

Bradford College

**MINUTES OF THE MEETING OF THE FINANCE AND GENERAL PURPOSES COMMITTEE MEETING
HELD: 17.00 hours via Microsoft Teams on Thursday 15 October 2020**

Present	In Attendance
Paul Ashton (Chair)	Chris Malish (Deputy CEO)
Cath Orange	Dawn Leak (Vice-Principal Curriculum and Development)
Neil Ward (Vice Chair)	Jo Wright (Turnaround Director)
Chris Webb (CEO/Accounting Officer)	Sarah Cooper (Director of People Services)
Lendy Ho	Zohayb Mohammed (Director of Finance & Procurement)
	Asa Gordon (Assistant Principle Further Education)
	Sarah McKenzie (Clerk to the Corporation)
	Allison McEvoy (Assistant Clerk to the Corporation)

The quorum was two committee members.

L/J Denotes the time a Governor left/joined the meeting. Where the individual was not named in the minutes, a record was held separately and was available on request.

Item		Action
Housekeeping		
1.	Introductions, Apologies and Declarations of Interest	
1.1	The Chair welcomed everyone to the meeting.	
1.2	There were no apologies for absence.	
1.3	There were no declarations of interest.	
2.	Chair's Actions	
2.1	There has been no use of Chair's actions.	
3.	Minutes of the meeting of 9 July 2020 and Matters Arising	
3.1	RESOLVED: The Minutes of 9 July 2020 were approved as an accurate record and can be signed by the Chair.	
3.2	The Committee reviewed the list of matters arising. The Chair noted that all actions were complete.	
3.3	Q. Can we have an update regarding improving relationships with the UCU? A. We are having weekly Health and Safety meetings around Covid. We have a weekly operational meeting with UCU. They have raised a disability motion, issues with workloads and AWAM's and have put last years pay claim back on the agenda. The Executive continue to work with them to resolve issues.	

<p>4.</p> <p>4.1</p> <p>4.2</p> <p>4.3</p>	<p>F&GP Data Dashboard</p> <p>The DCEO advised that the data dashboard underpins the new strategic plan and that going forward, each committee will review the relevant KPIs in this format. It will give Governors an overview of progress against each of the strategic objectives. The DCEO welcomed feedback on the document.</p> <p>Q. It shows staff costs as a percentage of income (excluding outsourcing), do we wanted to see ‘including’ outsourcing?</p> <p>A. The ESFA tend not to look at outsourcing when looking at staff costs as a percentage of income but we measure both so we will add them both onto the dashboard.</p> <p>The CEO added his support for this approach. the College is entering a period of bringing services back in-house and it will allow for more accurate monitoring of the staff costs to income ratio.</p>	<p>DCEO</p>
<p>5.</p> <p>5.1</p> <p>5.2</p> <p>5.3</p>	<p>2019-20 Quarter 4 Forecast and Management Accounts</p> <p>The DCEO provided an update on the Quarter 4 Forecast and Management Accounts up to 31 July 2020;</p> <ul style="list-style-type: none"> • Pensions adjustment will be addressed in a separate report • Income v’s Budget is down by £2m • Pay was lower due to holding of vacancies and staff turnover • EBIDA position is at 6% v’s a budget of 2.2% • The overall cash position was higher than budgeted for • Restructuring costs were lower than the original budget • Overall a really good result considering this year’s events <p>It was noted that there was a presentation issue on the Cashflow in August 2020.</p> <p>The Chair noted it was a good outcome.</p> <p>Q. In developing the Q4 forecast, were there any surprises for the DCEO?</p> <p>A. I was confident we would achieve budget but the outcome was better than expected.</p> <p>Q. How are the curriculum areas and Heads of Department managing their own areas?</p> <p>A. Each area has their own budget and this is scrutinised at the quarterly performance review meetings. Some areas have gone over budget due to this year’s issues. HR due to the restructure, Estates due to the Covid outbreak and Security which we had to have at a high level due to some trespassing and burglaries. Our overall discussions are about delivering value for money, using budgets to deliver plans to ensure a quality student experience.</p>	

<p>5.4</p> <p>5.5</p> <p>5.6</p>	<p>Q. What is happening with the pension situation? A. That will be addressed at the next Finance and General Purposes Committee. Last year our pension liability increased by around £19m. This year it is a further £18m which is pushing us to a net asset position being reduced to around £1.5m. This is impacting a significant number of Colleges, 40 of 200 Colleges have a net liability position as a result of pension deficits.</p> <p>Q. What about the effect on the covenants? Have the bank agreed to remove part of that from the liabilities? A. The bank covenant excludes pensions.</p> <p>Q. How will this play out over the next few years? A. This situation is not unique to Bradford. It is an issue for all organisations with a local government pension scheme.</p>	
<p>6.</p> <p>6.1</p> <p>6.3</p> <p>6.4</p> <p>6.5</p>	<p>Student Recruitment 2020/21</p> <p>The VPDG provided a summary of the 2020/21 student recruitment and advised that the main recruitment period does not conclude until 23 October. The VPDG advised that early indications show:</p> <ul style="list-style-type: none"> • 16-18 recruitment remains the biggest risk, currently at 3298 v 3680 target at 42 days, which current equates to a potential funding short fall of £2,046k for academic year 21/22. • AEB – confident that the target will be delivered particularly given the number of unemployed students that will be in the district this year as a result of COVID • HE - positive recruitment and confident the target will be achieved • Apprenticeships – positive start to the year and ahead on recruitment, still a risk in terms of COVID uncertainly but the market is starting to recover <p>Q. What mitigations are in place to cover the non-person to person type activities? A. As part of the initial Covid planning we put a minimum of 30% learning online, in some case this is now up to 50%. We are now planning on how to prioritise and take that further in the event of any further lockdowns.</p> <p>Q. Are the ESFA going to elongate the 42- day target? A. No because the 42 days target starts when the learner starts so if they start late they still get the same 42 days.</p> <p>Q. Is it going to affect the funding? A. The 42 day is based on the individual start date. It will only affect our budget if we lose individuals within the 42 days. The funding received is lagged so we won't see it as income until next year.</p>	

6.6	The CEO summarised the risks relating to student recruitment, in terms of the timing and impact of any further Covid restrictions and the knock-on effect on income over the next year and beyond.	VPDG
6.7	The Turnaround Director asked if the any of the issues relating to student recruitment are part of a trend. The CEO stated that the issues are multifaceted and that the Executive are working together to understand the issues and impacts.	
6.8	ACTION: A full detailed breakdown will be presented at the next Finance and General Purposes Committee Meeting.	
7.	Funding Update	
7.1	The DCEO proposed that the additional £1.5m capital funding allocated to the College is utilised to cover the already approved capital expenditure on the roof of Garden Mills and the heating system in the Lister building, totalling £0.75m. With the balance being used to address ageing IT infrastructure, which is in line with the original RF plan but was pushed back a year. The resultant £0.3m of unallocated capital would be delegated to the DCEO on the condition it is used to address any emerging IT need or withheld until the enrolment position crystallises.	
7.2	The proposal with regards to the 16-19 tuition funding of £0.61m will be used to mainly cover staff costs of £0.55m. They will provide intervention and support to students to address gaps in skills caused by the impact of Covid upon their education, the balance of which will be used on non-pay and equipment to support this.	
7.3	RESOLVED: The Committee approve the proposed approach to the use of these additional funds.	
8.	Subsidiaries- financial update	
8.1	The DCEO provided an update on the migration of Beacon and CTS.	
8.2	The current expectation is that whilst financial support of £850k was approved for CTS it is currently forecast only £600k will now be required. The transfer of operations and utilisation of College systems is ongoing and in line with the TUPE process being put forward by HR. The College is working with RSM the College's external auditors on the closure process.	
8.3	The Beacon subsidiary is being wound down as previously indicated by the Director of People services and we are again taking advice from the external auditors on the closure process.	

	Governors noted the update and reflected on the rationale for the closures being wider than financial sustainability, in that it would allow for the one community College approach.	
9.	National Teacher Apprenticeship programme	
9.1	<p>The Committee were presented with a proposal relating for a national teaching training partnership to deliver the Level 6 Teacher Apprenticeship.</p> <p>The proposal would see the College contract with a digital partner called BeReady, who would digitalise the current curriculum content and be targeted with generating 120 L6 apprenticeship starts to commence from January 2021. The College would complete all the delivery through a range of blended learning programmes and prepare apprentices for End Point Assessment (EPA). The apprenticeship fee (£9,000) would be split 50:50 between the College and Be Ready after EPA (£1,000). No fees would be incurred until an apprentice is recruited, with BeReady payments following the contractual payment process for apprenticeships.</p> <p>Bradford College would not be able to engage schools on a national basis without the partnership with BeReady. Additionally, the digitalisation of content would be difficult and require significant resources. If the recruitment target is met, the partnership could potentially generate £1,080m from the first cohort, with fees of £480,000 to BeReady.</p>	
9.2	<p>Q. Who are BeReady?</p> <p>A. They are an employer engagement organisation supporting organisations to attract apprenticeships. They are also a digital company which are migrating schools and Colleges resources online and create online packages so we can continue to deliver remotely.</p>	
9.3	<p>Q. What is the risk?</p> <p>A. There is a risk around apprenticeships due to the lockdown and that risk will be reduced as a result of this. A first cohort of around 120 people are ready to start learning online from January 2021.</p>	
9.4	<p>Q. Who has carried out the due diligence of BeReady ?</p> <p>A. That has been led by our subcontracting manager, we have an internal due diligence process. We worked with our procurement team and the finance team. We have carried out a number of checks as we would any new provider coming in to work with us.</p>	
9.5	<p>Q. Are there any reputational risk from engaging with a newly established organisation?</p> <p>A. We have done some checks with them and spoken to some of the schools they are working with and looked at some of the resources they are already doing. We have had a number of conversations with both the owner of the company and their senior management team.</p>	

	<p>We have a performance management process in place led by the apprenticeship team with the quality element led by the teaching training and delivery team. We are going to put a really robust reporting mechanism in place for the Executive team and the Governors.</p>	
9.6	<p>It was agreed that this should be monitored from an audit perspective.</p>	
9.7	<p>The DCEO advised that from a financial due diligence perspective, that the risk is small.</p>	
9.8	<p>The VPDG advised there is a risk from a delivery point of view. The College would be liable for the teaching of the learners without the intellectual property to go with it.</p>	
9.9	<p>ACTION: The draft service level agreement to be circulated to members for information.</p>	VPDG
9.10	<p>RESOLVED: That the College is to contract with BeReady to deliver a Level 6 Teacher Apprenticeship.</p>	
10.	<p>Update on actions against HR internal audit</p>	
10.1	<p>The DPS updated the meeting on actions against the recommendations from the HR internal audit that was carried out in April 2020.</p>	
10.2	<p>The Finance and General Purposes Committee were previously asked by the Audit Committee to monitor implementation of the actions. It was agreed that the Committee will report back to the Audit Committee on the positive actions taken to implement the recommendations.</p>	
10.3	<p>The CEO offered confidence and assurance to the Committee that the audit recommendations are being addressed and that he is pleased with the progress being made.</p>	
10.4	<p>It was noted that the Committee would like to see the performance management, development and appraisal completion rates and metrics.</p>	
11.	<p>Reorganisation update</p>	
11.1	<p>The DPS updated the recent reorganisation. A summary of the Collective Consultation process and the trade union risks associated with the process were summarised. The Committee was provided with a summary of the outcomes, including figures relating to before</p>	

11.2	<p>and after reorganisation. It was reported that across the College and CTS there had been one compulsory redundancy.</p> <p>The Chair thanked the DPS and her team for all of the effort to achieve such good results in very difficult circumstances.</p>	
12.	<p>Subsidiaries- HR Update</p> <p>12.1 The DPS updated the Committee in relation to the two subsidiaries companies to be closed.</p> <p>12.2 Beacon</p> <p>All Beacon workers were ended before or by 31 July 2020 with minimal impact to curriculum delivery due to the end of academic year timing. Now that Beacon is closed flexible staffing is provided in line with the 'Policy on Contracts of Employment' agreed at the Corporation meeting on 24 October 2019. This will give tighter control on the engagement of any workers at the College as all recruitment will be subject to a 'Business Case' approval and sign-off.</p> <p>The HR Business Partners have worked with the Heads of Department and their management teams to use PTHP and fixed-term contracts to re-employ any Beacon workers on Bradford College contracts in line with our safer recruitment process.</p> <p>12.3 City Training Services (CTS)</p> <p>The TUPE of CTS staff into Bradford College was agreed pre-Covid and has been delayed due to the impact of Covid-19 on apprenticeship revenue and the need to restructure at both CTS and Bradford College.</p> <p>Initial planning of TUPE by the HR Team had commenced but was put on hold when the College moved to remote working and priorities changed. The restructure of CTS and Bradford College also meant that there was no spare capacity in the HR Team to lead the TUPE activity. The TUPE process will now be re-planned and a new timeline for the staff communication and consultation and TUPE process will need to be agreed. It is expected that the earliest date of the TUPE transfer will be 1 December 2020, but further legal advice will be taken to ensure that there are no employment risks involved following the restructure activity.</p> <p>There are many differences in the employment terms and conditions of CTS compared with Bradford College staff, so the TUPE process is not simple.</p> <p>The Bradford College trade unions will need to be involved in the TUPE process due to the Recognition Agreement. There is very low known trade union membership within the existing CTS staff.</p>	

	The Committee noted the update.	
13.	Estates Strategy Update	
13.1	<p>The DCEO gave an update on the Estates strategy:</p> <ul style="list-style-type: none"> • The option agreement as previously discussed on the sale of the old building has been extended to 2021 which is caused by delays within the council, this has been agreed with the bank and ESFA • This means the terms in the RF agreement to dispose of 2 buildings by end of 2021 will not be met • We are not reliant on the sale of two buildings anymore to meet our covenants • The ESFA have been made aware of this via the case conferences. • We will create a business case to develop Victoria building • Majority of work on the summer works programme has been done on time • There will be a spend of £750k to address the state of the buildings in line with the funding rules <p>The Committee noted the update.</p>	
14.	Policies	
14.1	The Supply Chain Policy was reviewed by the Committee. The VPDG advised that there had been no policy changes and that it was an annual update incorporating the new policy format.	
14.2	A couple of typos were highlighted and these will be updated before submission to the Corporation.	
14.3	RECOMMENDATION: That the Supply Chain Policy be recommended to the Corporation for approval.	
15.	Covid 19 impact- Verbal update	
15.1	<p>The VPDG provided a verbal update on Covid 19 impact;</p> <ul style="list-style-type: none"> • The College reopened on the 7 and 14 September • Inductions and first 2 weeks of learning were delivered online • Week 3 of learning started on 21 September where we started physical teaching in line with Phase 2 plan • All staff and student brought back in to the building had detailed inductions • Students had welcome back to College sessions • We did an online video explaining to students how the College would look and feel etc • We are now at business as usual living with the effects of Covid and potential lockdowns • This area will now be handed of to the Health and Safety team and will fall under the remit of the Director of People Services 	

15.2	<ul style="list-style-type: none"> • Public Health England have given College special authority to make its own decisions in responding to positive cases • There are currently 22 members of staff self- isolating • There has unfortunately been a Covid related death within the staff body • The College has 170 tests available • There is a plan in place if we are to go in to another lockdown • The staff development day will be focusing on digital delivery • We are receiving daily updates on the local situation and will respond accordingly <p>Governors noted the update and were deeply saddened to learn about the death of a member of staff.</p>	
16.	<p>Strategic Risk Monitoring</p> <p>16.1 Members reviewed the risks for which the Finance and General Purposes Committee has oversight.</p> <p>16.2 RECOMMENDATION: That the following be recommended to the Corporation:</p> <ul style="list-style-type: none"> • SR10- Failure to prepare for and respond to critical incidents- TO BE KEPT UNDER REVIEW • SR13- Continuous on-going industrial action as a result of restructuring and financial ability to meet 19/20 pay claim- TO EVOLVE TO RELATE TO 20/21 • SR14 – Failure to maintain an up to date single central record of staff and have current DBS checks in place for all staff- TO BE KEPT UNDER REVIEW 	
Governance		
17.	<p>Committee Terms of Reference/ Evaluation</p> <p>17.1 The Clerk had reviewed the Committee Terms of Reference and suggested changes to incorporate the HR and general purposes aspect of the Committees remit. The suggested changes also align with the Financial Regulations.</p> <p>17.2 RECOMMENDATION: That the Finance and General Purposes Committee Terms of Reference are recommended to Corporation for approval.</p>	
For Information Only		
18.	<p>Internal Audit Reports</p> <p>The following internal audit reports were shared with the Committee for information:</p> <ul style="list-style-type: none"> • Subsidiary Companies Overall Financial Controls August 2020 • Payroll, Expenses, Credit Cards August 2020 • Subcontracting Controls August 2020 • Procurement July 2020 	

19.	Subsidiary Company Reports The following subsidiary company reports were shared with the Committee for information: <ul style="list-style-type: none"> • Imprint and design Board minutes – 16.07.20 • Imprint and design Board minutes – 24.08.20 	
Any Other Business		
20.	Items to report to the Corporation	
20.1	The Clerk provided the items to report to the Corporation as: <ul style="list-style-type: none"> • Student recruitment • 2019-20 Quarter 4 Forecast and Management Accounts • Subsidiaries-HR and financial update • Supply Chain Policy • Finance & General Purposes Terms of Reference 	
20.2	RECOMMENDED: That the items listed be presented to the Corporation as part of the Chairs update.	
21.	Any Other Business	
21.1	That the DCEO to arrange for the Master Targets file to be available on Trust Governor.	DCEO
22.	Meeting Evaluation	
22.1.	Meeting evaluation form to be circulated by email.	Assistant Clerk
22.2	The Chair closed the meeting at 7.15 pm.	

Approved by the Committee:

P. Ashton

17.12.2020

Signed by the Chair

Date

No	Minute	Item	Action	Who?
1.	4.2	F&GP Data Dashboard	Q. It shows staff costs as a percentage of income (excluding outsourcing), do we wanted to see 'including' outsourcing? A. The ESFA tend not to look at outsourcing when looking at staff costs as a percentage of income but we measure both so we will add them both onto the dashboard.	DCEO

2.	6.8	Student Recruitment 2020-21	A full detailed breakdown will be presented at the next Finance and General Purposes Committee Meeting.	VPDG
3.	9.9	National Teacher Apprenticeship programme	The draft service level agreement to be circulated to members for information.	VPDG
4.	21.1	Any Other Business	That the DCEO to arrange for the Master Targets file to be available on Trust Governor.	DCEO
5.	22.1	Meeting Evaluation	Meeting evaluation form to be circulated by email.	Asst Clerk