



**CALDERDALE COLLEGE
FINANCE AND RESOURCES COMMITTEE MEETING**

**Draft Minutes of the Meeting held on 29 June 2023 at 5.00pm held
via MS Teams**

Present:

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

In Attendance:

Andrew Harrison	Vice Principal – Corporate Services
Paul Waterworth	External Governor (observer)
George Oldridge	AA projects (for item FR/23/125 only)
Jane Taylor-Holmes	Clerk

Agenda: Items were considered in the order they are recorded in the minutes

Min Ref.	Minutes	Action
	FR/23/120 - Apologies for absence	
1	No apologies were received, all Committee members were present.	
2	Apologies were received from Ebrahim Dockrat, Director of Commercial Services and Partnerships	
	FR/23/121 – 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.	
	FR/23/125 - Estates and IT Update	

Draft Finance & Resources Committee Minutes held on 29 June 2023

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	<ul style="list-style-type: none"> AA Projects update 	
4	Committee members welcomed Mr G Oldridge, AA Projects, who was acting as lead on the PWC project to provide an update on progress. Mr Oldridge shared the flash report and explained that this would be updated at the beginning of July. All planning issues had been resolved, design and procurement were now 100% complete. Mr Oldridge confirmed that all three contractors had now started work on site.	
5	In terms of progress, Mr Oldridge confirmed that the project was currently 17-18% complete; work was progressing against the programme circulated and was on track. The building works and mechanical engineering works were scheduled to be complete by the end of August 2023. The façade works were progressing well in some parts of the site and works were scheduled to complete in February 2024. Confirmation in writing in relation to the agreed colour of the façade was imminent.	
6	It was noted that the College HR team were ensuring that enhanced DBS checks were being reviewed regularly to ensure that the checks were in place for all contractors on site.	
7	Mr Oldridge described the new work planned in the reception area; it was noted that this would utilise unused contingency; the changes were currently with the Department for Education for approval.	
8	Should permission be provided, Mr Oldridge explained that the plan would be to commence the work in the reception area at the end of the façade work; to possibly complete during February half term and the Easter holiday to minimise disruption.	
9	Mr A Harrison, Vice Principal – Corporate Services confirmed that the Council planning had approved the signage at the top of the PWC building.	
10	Committee members noted the Health and Safety points within the report and that F10 notifications were present on the site.	
11	Committee members reviewed the risks and noted that most had been closed. Mr Oldridge drew Committee members attention to the change in lighting suppliers for	

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	the replacement scheme; the reason the change was due to the risk around procurement of materials. Committee members noted that the change was cost neutral.	
12	Mr Oldridge confirmed that the project was on time and on budget and he was working closely with the College Estates team. The Estates team had prioritised work should some contingency (above the amount required for the reception project) be available at the end of the project. It was noted that any change in spend would require approval from the Department for Education.	
13	In response to a question from Mr R Laycock, External Governor in relation to final completion date, Mr Oldridge confirmed that the façade work was due to complete by February 2024, should the new reception project be approved; this should complete by May 2024.	
14	In response to comments from the Committee in relation to the risk register and scoring, Mr Oldridge confirmed that there were errors within the report which had been amended in the most recent flash report.	
15	It was agreed that the most recent flash report would be provided to the Board in July.	Action: Mr Harrison July 2023
16	It was agreed that progress would also be shared with Governors at the Governor Development Day in September.	Action: Mr Harrison September 2023
17	Resolved: The Committee received and noted the report.	
	FR/23/122 – Minutes of the meetings held on 30 March 2023	
18	Resolved: The minutes of the meeting held on 30 March 2023 were approved as a true and accurate record. Committee members noted that items in red would be redacted from the minutes before publication.	
	FR/23/123 – Matters arising	
19	A verbal update was provided in relation to item FR/23/104; Mr Harrison confirmed that the College had been earning interest in the Bank account; just over £4million had been held on deposit for 32 days, with an interest rate of ; this would provide interest of £ . It was agreed that the College would continue to take this approach. Mr	

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20	<p>Harrison explained that the budget included interest income of around £ interest; it was agreed that this was a prudent assessment based on current rates.</p> <p>In relation to reporting against Sustainability; it was agreed that the Sustainability Strategy would be presented to the November meeting. It was agreed that frequency of updates would be considered at the November meeting.</p>	<p>Action: Committee November 2023</p> <p>Action: Mrs Taylor-Holmes November 2023</p>
21	Mr Harrison provided a verbal update in relation to agenda item FR/23/109; Mr Harrison confirmed that progress had been good in relation to the Self-Assessment Report for Business areas, no concerns had been identified or were ongoing.	
22	It was agreed that Mrs Taylor-Holmes would contact the ESFA in relation to the Governor dashboard.	
23	All other matters arising were complete or on the agenda for consideration.	
24	<p>FR/23/124 – Commercial and Partnerships</p> <p>External Funding</p> <p>On behalf of Mr E Dockrat, Director of Commercial Services and Partnerships Mr Harrison presented the report providing an update on external funding contracts.</p>	
25	In relation to external funding, Mr Harrison explained that the College was in the process of finalising work against the European projects. Mr Harrison also explained that the team restructure was now complete.	
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27	<p>Mr A Wright, External Governor asked about the additional evidence being requested. Mr Harrison explained that there had been a request to provide wet signatures on documents and learner passports amongst other things. It was understood that new guidance was expected from the DWP. Mr Wright confirmed that he would be happy to support with discussions with WYCC if needed.</p>	
28	<p>Mr P Clark, External Governor & Chair of the Corporation asked whether other Colleges were experiencing similar problems? Mr D Malone, Principal and Chief Executive explained that he had discussed the matter with other Colleges; there were differences in the way Colleges were delivering the project but all Colleges were experiencing difficulties in different areas.</p>	
29	<p>The Committee expressed concern in relation to the matter raised but noted the steps being taken to resolve the matter with the partners.</p>	
30	<p>Mr Malone explained that the College was the Lead applicant in the consortium in relation to the LSIF (Local Skills Improvement Fund) and would therefore have strong oversight of any projects. The consortium had made an initial expression of interest to develop a creative hub to focus on IA and digital projects. The project was planned alongside the Year of Culture. The results of the application had been delayed. Mr Malone explained that the fund total was just over £7million and the bid in the region of £1-£1.2million. Mr Malone explained that the bid contained both capital and revenue elements; with the condition that the revenue had to be spent before the capital. The Project was due to start in Autumn with revenue to be spent by March 2024.</p>	
31	<p>Committee members were referred to the successful bid to deliver Multiply - business focus activity; a £1.2million programme had been approved and the project would be delivered by the end of March 2025.</p>	
32	<p>Committee members noted the change in strategy in the external funding team, with more direct delivery. It was</p>	

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	noted that the Multiply - business focus activity included around 30% direct delivery.	
33	Mr Harrison referred to the summary of the outcome of the restructure at section 3 of the report. With the success of the new projects, the impact of the restructure had been reduced.	
34	Resolved: The Committee received the external funding update.	
	External Funding – Sub Contracting	
35	On behalf of Mr Dockrat, Mr Harrison presented a report on current sub-contracting and the ESFA subcontractors for non-core provision.	
36	It was noted that the ESFA required that the sub-contractor report continued to be submitted to the Board for approval even in the event that there was only one remaining sub-contractor on the list, Project Challenge.	
37	Resolved: to recommend to the Board at its July 2023 meeting the updated list of subcontractors for non-core provision.	
38	Committee members reviewed the Sub-Contracting rationale 2023-24.	
39	Resolved: to recommend to the Board at its July 2023 meeting the Sub-Contracting rationale 2023-24.	
	Industry Hub 4.0	
40	On behalf of Mr Dockrat, Mr Harrison provided a presentation on the Industry Hub 4.0 project. The presentation provided an update on those involved in the project and the partners and the improvements which were underway in the reception, the three labs and the breakout room. Further developments and opportunities arising from the project were noted. Mr Harrison explained that there was a launch event planned for October 2023.	
41	Resolved: The Committee received the Industry Hub 4.0 presentation.	
	FR/23/125 - Estates and IT Update	

Draft Finance & Resources Committee Minutes held on 29 June 2023

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42	Mr Harrison provided the report. The report updated Committee members on estates and facilities and staffing.	
43	In response to paragraph 2.1 of the report, Mr Harrison confirmed that all three T-Level bids had been rejected. The applications would be re-submitted as part of the next funding round as the College continued to aim to develop a new construction workshop.	
44	Mr Harrison referred to the real progress in updating the digital infrastructure; new firewalls and WiFi had been installed. Switch and telephone system replacement was being reviewed next.	
45	Mr Harrison confirmed that the College had been successful in recruitment and two new infrastructure staff members had been appointed within the IT Team.	
46	Mr Harrison explained that the cyber essentials accreditation submission had been completed and accreditation received.	
47	Mr Harrison explained that the Internal Audit report from ICCA had been provided in relation to the procurement stage review of the PWC project. It was noted that this report had also been received by the Audit Committee and that there were no points raised on the procurement stage of the project.	
48	Committee members commented that they were delighted to see improvements to the WiFi. Mr Malone commented that students were able to access WiFi and there were improved network connections. Mr Harrison explained that the IT Team continued to work through some issues and it was intended to gain feedback from staff and students once the issues had been resolved. Mr Malone confirmed that the WiFi developments were essential to support the Student App. Mr Harrison explained that the IT Team were monitoring coverage and it was agreed that it was useful to be able to access information about the numbers of people who were connecting to the WiFi. It was agreed that the College may need to communicate the implementation and build trust in relation to the WiFi functionality.	
49	Resolved: The Committee received and noted the report.	
	FR/23/126 - HR update	

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50	Mr Harrison provided the HR report and presented the HR dashboard.	
51	It was noted that additional Equality, Diversity and Inclusion information had been provided in relation to staffing along with gender pay gap reporting. This was in line with the requirements within the Single Equality Policy.	
52	Resolved: The Committee noted the report. HR System Approval	
53	Mr Harrison provided an update on the plans in relation to the implementation of a digital end to end HR system. Committee members noted that this would assist in a number of areas such as mandatory training compliance, absence management and review, safeguarding matters such as DBS compliance and support the appraisal process.	
54	was recommended and it was noted that this was well used within the sector.	
55	Resolved: Committee members approved the procurement of the HR system	
	FR/23/127 – Financial Performance Report	
56	Mr Harrison explained that he continued to meet with Mr Rogers, External Governor and Committee Chair on a monthly basis.	
	Management Accounts to 31 May 2023 including year-end forecast.	
57	Mr Harrison presented the management accounts up to Period 10 (end May 2023).	
58	Mr Harrison confirmed that there had been good progress to date and the forecast had improved from £98,000 surplus to £436,000 operating surplus	
	Income was slightly down in relation to apprenticeships and commercial funding and the improvement in the year end surplus had been helped by the additional AEB funding.	
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60	<p>Committee members noted the cost control in the pay expenditure section of the report.</p> <p>Resolved: The Committee received the Management Accounts to 31 May 2023.</p>	
61	<p>FR/23/128 – Draft Budget</p> <ul style="list-style-type: none"> Draft two-year financial forecast & budget <p>Mr Harrison provided a presentation to the Committee.</p>	<p>Action: Governors December 2023</p>
62	In overview, Mr Harrison explained that the budget for 2023/24 was similar to 2022/23; with a forecast operating surplus at year end of £412,000 for 2023/24, which was the equivalent to 1.6% of income.	
63	During 2024/25, a lower operating surplus of £291,000 was forecast which was the equivalent of 1.1% of income.	
64	Budget priorities for 2023/24 were provided. Mr Harrison explained that there were two significant costs pressures; one in relation to energy costs and one in relation to depreciation which was increasing due to investment in equipment. This would increase by £385,000 in 2023/24. In relation to energy costs; it was noted that the College remained in a fixed energy arrangement until October 2023 and were looking to fix again at the appropriate time.	
65	It was noted that the College had made big strides in reviewing curriculum efficiency; there had been changes to the external funding team and approach and the College would continue to seek growth and invest in the IT infrastructure.	
66	The budget summary 2023/24 was reviewed. Committee members reviewed the pay expenditure and noted that the College was within the sector benchmark of around 65% of income. Key assumptions were noted. In relation to staff pay, a pay increase of for each of the two years was assumed which would be considered by Governors in the new academic year.	
67	It was noted that the increase in non-pay expenditure was due to the items discussed; energy costs and depreciation.	
68	The balance sheet extract was reviewed and the comparison year to year. It was noted that liquidity would be impacted	

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	by the £2million match included within the PWC main capital project.	Action: Mr Harrison November 2023
69	Capital investment in 2022/23 was reviewed including the projects and spend in different areas. It was noted that Estates Strategy would be presented to the next meeting.	
70	Mr Harrison referenced the contingency in the current capital project and the suggested opportunity to undertake work in the reception area.	
71	Solvency was reviewed over the period and it was noted that at the year-end around £2million related to the PWC project and around £1million for student support was ringfenced. Committee members commented positively on the number of cash days.	
72	Assurance around compliance with bank covenants was received.	
73	The main risks identified were noted along with the residual risk scores and the mitigation in place.	Action: Mr Harrison July 2023
74	Mr Harrison confirmed that a financial health grade of 'good' across all three years was forecast. It was noted that the budget would be presented to the Board in July for approval.	
75	Committee members discussed the level of the recommended pay increase in the current financial climate. It was noted that any additional pay increase would impact on the out-turn. Comments were noted.	
76	Mr Wright referred to p19 and the significant increase in the Executive and Governor pay line. It was noted that this was attributed to the fact that there had been significant disruption in the senior team during 2022/23 which had resulted in lower than usual expenditure; 2023/24 would see a return to the usual expenditure with the full permanent team in place for the full year; it was agreed that this would be specifically referenced in feedback in relation to the budget. The budget included for the same pay increase to be awarded to senior team.	
77	Mr Clark asked further about the pay increase in relation to the sector.	

Min Ref.	Minutes	Action
78	Mr Harrison explained that the recommended staff pay increase would be further reviewed following enrolment and that the decision would be made by Governors at the December Board meeting. Mr Harrison also confirmed that some targeted pay increases for lower paid staff had been made in year and there had been some pay reviews undertaken. Many staff were still moving up the incremental pay scales which was already contained within the budget and would result in in-year pay increases.	
79	Resolved: The Committee recommended the Draft two-year financial forecast & budget to the Board for approval.	
	<p>FR/23/129 – Policies</p> <p>Sub-Contracting Fees & Charges Policy 2023/24</p> <p>80 Committee members were referred to the minor date change proposed.</p> <p>81 Resolved: The Committee approved the Sub-Contracting Fees & Charges Policy 2023/24</p> <p>Financial Regulations 2023/24</p> <p>82 Mr Harrison explained that the amendments reflected the changes resulting from the ONS decision to reclassify Colleges as public sector. It was noted that the amendments reflected the bitesize guides which had been published.</p> <p>83 Mr Rogers suggested that Mr Harrison review the guidance issued to Colleges on borrowing money to ensure that the financial regulations included the appropriate guidance on higher purchase, finance leasing and operating leasing.</p> <p>84 Mr Harrison explained that the Financial Regulations had also been provided to the Audit Committee for information and that the Audit Committee had approved the Anti-Fraud</p>	<p>Action: Mr Harrison November 2023</p>

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85	and Irregularity Policy, Anti-Bribery Policy and Gifts and Hospitality Procedure of the Anti-Bribery Policy. Resolved: The Committee approved the Financial Regulations 2023/24.	
86	FR/23/130 – Data Protection Update Mr Harrison provided the Data Protection Annual Report which had been authored by the Head of Data Protection; Naomi Korn Associates. The report documented the current position of the College and the next steps for the College during 2023/24. Good progress against the action plan was noted.	
87	Committee members noted the report and that the Data Protection and Digital Information (No. 2) Bill had been drafted; this would be reviewed in due course to ensure that any new requirements were implemented.	
88		
89	Resolved: Committee members received the Data Protection Annual Report.	
90	FR/23/131 – Approvals Procurement of Student Digital Application Mr Malone provided the paper which sought approval to procure a digital application for students. The application would provide a means for instant communication in the new academic year ensuring that timetabling information could be provided and allow direct communication with members of staff.	
91	It was noted that the recommended application was very widely used in the sector.	
92	Mr Malone explained that the data produced could be used by staff to support monitoring and would support in teaching and learning.	
93	Resolved: Committee members approved the procurement of the Student Digital system – .	

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	The Printworks lease	
94	Committee members noted that the lease had been signed under Chair's action due to the need to relocate as soon as possible. It was noted that the new site would provide more suitable facilities and allow for growth.	
95	Resolved: Committee members ratified the Chair's action taken to enter into the Printworks lease.	
	FR/23/132 – Deep Dive / Cross Committee priorities Proposals for 2023/24	
96	Mr Malone commented that an area for review may be benchmarking of salaries and terms and conditions within the sector. It was noted that there was work ongoing within the sector in relation to this and it was agreed that a review of this would be useful.	
97	It was suggested that this would be useful to review alongside the Tribal benchmarking perhaps jointly with the Curriculum, Quality and Standards Committee.	
98	Curriculum planning and costing linked to Tribal and pay salary benchmarking could be used to build in a much clearer understanding of classroom costs.	
99	Mr Harrison proposed to provide more detail within the Management Accounts to concentrate on the contribution and the efficiency of particular areas. This would help to target where there were cost pressures and understand where support was needed. It was agreed that this would be considered in the context of Governor Development sessions during 2023/24.	Action: Mr Clark / Mr Malone / Mrs Taylor-Holmes Autumn 2023
	FR/23/133 – Risk Management	
100	Mr Harrison presented the extract from the Risk Register detailing those risks which were overseen by the Committee.	
101	Mr Harrison explained that two risks had been down-graded from red to amber in relation to failure of infrastructure due to IT improvements and failure to attract suitably skilled staff due to recent successful recruitment.	
102	Mr Harrison commented that some wording had been changed to make the risk descriptions clearer.	

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103	The highest seven risks in relation to the residual risk score had been identified and discussed at the Audit Committee and of those, six were within the remit of the Finance and Resources Committee. Mr Harrison explained that the Audit Committee had a great interest in risk appetite and two of the risks allocated to the Committee were graded with an adverse risk appetite. It was agreed that this would be considered. In relation to the Health and Safety risk, it was agreed that the College maintained a zero-tolerance approach to health and safety incidents and it was agreed that this should remain an adverse risk appetite.	
104	Committee members discussed the new risk relating to ONS reclassification; it was suggested that this should be a shared risk with the Audit Committee.	
105	The Committee allocation to risk R14 and the engineering project was considered. It was agreed that a risk in relation to the 'risks associated with capital project(s)' would be drafted to replace the current R14.	
106	Resolved: The Committee reviewed the risks and approved the ratings subject to amendments suggested above.	
	FR/23/134 – College Action Plan	
107	Mr Malone presented the College Action Plan.	
108	Mr Malone explained that there had been good progress against actions.	
109	In development of the new Strategic Plan, it had been suggested that there were two key processes to support compliance; an operation development plan and the College Improvement Plan. It was agreed that the approach would be shared further with Governors.	Action: Mr Malone Autumn 2023
110	Resolved: Committee members received the College Action Plan.	
	FR/23/135 – Items to be recommended to the Board:	
111	Recommending to the Board for approval; <ul style="list-style-type: none"> Draft two-year financial forecast & budget - Committee members expressed some concern about 	

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	<p>the pay increase and noted that any increase above that would impact on the surplus.</p> <ul style="list-style-type: none"> • Sub-Contracting Report and Rationale 	
112	<p>Commercial and Partnerships - The Committee noted the developments and the budget variations outlined within the report. Committee members had noted the potential risk and actions to be taken in relation to the</p> <p>and the that the requirement to include provision within the accounts would be reviewed. Committee members had also noted the update on the Industry Hub 4.0.</p>	
113	<p>Estates and IT Update – The Committee had received an update on progress of the capital project and noted that the project was on time and budget. It had been agreed that the AA projects flash report would be provided to the July Board meeting and the Governor Development Day in September. The Committee were pleased to note the WiFi installation and that improvements in IT digital infrastructure were progressing.</p>	
114	<p>HR update – received the HR report and noted the additional EDI data and gender pay gap reporting.</p>	
115	<p>Management Accounts – revised forecast had improved from £98,000 surplus to £436,000 operating surplus</p>	
116	<p>The Committee had approved;</p> <ul style="list-style-type: none"> • the procurement of ; a digital end to end HR system • Sub-Contracting Fees & Charges Policy 2023/24 • Financial Regulations 2023/24 <p>The procurement of the Student Digital App:</p>	
117	<p>The Committee had also ratified Chair’s Action in relation to the Printworks lease.</p>	
118	<p>The Committee had also received progress against the college action plan, received the Data Protection Annual Report and reviewed the risks allocated to the Committee with some amendments suggested.</p>	
119	<p>Committee members recorded thanks to Mr Rogers for his contribution to the College and as Chair of the Finance and</p>	

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	Resources Committee. Mr Clark commented that Mr Rogers had made a significant impact on the effectiveness of the Committee and the development of robust financial reporting.	
120	FR/23/136 – Dates of Future Meetings Finance and Resources Committee – 23 November 2023 at 16.30 and JOINT Audit and Finance & Resources 17:35.	

Signed as a true and accurate record

Chair Andrew Wright

Date 27 November 2023