



**CALDERDALE COLLEGE  
FINANCE AND RESOURCES COMMITTEE MEETING**

**Minutes of the Meeting held on 27 June 2024 held  
via MS Teams**

**Present:**

John-Paul Yates	External Governor & Chair
Peter Clark	External Governor & Chair of the Corporation
Suzan McGladdery	External Governor
Richard Laycock	External Governor
Suzanne Dunkley	External Governor

**In Attendance:**

Andrew Harrison	Vice Principal – Corporate Services
Elizabeth Smith	Head of Executive Support – acting as Clerk

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

<b>Min Ref.</b>	<b>Minutes</b>	<b>Action</b>
1	<b>FR/24/115 - Apologies for absence</b> Apologies were received from Mr David Malone, Mr Ebrahim Dockrat, and Mrs Jane Taylor-Holmes.	
2	<b>FR/24/116 – Confirmation of eligibility, quorum and declarations of interest</b> 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.	
3	<b>FR/24/117 – Minutes of the meeting held on 26 March 2023</b> <b>Resolved:</b> The minutes of the meeting held on 26 March 2024 were approved as a true and accurate record.	
4	<b>FR/24/118 – Matters arising</b> All matters arising were complete or on the agenda for consideration.	

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	<p data-bbox="300 293 1187 331"><b>FR/24/119 – Commercial Services and Partnerships</b></p> <p data-bbox="300 365 584 403"><b>External Funding</b></p> <p data-bbox="229 436 1187 510">5 Mr A Harrison presented a report providing an update on external funding contracts.</p> <p data-bbox="229 544 1187 723">6 In presenting the financial summary, Mr Harrison acknowledged that the contribution from contracts had reduced due to a considerably difficult year, which included the reduction in EU projects and the issues regarding DWP match funding.</p> <p data-bbox="229 757 1187 898">7 Mr Harrison confirmed that the matter relating to Collaborative Apprenticeships had now been positively resolved, resulting in the College receiving a payment of £316k.</p> <p data-bbox="229 931 1187 1218">8 The matter in relation to the Apprenticeship Hub for South Yorkshire remained outstanding and Mr Harrison confirmed that a significant amount of activity had taken place to resolve this issue. Latest information received had confirmed that the matter had been escalated to the Minister, and whilst the meaning of this is unclear, it is hoped that this may result in some release of all or part of the funds.</p> <p data-bbox="229 1252 1187 1431">9 In relation to the Industry 4.0 Hub, Mr Harrison updated on the recent launch at the TEC Centre, highlighting the opportunities which had now appeared through revenue funding via the WYCA Skills Connect programme. There has been positive interest from employers.</p> <p data-bbox="229 1464 1187 1574">10 Mr Clark offered his observations of a well-planned and interesting launch event, attended by a good range of employers and partners.</p> <p data-bbox="229 1608 1187 1861">11 Mr Harrison updated on the current residency at the College by the CanCan TV production company who were filming a CBBC Children’s Drama on site. Despite the considerable amount of work involved for the College, it was agreed that this provided a good opportunity for students to gain valuable work experience in a variety of areas within production.</p> <p data-bbox="229 1895 1187 2004">12 Mr Harrison outlined the challenges faced in delivery of the Multiply Numeracy Skills for Business programme, despite this, Mr Harrison confirmed the College was close to delivery</p>	

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13	of the full allocation. Mr Harrison confirmed a revised profile had been submitted for 24-25.  Mrs McGladdery confirmed that difficulties in the delivery of the Multiply programme had been experienced regionally and all involved should be commended in achieving the volume delivered.	
14	<b>Resolved:</b> Committee members noted the report.	
15	<b>FR/24/120 – Sub Contracting</b>  Mr Harrison referred to the DfE Sub Contracting Assurance Report received which confirmed the College had achieved the required standard.	
16	<b>Resolved:</b> Committee members noted the confirmation.	
17	<b>FR/24/121 - Estates &amp; IT Update</b>  <b>Estates</b>  Mr Harrison shared a summary of the activity programmed for completion during the summer break, to include:	
18	From the remaining £900k of FECTF funding: <ul style="list-style-type: none"> <li>• PWC Reception Works commencing 1 July 2024;</li> <li>• A number of remedial projects to address flooring and roofing issues;</li> </ul>	
19	Mr Harrison confirmed that the majority of work would be completed over the summer break, however work on the Sports Hall flooring had been earmarked for December 2024 in order to minimise the impact on students and commercial activity.	
20	Mr Harrison outlined work to be completed from various funding sources, which required a completion date before 31 March 2025, including: <ul style="list-style-type: none"> <li>• The creation of classrooms specifically designed for Inclusive Learning students;</li> <li>• The relocation of D Floor Café to become A Floor Café, which would provide a more inclusive space.</li> <li>• The creation of outdoor learning space for Brickwork;</li> <li>• Increasing exam space to meet increasing demand;</li> </ul>	

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	<ul style="list-style-type: none"> <li>Adaptations to E Floor, to include a Mock Ward and, costs permitting, an immersion room.</li> </ul> <p>These works are due to commence on 8 July 2024.</p>	
21	Mr Harrison provided an update on progress with the Mill Studios project, confirming the 'tenancy at will' agreement had now been signed, with the full Lease soon to be received from legal professionals. Permission to commence fit-out had been given, and work is due to commence. Contractors have been given clear deadlines of 8 weeks for completion of all works.	
22	Mr Laycock queried reference in the report to a potential risk regarding Planning Permission.	
23	Mr Harrison clarified that the PWC Façade works were a slight variation on the original planning approval, and whilst no issue was anticipated, this did require further discussion with the Planning Officer.	
24	Mr Laycock queried whether the £500k identified from College funds had been built into the Cash Forecast.	
25	Mr Harrison confirmed this had, and had been included within the overall Estates Strategy approved at the March meeting.	
	<b>IT</b>	
26	Mr Harrison confirmed the IT Team were continuing to improve the IT infrastructure and enhance the security of College systems.	
27	Mr Harrison confirmed an update had been made to the Business World procurement system to meet Cyber Essentials criteria, and he was now able to confirm that the College had been reaccredited for Cyber Essentials. Whilst this was an excellent position for the College to find itself, the team would not be complacent and would always be alert to new and emerging threats	
28	<b>Resolved:</b> The Committee received and noted the report	
	<b>FR/24/122 - External Assurance Report</b>	
29	Mr Harrison presented the External Assurance letter received from the ESFA which confirmed that, after review	

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30	<p>of the 2022-23 Audited Accounts, the College's Financial Health Rating had been graded as Good.</p> <p><b>Resolved:</b> The Committee received and noted the update.</p>	
31	<p><b>FR/24/123 - HR update</b></p> <p>Mr Harrison provided the HR report and presented the HR dashboard.</p>	
32	Mr Harrison explained that the staff turnover situation had improved, which supported a reduction in vacancies and recruitment costs.	
33	In relation to sickness absence, Mr Harrison confirmed this had reduced, with a significant proportion of absences still attributable to long term sickness. Mr Harrison confirmed that these cases were being reviewed and dealt with on an individual basis.	
34	Mr Harrison outlined the work being completed by the Strategic Priority – People Group, in particular good progress in relation to the Employee Volunteering Scheme and an agreed approach to workload via a Workload Agreement. The latter had been requested by UCU during pay award negotiations.	
35	Progress with implementation of the iTrent HR system was progressing well, with payroll now having been transferred with no issues. Further stages were now being rolled out, to include leave and absence management, and recording of performance reviews. Management training would be commencing shortly, with a view to wider roll-out at the start of the new academic year.	
36	Mr Harrison updated on issues raised within the audit of Performance Management completed by the Internal Auditors. This was a known area for improvement, and it is believed that a significant number of the issues raised will be resolved through the implementation of the iTrent system.	
37	Ms Dunkley concurred with the belief in potential improvements and the positive opportunities the implementation of the system provided.	
38	Ms Dunkley queried the lack of reference to provision for a Pay Award, and whether it was reasonable to expect the College to commit to a 1% award based on the savings	

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39	<p>expected from staff efficiencies. Ms Dunkley also referenced potential savings from vacant posts.</p> <p>Mr Harrison confirmed that the funds to support a Pay Award would be attributable to a range of efficiencies:</p> <ul style="list-style-type: none"> <li>• A reduction or minimal use of agency staffing</li> <li>• Improved staff utilisation</li> <li>• A review of, and plan to address, the issue of low-class sizes</li> </ul>	<p><b>Action: Mr Harrison, November 2024</b></p>
40	<p>Mr Harrison drew attention to the £750k spend on agency staff during the current financial year. Also that Incremental Progression would be equivalent of about 1% of the pay budget c£190k. Ms Dunkley asked for the proportion of staff at the top of the incremental scale.</p>	
41	<p>Ms Dunkley queried whether the £117k cost of absences was an actual cost or a record of hours lost.</p>	
42	<p>Mr Harrison confirmed the latter.</p>	
43	<p>Ms Dunkley commended the College on a 5.2% staff turnover figure, highlighting that such a low figure was indicative of a good organisation.</p>	
44	<p>Mr Harrison confirmed that the College had experienced an abnormally high vacancy factor this year, and this statement was concurred by Ms Dunkley as also being evident within the NHS.</p>	
45	<p>Mr Laycock queried the high number the last quarter (50) compared to the number of leavers (12) and whether this was to be expected at this time of year.</p>	
46	<p>Mr Harrison explained that the College had a number of vacancies which had experience difficulty in recruitment this year, however this had improved in this quarter.</p>	
47	<p>Additionally, a partnership with Northern College in the delivery of Bootcamps had enabled 11 new members of staff to be recruited within a number of vacant posts within the Inclusive Learning Team.</p>	
48	<p>Mr Clark drew attention to the 50 new starters equating to 12.7FTE, and whether the increase was as significant as it first appeared.</p>	

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49	Mr Harrison confirmed that the greater number was indicative of a number of fractional staff.	<b>Action: Mr Harrison, November 2024</b>
50	Mr Clark suggested future reports should be formatted to include FTE comparisons.	
51	<b>Resolved:</b> <ul style="list-style-type: none"> <li>The Committee noted the report.</li> </ul>	
	<b>FR/24/124 – Financial Performance Report</b>	
52	Mr Harrison explained that he was meeting with Mr Yates, External Governor and Committee Chair regularly and that the monthly Management Accounts were shared with Mr Yates.	
	<b>Management Accounts to 31 May 2024</b>	
53	Mr Harrison presented the management accounts up to Period 31 May 2024.	
54	Mr Harrison referred to his March update, regarding closer management of spending and confirmed that this had enabled the financial position to stabilise, and the College was back on track against the original budget surplus of £400,000.	
55	Mr Harrison confirmed receipt of the £316k in-year growth payment, which had supported the improved Pay Award, with the remainder being consumed within increase costs involved in supporting an additional 8% of 16-18 year olds.	
56	Mr Harrison updated on the ongoing Funding Audit. The issue regarding late withdrawals appeared to be almost concluded, with a potential impact of £50k claw back.	
57	The most significant element of the Audit which remained outstanding was the pricing of Apprenticeship Delivery and EPA. In particular, the College has been challenged for failure to update the estimated cost of the EPA following completion of the actual EPA. Mr Harrison confirmed this practice was not unique to the College, and was normal practice at many other colleges.	
58	Mr Harrison highlighted the potential impact of up to £150k at risk, however felt that this could be addressed through employer re-negotiations and further challenge to the ESFA.	

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59	Mr Harrison confirmed he had included a provision for a £200k overall clawback within the proposed Budget.	
60	Mr Clark queried whether processes had now been implemented to complete an update process following EPA, which would avoid similar issues arising in the future.	
61	Mr Harrison confirmed this was the case and assured the Committee of his confidence that due to the good relations with the College, he expected most of the existing employers to support the actions required to resolve the outstanding issues.	
62	<b>Resolved:</b> The Committee received the Management Accounts to 31 May 2024.	
	<b>FR/24/125 – Approval of Proposed Budget 2024-25 and Forecast 2025-26</b>	
63	Mr Harrison presented the Proposed Budget 2024/25 and Forecast 2025-26 for approval. He explained that it had been a difficult budget to set as the financial position is tight. The proposed budget shows an operating surplus of £201k (half the current forecast for 2023/24) but the EBITDA (adjusted surplus used by the ESFA to calculate the Financial Health) increases from £1.9m to £2.3m due to the high level of depreciation.	
64	Mr Harrison identified that budgeted income is up by £2m mainly due to lagged 16-18 growth. Pay is also increased by £2m due to a range of factors including an increase in teacher pension contributions, full year effect of new / enhanced posts, new curriculum including Mill Studios, and the high vacancy rate in 2023/24.	
65	Committee members raised concerns about the assumption of no pay award in both years. Mr Harrison explained that the aim would be to find in-year efficiencies particularly on reduced agency costs to fund at least a 1% pay award. The Committee asked that an efficiency Plan be drawn-up to identify how a 2% pay award could be affordable.	<b>Action: Mr Harrison, November 2024</b>
66	Mr Harrison explained that non-pay expenditure had been reasonably well-contained but that depreciation had increased by £600k due to recent capital investment.	
67	Mr Harrison outlined that cash remained above 25 cash days / £2m to ensure sufficient liquidity. The net current assets	



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68	will be negative on the Balance Sheet as at 31 July 2025 but the adjusted current ratio remained positive.	
69	Mr Harrison concluded that the budget was tight but it enabled the College to retain GOOD financial health.  <b>Resolved:</b> The Committee recommended the Budget for approval to the Board on 11 <sup>th</sup> July 2024.	
70	<b>FR/24/126i – Sub-Contracting Fees &amp; Charges Policy 2024-25</b>  Mr Harrison presented the Sub-Contracting Fees & Charges Policy and noted the amendments made to reflect the removal of any reference to ESF funding and replacement with 'government funded programmes'	
71	<b>Resolved:</b> The updated Fees & Charging Policy was approved.	
72	Mr Harrison presented the Sub-Contracting Rationale for approval, outlining the requirement placed on the College to publish the circumstances under which Sub-Contractors are engaged.	
73	<b>Resolved:</b> The Sub-Contracting Rationale was approved.	
74	<b>FR/24/126ii – Financial Regulations</b>  Mr Harrison presented the Financial Regulations and associated policies.	
75	Mr Harrison confirmed all Regulations and Policies had been reviewed, as required on an annual basis, and no changes were recommended.	
76	Mr Yates confirmed he had reviewed the documents and was confident of their clarity in the expectations placed on staff in the handling of public funds.	
77	<b>Resolved:</b> The Committee approved the Financial Regulations and associated policies.	
	<b>FR/24/127 – Data Protection Update</b>	

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78	Mr Harrison provided the data protection update and explained that the Data Protection Officer role continued to be provided by Naomi Korn Associates.	
79	Mr Harrison shared his confidence in the significant progress in this area over the past two years, and this was further supported through a network of Internal Data Champions.	
80	Mr Harrison confirmed the number of Data Access Requests remained low (3 requests) and these were straightforward and under control. Alongside this, the College had reported one minor data breach.	
81	<b>Resolved:</b> Committee members received the Data Protection update.	
	<b>FR/24/128 – Risk Management</b>	
82	Mr Harrison presented the extract from the Risk Register detailing those risks which are overseen by the Committee.	
83	Mr Harrison explained that there had been minimal change across the range of Risks, but there was a proposal to change the current scoring for two of the risks.	
84	Mr Harrison proposed a reduction of the score in relation to External Funding Contracts and a reclassification to Amber, in recognition of the resolution of the Collaborative Apprenticeships funding issue.	
85	Mr Harrison proposed a slight increase of the score in relation to Failure to Adequately Control Expenditure to reflect the difficulties being experienced in the management of the pay budget. This is a minimal increase and there is no recommendation to alter the RAG rating from Amber.	
86	Whilst significant improvements had been made to the IT infrastructure, Mr Harrison recommended no changes to the current categorisation at this stage.	
87	<b>Resolved:</b> The Committee reviewed the risks and approved the ratings.	
	<b>FR/24/129 – Items to be reported to the Board:</b>	
88	Recommending to the Board for approval: <ul style="list-style-type: none"> <li>Budget Proposals for 2024-25 and Forecast for 2025-26</li> </ul>	

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89	Committee had approved: <ul style="list-style-type: none"> <li>• Sub-Contracting Policy</li> <li>• Sub-Contracting Rationale</li> <li>• Financial Regulations and Associated Policies</li> </ul>	
90	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.	
91	HR update – received the HR report and noted improvements in relation to recruitment and retention of staff.	
92	Financial Performance Report – received the Management Accounts to 31 May 2024, including updates in relation to longstanding financial and audit issues.	
93	The Committee had also received the Data Protection update.	
94	Two amendments to the risk register were proposed, in relation to a decrease in External Funding Contracts and a slight increase in Failure to Adequately Control Expenditure due to short term increases in pay costs to address specific issues. It was noted that these would be presented to the Audit Committee meeting on 1 July 2024.	
	<b>FR/24/114 - Any Other Business</b>	
95	Mr Yates provided thanks to Mr Clark on his last Finance and Resources Committee meeting. This was echoed by Committee members.	
96	Ms Dunkley and Mrs McGladdery provided thanks to Mr Harrison for delivering an excellent presentation of Committee items.	
	<b>FR/24/115 – Dates of Future Meetings</b>	
97	Finance and Resources Committee – 21 November 2024 at 4.30pm	
98	JOINT Finance and Resources Committee & Audit Committee – 21 November 2024 at 5.35pm	

Signed as a true and accurate record

Chair            Mr J P Yates (Chair)

Date            21 November 2024