



**CALDERDALE COLLEGE
FINANCE AND RESOURCES COMMITTEE MEETING**

Minutes of the Meeting held on 24 March 2022 by MS Teams

Present:

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

In Attendance:

Sharon Bowker	Executive Director (Finance & Funding)
Ebrahim Dockrat	Director of Commercial Services and Partnerships
Julia Gray	Vice Principal, Curriculum, Quality and Student Services
Jane Taylor-Holmes	Clerk

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

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	FR/22/101 - Apologies for absence	
1	Apologies were received from Mrs P Drake, External Governor.	
2	Thanks were noted to Mrs Drake for her commitment and contribution to the Committee over the years, it was noted that Mrs Drake would be retiring on 31 March 2022.	
	FR/22/102 – 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/22/103 – Minutes of the meeting held on 30 September 2021</p> <p>Resolved: The minutes of the meetings held on 25 November 2021 (including Part 2) were approved as a true and accurate record.</p>	
5	<p>Resolved: The minutes of the Joint Audit and Finance & Resources Committee meeting held on 25 November 2021 were approved as a true and accurate record.</p>	
6	<p>FR/22/104 – Matters arising</p> <p>In relation to the action arising from item FR/21/149, this was now complete and Mr J Rees, Principal & Chief Executive, had provided an update to Covea as to the use of the donated Chrome Books.</p>	
7	<p>A verbal update was provided around item FRA/21/103. It was noted that penetration testing had been completed and this was referenced in the Estates and IT update report.</p>	
8	<p>Reporting had been provided to the Curriculum, Quality and Standards Committee to complete the action arising from item FR/21/119.</p>	
9	<p>All other matters arising were complete, on the agenda or for completion at a future meeting.</p>	
	<p>FR/22/105 – Commercial and Partnerships</p> <p>External Funding</p>	
10	<p>Mr E Dockrat, Director of Commercial Services and Partnerships presented a report providing an update on external funding contracts.</p>	
11	<p>Mr Dockrat explained that following feedback at the previous meeting, additional information and notes had been shared to show the variances between income and performance.</p>	
12	<p>Mr Dockrat explained that at the time of budgeting a number of bids had been submitted which weren't successful; the Community Renewal Funding of almost £1million and activity from WY consortium and the College</p>	

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	had failed to secure extensions to the contracts, which had a negative variation on the budget.	
13	Mr Dockrat explained that work had been done to limit the impact of the reduction in income including a review of pay and non-pay cost, and alternative bids had been submitted.	
14	Mr Dockrat confirmed that the outcome of the Skills Bank bid was awaited; however, the College had been awarded the interim contract to the end of September with the South Yorkshire Combined Authority. The College had submitted a bid for a new contract to continue the work and the outcome was awaited.	
15	Committee members were referred to development activity which included new work in the 'green' area.	
16	Mr Dockrat confirmed that the College was actively looking with partners to bid for additional funding and Committee members discussed opportunities available such as the funding to replace ESF funding.	
17	Committee members asked whether the funding to replace EU money had been delayed. Mr Dockrat explained that the College was still delivering EU funded projects and would continue to do so until December 2023. It was noted that the Shared Prosperity Funding had originally been set up to mirror the EU funding but was now part of very broad levelling up agenda.	
18	The current Programmes would come to an end during 2023 and it was important to use 2022/ 23 to re-organise.	
19	It was noted that the College was currently bidding on projects through the West Yorkshire Consortium.	
20	Resolved: The Committee noted the report.	
	External Funding – Sub Contracting	
21	Mr Dockrat presented a report on current sub-contracting and the ESFA subcontractors for non-core provision.	
22	Committee members discussed the ongoing scrutiny of the subcontractors and the red-rated subcontractors.	

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23	In relation to Project Challenge, it was noted that this had been rated red due to risks in the area. It was noted that this was a long-standing relationship and the College was offering support to ensure that the much-needed support for learners furthest from the labour market continued. The College was offering support to discuss options around a more sustainable future. Committee members noted that there was high demand in this area.	
24	Committee members asked for further information about compliance and audit and noted the activity undertaken in relation to Project Challenge. Mr Dockrat agreed to provide more information on what is being done to resolve this issue in advance of the Board meeting.	Action: Mr E Dockrat April 2022
25	Resolved: to recommend to the Board at its April 2022 meeting the updated list of subcontractors for non-core provision.	
FR/22/106 Estates and IT Update		
26	Mrs S Bowker, Executive Director (Finance & Funding) provided the update.	
27	It was noted that the outcome of the Transformational Bid was not yet know; when notified, Mrs Bowker agreed to update Committee members. The outcome remained due during March 2022.	
28	Mrs Bowker commented that the pricing for the bid was submitted 12 months ago and there would likely be changes required to address increases in costs due to higher material costs and labour shortages.	
29	In relation to penetration testing, Mrs Bowker referred Committee members to item 3.2. It was noted that JISC had been asked to conduct a review.	
30	Overall, the JISC report was not critical. However some areas had been identified to improve and harden internal and external systems. It was noted that there were no significant findings and that the work done was not in itself expensive but labour-intensive.	
31	In addition to the penetration testing, Mrs Bowker also referred Committee members to the report from ICCA	

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	(Internal Audit service) on IT Data Security and Infrastructure.	
32	Mrs Bowker explained that, as with all Internal Audit reports, the report had been provided to the Audit Committee. The Audit Committee had asked that the report be provided to the Finance & Resources Committee.	
33	The report had provided reasonable assurance that systems were sound. Six recommendations had been identified in total; three medium, two low and one advisory.	
34	There had been a recommendation in relation to the purchase of an automated system for checking for threats. Other options were being explored including the re-utilisation of existing equipment.	
35	In relation to the Back-up Policy and Procedure, Mrs Bowker explained that there was a need to update the Policy to reflect practice.	
36	It was noted that the third medium recommendation was in relation to back-up and loss of service and disaster planning.	
37	It was agreed that the Report provided assurance that action was being taken to address the recommendations identified, and from a security perspective, systems were sound.	
38	Committee members received the water usage appendix.	
39	Mr Rees commented that the IT summary had been really helpful and explained that IT strategy would be further reviewed at the June Governor Development Day.	
40	Mrs Bowker commented that there had been a significant amount of work undertaken to address IT security and the systems in place. This had been a necessary investment and the College was in a sound place in relation to IT security.	
41	Mrs Bowker explained that the Digital Working Group had been reintroduced with curriculum and business support representation. The Group was reviewing the priorities and looking at RAG rating them. Student views were also being sought through surveys.	

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42	Resolved: The Committee received and noted the report.	
	<p data-bbox="300 367 879 400">FR/22/107 - Sustainability Update</p> <p data-bbox="300 439 1187 577">43 Mrs Bowker presented the first sustainability report. It was noted that the report provided an overview of the College existing measures in place and the current in-year plans on the journey to carbon net zero.</p> <p data-bbox="300 616 1187 719">44 Mrs Bowker commented that the AoC had recently presented information which had highlighted the importance of sustainability to students.</p> <p data-bbox="300 757 1187 860">45 Committee members welcomed the report and commented that it was positive to see the action being taken and agreed that regular reporting in this area should be provided.</p> <p data-bbox="300 898 1187 1037">46 In response to a question, Mrs Bowker confirmed that electric car charging was being discussed; the cost to those charging their vehicles was noted. It was noted that Nexus at Leeds University had around 30 charging points.</p> <p data-bbox="300 1075 1187 1214">47 Mr Rees commented that the AoC had published the Green College Commitment, which was a detailed paper accompanied by a set of online resources aimed at supporting Colleges to deliver sustainable change.</p> <p data-bbox="300 1252 1187 1467">48 It was noted that there was a requirement in the Annual Financial Statements guidance around what a Governor-approved College statement needs to look like as a minimum expectation. It was noted that there would be a requirement to report against sustainability as part of the 2022/23 financial year reporting.</p> <p data-bbox="300 1505 1187 1644">49 It was agreed that the AoC Green College Commitment would be presented to Governors on 7 April as part of the Chief Executive Report to obtain Governor approval of the Commitment.</p> <p data-bbox="300 1682 1187 1852">50 It was further agreed that it would be useful for the Curriculum, Quality & Standards Committee to understand how sustainability was being embedded within the curriculum and future development. This would be further considered.</p> <p data-bbox="300 1890 963 1924">51 Resolved: The Committee noted the report.</p>	<p data-bbox="1209 1559 1449 1615">Action: Mr J Rees April 2022</p> <p data-bbox="1209 1760 1394 1816">Action: CQ&S TBC</p>

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	<p>FR/22/108 - HR update</p> <p>52 Mrs Bowker provided the HR update.</p> <p>53 Mrs Bowker reported the challenges around recruitment that the College and the sector were facing and referred Committee members to the AoC report provided, which detailed that it was estimated there were more than 6000 job vacancies in the sector; the highest in more than 20 years. The highest number of vacancies were in areas such as construction and health and social care.</p> <p>54 Mrs Bowker commented that some posts were really difficult to recruit to and this was a national issue. The AoC was trying to raise awareness. It was noted that the College aimed to be the employer of choice and was looking at a retention strategy for staff.</p> <p>55 Mrs Bowker commented that, in general, recruitment was lower than in previous quarters. It was noted that the College would incur some recruitment costs in the coming months which were unbudgeted in relation to senior staff recruitment.</p> <p>57 In relation to absence where the reason stated was stress, of the seven cases, two were work-related. It was agreed that whilst comparative data was not available, the figures were low out of 500 employees.</p> <p>58 Resolved: The Committee noted the report.</p>	
	<p>FR/22/109 – Self-Assessment Report – Business Areas and Associated Action Plans</p> <p>59 Ms J Gray, Vice Principal, Curriculum, Quality and Student Services provided the self-assessment report on business areas and associated action plans.</p> <p>60 Ms Gray explained that the paper would be developed with a comment section added to ensure that progress could be monitored. Ms Gray explained that the first had been undertaken in December 2021.</p> <p>61 In relation to those areas RAG rated as red, Estates and Facilities now had a Quality Improvement Plan (QIP) in place with action reported against it. Finance had been monitoring informally and a QIP would be in place by 1 April.</p>	

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62	<p>A Learner Services and Admissions QIP would be in place by 28 March. There had been some difficulties in relation to Catering due to absence of the Manager; informal monitoring was being undertaken.</p> <p>Marketing and Recruitment did not have a QIP in place. Following the return to work of the Executive Support Manager, the QIP was being developed and would be in place.</p> <p>Ms Gray described the Self-Assessment process and how this results in the development of the QIP. It was noted that some areas may also form a part of the College Action Plan.</p> <p>The Microsoft Planner software appendix information was to show the version currently being used to allocate the tasks. It was noted that the software created automatic reminders which the spreadsheet does not.</p> <p>Committee members reflected on their experiences attending the SAR sessions with some business areas and expressed concern that some areas did not appear to be participating appropriately in the process, particularly where feedback as part of the SAR process had not been positive. It was agreed that updates on progress would be reported to future Committee meetings to demonstrate the Committee's commitment to improvement in the business areas and to monitor progress.</p> <p>It was agreed that the format of the report would be developed to be more akin to College Action Plan, with commentary to describe action being taken where issues had been identified.</p> <p>Resolved: The Committee noted the report.</p>	<p>Action: Future F&R Committee meetings July 2022</p>
	<p>FR/22/110 – College Action Plan</p> <p>Mrs Bowker provided the College Action Plan in areas relevant to the Finance & Resources Committee.</p> <p>It was noted that this had been shared at the Governor Development Day on 11 February 2022 and there had been no changes since.</p> <p>Committee members reviewed the actions and progress being made.</p>	

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71	Resolved: The Committee noted the report.	
	<p data-bbox="300 405 1023 439">FR/22/111 – Financial Performance Report</p> <p data-bbox="300 477 1161 544">72 Mrs Bowker explained that she continued to meet with Mr M Rogers, Chair of the Committee, on the monthly basis.</p> <p data-bbox="300 582 1023 649">Management Accounts to 28 February 2022 including year-end forecast.</p> <p data-bbox="300 687 1126 754">73 Mrs Bowker presented the management accounts up to Period 7 (28 February 2022).</p> <p data-bbox="300 792 1126 936">74 Mrs Bowker explained that in January reforecasting had taken place. This resulted in the year-end position changing to a surplus position of £91,000 against the original budget deficit of £153,000.</p> <p data-bbox="300 974 1177 1182">75 Mrs Bowker referred to income in section two of the report and areas RAG-rated red based on the original budget. Committee members discussed key areas of risk to the College. It noted that in the area of Commercial funding assurance was provided around the matching of income to expenditure to manage the risk.</p> <p data-bbox="300 1220 1161 1467">76 Mrs Bowker referred to section 2.1 of the report and the risk in relation to AEB. Mrs Bowker explained that there had been an accounting gain in this area as income in the previous year was better than forecast. This was one of the reasons the College was performing better overall along with the impact of the higher carry-over of ESF funding.</p> <p data-bbox="300 1505 1161 1608">77 In relation to apprenticeships, Mrs Bowker explained that although income was lower than forecast currently, it was expected that the position would recover by the year end.</p> <p data-bbox="300 1646 1150 1789">78 In relation to pay, Mrs Bowker commented that the position was positive generally; however, pay costs were above forecast in estates. This was due to significant shortages, the COVID impact and agency costs.</p> <p data-bbox="300 1827 1182 1895">79 Mrs Bowker explained that the current ratio of pay costs as % of income was 68.62%.</p>	

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80	It was noted that agency costs had increased significantly, Agency staff were being utilised to cover vacancies whilst advertising for replacements or as a result of long-term sickness absence.	
81	In terms on non-pay, Mrs Bowker commented that this was on or below budget. There had been an increase in curriculum spend which appeared to be as a response to materials needed for end-point assessment. There were some areas where costs for materials were significantly higher, and increasing, such as construction.	
82	Mrs Bowker confirmed that the College had fixed energy bills until October 2023. This would be an item for consideration in the 2023/24 budget.	
83	Committee members discussed the £750,000 investment which was dependent on the Transformation bid and capital costs around the investment in T-levels.	
84	Committee members were pleased to see the reforecast recording that a small surplus may be achieved at year end.	
85	Resolved: The Committee received the Management Accounts to 28 February 2022.	
FR/22/112 – Fees Policy 2022/23		
86	Mrs Bowker provided the updated Fees Policy 2022/23. The current year and the proposed Fees Policy for 2022/23 were provided for comparison.	
87	It was noted that whilst the fees were to increase, these were still lower than the current maximum chargeable fee of £9,250 per annum.	
88	Resolved: The Committee approved the Fees Policy 2022/23	
FR/22/113 – Data Protection update		
89	Mrs J Taylor-Holmes, Clerk to the Corporation provided an update.	
90	Mrs Taylor-Holmes explained that an external specialist; Naomi Korn Associates had been engaged to provide	

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91	<p>support to update policies and provide the services of the Data Protection Officer.</p> <p>Committee members agreed that this would provide specialist support in this area and additional external assurance that processes were being followed and Policies updated as needed.</p>	
92	<p>It was noted that whilst there had been no issues since the implementation of Policies and Procedures, some gaps had been identified and improvements were being implemented to strengthen the College's position regarding data protection.</p>	
93	<p>It was noted that the review of Policies and Procedures would be completed during April 2022.</p>	
94	<p>It was noted that the initial review had reviewed IT systems and safety around data breaches and had concluded that good controls were in place. In terms of the risk that would occur should there be a data breach significant expenditure was not required but an update to processes and procedures.</p>	
95	<p>Resolved: The Committee received the update.</p>	
	<p>FR/22/114 – Risk Management</p> <p>Mrs Bowker presented the Committee's Risk Register.</p> <p>Mrs Bowker explained that the full Risk Register had been reviewed by the Audit Committee on 17 March 2022.</p> <p>Audit Committee members had discussed the likelihood rating in relation to the heightened risks around cyber security (risk S7) and had asked that the Finance and Resources Committee members review this.</p> <p>It was agreed that the likelihood had increased and whilst there had not been any specific threat warnings from AoC or those who provide advice received other than be vigilant, it was agreed that the current international position did result in an increased risk. Mrs Bowker referred to steps being taken such as to block incoming email from other territories. It was agreed that the risk would be increased to a likelihood of 4.</p>	<p>Action: Mrs Bowker July 2022</p>

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100	Resolved: The Committee received the report.	
	<p data-bbox="301 371 1182 405">FR/22/115 – Items to be recommended to the Board:</p> <p data-bbox="209 439 1182 506">101 It was agreed that the following would be reported to the Board for approval:</p> <p data-bbox="209 539 1182 685">102 ➤ The updated list of subcontractors for non-core provision. In light of the pressures in the external area, further information would be provided on action being taken in this area.</p> <p data-bbox="209 719 1182 786">103 It was agreed that the following would be reported to the Board for information. The Committee had;</p> <p data-bbox="209 819 1182 1570">104 ➤ Received the Estates and IT update and the HR update. In relation to the HR update Committee members were referred to the publication from the AoC which provided an update from the sector, in particular on hard to recruit areas. ➤ Received a new report on sustainability which members had been pleased to see improvements and plan in this area. ➤ Noted the report on the progress of the business area action plans following the self-assessment process. ➤ Received the management accounts and noted that performance to date was above budget and following the reforecast Committee members were pleased to note that the College may achieve a surplus at year end. ➤ Received an update on the approach to be taken in relation to the College Action Plan. ➤ Noted the data protection report and were assured by the steps in place to address gaps in this area. ➤ Had reviewed its risks and in particular the likelihood score in relation to cyber security threat and had decided to increase this to a likelihood of 4.</p> <p data-bbox="301 1603 1118 1637">The Committee had approved the Fees Policy 2022/23.</p>	
105	FR/21/157 – Dates of Future Meetings	
106	Finance and Resources Committee – 1 July 2022 at 5.00pm	

Signed as a true and accurate record

Chair

Date