CALDERDALE COLLEGE
FINANCE AND RESOURCES COMMITTEE MEETING

Minutes of the Meeting held on 26 June 2025 at 4.30pm held via MS Teams

Present:

John-Paul Yates	External Governor & Chair
Suzanne Dunkley	External Governor
David Malone	Principal & Chief Executive

In Attendance:

Andrew Harrison	Vice Principal – Corporate Services
Jane Taylor-Holmes	Clerk to the Corporation

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

Min Ref.	Minutes	Action
1	**FR/25/112 - Apologies for absence** Apologies were received from Paul Waterworth, Staff Governor and Suzan McGladdery, External Governor & Chair of the Corporation	
2	**FR/25/113 – Confirmation of eligibility, quorum and declarations of interest** 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	**FR/25/114 – Minutes of the meetings** **Resolved -** The Finance & Resources Committee minutes of the meeting held 3 April 2025 were approved as a true and accurate record.	
	FR/25/115 – Matters arising	

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4	All matters arising were complete.	
 5 6 7 8 9 10 11	**FR/25/116 – Vice Principal Report** Mr A Harrison, Vice Principal – Corporate Services presented the Vice Principals Report. **Management Accounts to May 2025 (Period 10)** Mr Harrison presented the management accounts up to Period 31 May 2025. Mr Harrison referred to the current operating surplus of £377,000 with the forecast end of year surplus of £700,000 which was £500,000 ahead of the budget position. The College remains on track to retain a 'Good' financial health rating, with a strong EBITDA margin of approximately 9%. Growth in learner numbers continued to drive the financial narrative, although the lag in funding allocations presented ongoing challenges. Mr Harrison explained that the College was consistently delivering at a higher level than the income received, requiring careful financial planning. Recent funding decisions had been favourable, and the projected outturn was positive. The Committee's attention was drawn to the FE Commissioner's recent letter, which outlined revised financial benchmarks: • Cash days in hand: increased from 25 to 40 • EBITDA: target of 6% or higher • Staff pay as a percentage of income: recommended at 65% Mr Harrison commented that the College was currently performing well against these benchmarks, with staff pay at approximately 63%, reflecting strong cost control. Mr Harrison cautioned that maintaining high cash reserves could constrain necessary capital investment. Committee members confirmed a commitment to investment in the College to ensure that students were able to access an exceptional teaching and learning environment. Mr Malone provided some additional information about the role of the FE Commissioner and explained that the benchmarks would be used should a college enter intervention.	

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12	HR Update - The I-Trent HR system was embedding well, with the successful implementation of a recruitment and retention module. A streamlined DBS check process, replacing the previous paper-based system had been introduced to improve speed and efficiency of the process.	
13	Mr Malone referred to a significant HR project had involved the restructuring of coaching roles, following formal consultation with staff and trade unions. This has resulted in a reduction of six coaching positions, with tutorial delivery increasingly integrated into vocational teaching. Mr Malone confirmed that, whilst understandably challenging, the process had been managed effectively, with minimal compulsory redundancies and an anticipated improvement in service delivery from the next academic year.	
14	Commercial Partnerships - The College continued to develop its commercial engagement; the College would be hosting Series 2 of High Hoops with Can-Can productions, with improved coordination through a dedicated project manager. Committee members acknowledged the positive and enhanced student work experience opportunities through the partnership including work placements at pre-production stage.	
15	A joint bid with Kirklees College secured £64,000 from the Pears Foundation to support a Social Action Apprentice shared between both institutions.	
16	An application for £85,000 from the Calderdale College Education Fund (the College endowment funds, managed by the Charity) was progressing well, aimed at enhancing learner social spaces and outdoor areas.	
17	A partnership with Orox, a Halifax-based workwear company, would provide branded sports and workwear for students, reducing costs and enhancing corporate identity.	
18	Committee members noted that progress continued on the Football Foundation 3G pitch project, with planning permission expected shortly. Final Governor approval for a £300,000 contribution to the £1.6 million project would be sought on receipt of the planning permission (with in principal approval provided by the Board on 28 September 2023). The aim was for the project to be completed by	

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	Christmas. Mr Harrison confirmed that consent from the DfE had been obtained to enter into an agreement to pay £70,000 annually over a 10-year period into a National Pitch Replacement fund.	
19	Sustainability - The College's Planet Strategic Group was developing a comprehensive Climate Action Plan, supported by independent advisors Let's Go Zero. Waste management practices were being revised and visible recycling over off-site sorting had been prioritised for greater environmental impact.	
20	Mr Malone explained that he was Chair of the West Yorkshire Colleges Sustainability Group and would provide feedback to the Committee ensuring regional alignment with climate goals and roadmaps.	
21	Estates and Infrastructure - Following substantial capital investment over the past two years, Mr Harrison explained that the College was entering a period of consolidation. A new Maintenance Manager has been appointed who would be reviewing contracts. It was noted that the Estates Masterplan would be presented to the Board in July. Committee members noted that the additional classroom had almost been completed at Mill Studios.	
22	IT infrastructure upgrades continued, including: Completion of the telephony project Planned upgrades to core network switches and fibre cabling to improve resilience (following discussion around the proximity of the sites at Audit Committee) Evaluation of alternatives to VMware, following significant cost increases due to corporate changes	
23	No data breaches were reported.	
24	The College's strategic framework, known as the 6Ps, continued to guide planning and development. Key priorities included: • Estates master planning • Enhancing learner social spaces and community engagement • Aligning curriculum and business areas budget and planning cycles more effectively • Expanding commercial and community collaborations • Supporting staff development and retention	

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	• Driving sustainability and climate action	
25	Supporting documentation provided to the Committee included the detailed management accounts, the FE Commissioner's letter on the changing Financial benchmarks and the HR dashboard.	
26	**Resolved:** Committee members noted the report and received the Management Accounts, the HR dashboard and the FE Commissioners letter.	
	FR/25/117 - Draft Budget	
27	Mr Harrison presented the draft budget for 2025/26 and the accompanying two-year financial forecast and referred to the assumptions within the budget.	
28	2024/25 Outturn The College was forecasting an operating surplus of just under £700,000, significantly exceeding the originally budgeted £200,000. This improvement reflected prudent financial management and favourable in-year growth and improvement in allocations. The true EBITDA was at £2.9 million, equating to approximately 6%, in line with the FE Commissioner's benchmark for good financial health. Mr Harrison highlighted the impact of depreciation on the College's reported surplus (on the basis of significant capital investment).	
29	2025/26 Budget The draft budget projected a surplus of £500,000, with an EBITDA margin of 5.2%. Mr Harrison explained that budget currently included a 2% pay award assumption. Mr Harrison explained that there had been a recent announcement around an unexpected £900,000 allocation from the DfE, as part of a national £164 million pay support package. This may enable the College to propose a 4% pay award to the Board in December, aligning with the School Teachers' Review Body recommendation.	
30	Income and Expenditure Overview Income: Increased by £2.2 million, driven by growth in 16–19 funding, adult education allocations, and a near doubling of Free Courses for Jobs funding. The College had seen growth in high-cost curriculum areas and among learners	

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	from more deprived postcodes (which had impacted on allocation).	
31	Pay Expenditure: Included a 2% pay award and a 3.5% vacancy factor. The College continued to reduce reliance on agency staffing, which has historically cost around £800,000 per year. The College was assuming a further increase in 16-18 students in 2025/26, the risk around being unable to accommodate additional learners had been added to the risk register and mitigation was in place. The College continued to focus on improving staff recruitment and retention and hard to recruit to areas were referenced in the risk register.	
32	Mr Harrison explained that the College had received an allocation of 90% support to cover Employer NI contributions which was only guaranteed until March 2026, the budget had assumed this would continue to the end of July. There was also an assumption that the £500,000 teachers pension scheme grant would continue.	
33	There was a significant discussion around the management of temporary staffing budgets and the vacancy versus absence impact on temporary staffing, and it was agreed that, following a suggestion from Mrs S Dunkley, External Governor that a review of the correlation between absences and how this was driving agency spend, between workforce and the finance plan would be undertaken.	**Action: Mr Harrison December 2025**
34	Efficiency: Improvements in class size optimisation had been achieved through increased learner numbers without the need for additional classes. Work was ongoing to improve space and staff utilisation through timetabling reviews. The College was awaiting results from a benchmarking exercise conducted by Etio (formerly Tribal) to identify further efficiency opportunities.	
35	Non-Pay Expenditure: Remained well-managed. The College was targeting an increase in capital investment. Mr Harrison referred to the internal round of bidding for £400,000 capital. The team had received £1.2million of bids and had to focus on priority areas.	
36	Depreciation: Depreciation had increased to reflect capital investment.	

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37	Bank loan: interest payables were reducing in line with loan repayments (the total loan was reducing and was now around £3million).	
38	Liquidity and Cash Flow The College's liquidity remains strong: Cash at July 2025: Projected at £4.7 million (61 cash days) Cash at July 2026 and 2027: Projected to remain stable at approx. 53 cash days Lowest projected cash point: Christmas 2026, at £3 million (34 cash days)	
39	Capital Investment - The College was reinvesting generated cash into capital projects, maintaining a stable cash position without significant increases or reductions. Over the past two years, the College has invested nearly £10 million in capital projects, largely funded through external grants. However, capital resources remain constrained.	
40	Commercial borrowing: Not currently utilised.	
41	Future capital: The College was preparing for potential funding opportunities, particularly in construction training, and was working with estate master planners to ensure readiness for future bids. Mr Malone explained that there had been some suggestion recently that colleges would be awarded an annual capital allocation however, this had not been confirmed.	
42	Financial Health and Risk Management The College continued to target Good financial health, focusing on low indebtedness, strong liquidity and sustained EBITDA performance (targeting 6%)	
43	In relation to the process of budget planning, Mr Harison explained that the start of the process was curriculum planning which commenced in January and assured Committee members that the budget was set on robust student numbers which were reviewed during the curriculum planning process. Mr Harrison confirmed that, as in previous years, the budget was prudently set in relation to student numbers.	
44	Mr Harrison referred to the more detailed document in the pack which doubled up as a commentary for the DfE along with the commentary to describe the assumptions.	

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45	**Resolved:** The Committee recommended the Draft two-year Financial Forecast and budget to the Board for approval.	
	FR/25/118 – Policies	
46	Mr Harrison presented the Sub-contracting Fees & Charges Policy including the subcontracting rationale for approval. Committee members noted the minimal changes (date and job titles) to the Policy.	
47	**Resolved:** Committee members approved the Sub-contracting Fees & Charges Policy (including the sub-contracting rationale)	
48	The Committee received the updated Financial Regulations for annual review and consideration. The Regulations were presented to both the Audit Committee and the Finance & Resources Committee prior to being recommended to the Board for formal approval.	
49	Mr Harrison outlined the key updates in this iteration, the most significant of which was the inclusion of provisions from the Procurement Act, including updated thresholds and procedural requirements.	
50	The appendices covering anti-fraud, anti-bribery, and hospitality and gifts policies remained in place and unchanged in substance, in response to a question around Terms of Reference, Mrs J Taylor-Holmes, Clerk to the Corporation explained that these were included as appendices but would be reviewed by the Committees in the Autumn term meetings.	
51	Mr Harrison referred to the publication of the new Financial Handbook and commented that this largely pulled together the guidance around Managing Public money. He confirmed that this would be reviewed to ensure that no further amendments were needed, if any amendments were needed, they would be brought to the Committee.	
52	**Resolved –** The Committee recommend the revised Financial Regulations to the Board for approval.	
	FR/25/119 – Risk Management	

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53	Mr Harrison presented the extract from the Risk Register detailing those risks which are overseen by the Committee.	
54	The Committee noted several proposed changes to risk ratings and narrative descriptions.	
55	Mr Harrison commented that it was proposed that risk F1 relating to a significant reduction in public expenditure should be downgraded from red to amber, reflecting a current reduction in concern. It was acknowledged that, due to its fluctuating nature, this risk would	
56	It was also proposed that Risk F4 'Failure to adequately control expenditure" be reworded to reflect the importance of managing expenditure in line with income levels. It was agreed that this was particularly relevant in the context of learner growth, where both pay and non-pay costs must scale appropriately. It was proposed that the risk score be been reduced from 9 (amber) to 6 (amber).	
57	Mr Harrison explained that the only remaining red-rated risk was F7; the failure to attract and retain suitably skilled and motivated staff. This risk was considered significant and persistent, with particular challenges noted in Engineering, where sector pay levels are more competitive than those in education, English and Maths, where parity with school teachers in terms of pay and holidays made recruitment difficult and Health and Social Care where there was a general shortage of qualified teaching professionals.	
58	Mr Harrison explained that the College was seeing staff moving between Colleges for a relatively small salary increases which had impacted on turnover and may reflect cost of living challenges. Despite this, the College was maintaining a consistent and equitable approach to pay, resisting ad hoc adjustments to avoid long-term inconsistencies.	
59	Mr Malone provided an example of the recruitment challenge was citing the Curriculum Manager role, which had required three rounds of advertising without a successful appointment. A consultant was currently covering the role on an interim basis. Mr Malone explained that this was a role that the College would not usually struggle to fill.	

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60 61 62 63 64	Mrs Dunkley raised the issue of the potential risk of industrial action, which was expected to increase in the public sector. Committee members noted that National consultative ballots were underway, and there was a possibility of an aggregated ballot across the sector. While the College had historically not been a primary target for industrial action, it was agreed that the risk remained present. Mr Harrison explained that the College was taking proactive steps to mitigate the risk, including; early engagement with unions regarding the pay award, efforts to align with school sector pay recommendations, where feasible and clear communication to staff about the timing and rationale of pay decisions. Mr Malone explained that, due to the nature of the Union involvement and the engagement in any action, while the impact of industrial action was not expected to result in a full operational shutdown, it remained a material risk, particularly if action was prolonged or coordinated across multiple unions. The Committee noted the updates and endorsed the proposed changes to the risk register. **Resolved:** The Committee reviewed the risks and approved the changes proposed to the ratings and risk register.	
  65 66 67 68	**FR/25/120 – Items to be reported to the Board:** Recommending to the Board for approval: Budget 2025/26 Financial Regulations Committee had approved / recommended to the Board for approval: Policies - Sub-contracting Fees & Charges Policy including the subcontracting rationale Vice Principal's update - Financial Performance Report – received the Management Accounts to 31 May to be presented to the Board. Financial Performance and Forecast -	

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	The College was forecasting a 2024/25 operating surplus of £700,000, significantly above the original £200,000 budget. EBITDA stood at £2.9 million (approx. 6%), reflecting a good financial health score and aligning with FE Commissioner benchmarks.	
69	The 2025/26 draft budget projected a surplus of £500,000, with an EBITDA margin of 5.2%.	
70	A recent £900,000 allocation from the Department for Education (part of a national £164 million pay support package) may enable a 4% pay award in December, exceeding the current 2% assumption. A 3.5% vacancy factor was assumed.	
71	Income and Expenditure Income had increased by £2.2 million, driven by growth in 16–19 and adult education funding.	
72	The College continued to reduce reliance on agency staffing, which has historically cost around £800,000 annually and a review of spend would be provided to the next meeting.	
73	Non-pay expenditure remained well-controlled, with benchmarking underway to identify further efficiencies.	
74	Liquidity and Cash Flow Cash reserves were considered: July 2025: £4.7 million (61 cash days) Lowest point (Christmas 2026): £3 million (34 cash days) Liquidity remained strong, with current assets exceeding liabilities.	
75	Capital Investment Nearly £10 million invested over two years, largely from external grants. Minor capital allocation of £400,000 annually was significantly oversubscribed, with £1.1 million in bids received, with successful bids being prioritised.	
76	Master planning was underway to prepare for future capital funding opportunities.	
77	Risk Management - The Committee agreed with the proposed changes to the risk register and the rating of a risk based on information provided to the Committee. Committee members had considered the potential risk	

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	around future industrial action and the steps being taken to mitigate against the risk.	
78	The residual red risk remained recruitment and retention of skilled staff, with challenges in engineering, English, maths, and healthcare.	
79	HR dashboard had been received, and the Committee had noted the further implementation of i-Trent and the move to an online portal for approval of DBS applications.	
80	Mr Harrison provided an item of any other business, confirming that the Audit Committee had led on retender of the Internal and External Financial Statement Auditors. RSM had been replaced by CavanaghKelly which had reduced the cost by £30,000 and ICCA had been replaced by WBG. Both had good experience in sector and references.	
	FR/25/121 – Dates of Future Meetings	
81	Joint Audit and Finance & Resources Committee meeting – Monday 1 December 2025, 5.00pm via MS Teams (Mr Stone to Chair) Finance and Resources Committee – Monday 1 December 2025, 6.00pm via MS Teams	

Approved as a true and accurate record at the Finance & Resources Committee meeting held on 1 December 2025