbursement of £11,780 in relation to the Atomic Chair is acceptable.
Report (p2) – <i>‘For all the items in question, Telford College signed as the recipient for the goods.’</i>	In certain instances, delivery notes could not be provided against items received.

	<p>Telford College's Financial Rules and Regulations Policy states:</p> <p><i>'All goods shall be received at designated receipt and distribution points. They shall be checked for quantity and/or weight and inspected for quality and specification. A delivery note shall be obtained from the supplier at the time of delivery and signed by the person receiving the goods.'</i></p> <p>Having checked our records, signatures have been provided however these have been:</p> <ul style="list-style-type: none"> • Provided retrospectively; • On invoices, not delivery notes; • The signatures appear to be from the suppliers and not representatives from Telford College.
<p>Report (p2) – <i>'The college acknowledges, in hindsight, the MLEP should have been proactively informed about any changes in relation to changes to the asset list, specification and cost'.</i></p>	<p>Notifying the LEP of any changes to the asset list/expenditure profile is outlined within the Funding Agreement (Section 2.4, P6):</p> <ul style="list-style-type: none"> • <i>'you must notify the council of any circumstances that might result in:</i> <p><i>The Project being materially varied from 'The Project', as specified in Appendix 1.</i></p> <p>The LEP was not informed of any changes in equipment by the College.</p> <p>The position was only established during routine monitoring visits when LEP officers reviewed items received against the equipment list.</p>
<p>Report (p2) – <i>'The speed at which technology advances resulted in better products being offered to the college for equivalent/lower cost – this meant in some cases the equipment received was different from that within the original list but was of a better specification. It is acknowledged that the lack of detail on some invoices added to this confusion. In other cases, items were no longer</i></p>	<p>Telford College submitted a claim for £520,325.94 including invoices and evidence of defrayal, signed off by the College Principal.</p> <p>The invoices submitted matched the revised equipment list in the Deed of Variation and BACS evidence supported the defrayed payments in the claim.</p>

<i>being produced and reasonable alternatives were provided at a similar cost.'</i>	Telford College's Finance Rules and Regulations Policy states: <i>Authorisation of an invoice (or receipting of an electronic order) will ensure that:</i> <ul style="list-style-type: none">• <i>The goods have been received, examined and approved with regard to quality and quantity, or that services rendered, or work done is satisfactory.</i>
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Having reviewed the additional evidence provided by Telford College in relation to the outstanding queries, both the LEP secretariat team and Shropshire Council officers have concluded this piece of work.

The final position is outlined below:

- Telford College to refund the Marches LEP £11,780 for the Atomic Chair. The LEP to receive the funds by 31 March 2020;
- The LEP will not invoke clawback (excluding the Atomic Chair) against Telford College on the basis that the items are now in place and these will enable the contractual outputs to be achieved. These items will be reviewed at the next monitoring visit;
- That a review is undertaken by the College relating to the processes and procedures adopted in administering the LEP Grant and the findings of the review are to be shared with the LEP secretariat and Telford College Corporation by 31 March 2020;
- Telford College focus on the achievement and verification of the agreed outputs (for which the Grant was awarded), as set out within the Grant Funding Agreement.

This concludes the LEP's findings on the outstanding queries relating to the Growth Deal 3 – VAR Suite Project, ensuring Telford College can focus on delivering the agreed outputs. Can you please confirm in writing the College is happy to proceed on the basis outlined above by 21 February 2020.

I look forward to hearing from you.

Yours sincerely,



Gill Hamer
Marches LEP Chief Executive