

Bradford College

**MINUTES OF THE MEETING OF THE FINANCE AND GENERAL PURPOSES COMMITTEE MEETING
HELD: 17.00 hours via Microsoft Teams on Thursday 13 May 2021**

Present	In Attendance
Paul Ashton (Chair)	Mark Day (Deputy CEO)
Cath Orange	Craig Tupling (Vice Principal Quality & Student Experience)
Neil Ward (Vice Chair)	Dawn Leak (Vice Principal Development & External Relations)
Chris Webb (CEO/Accounting Officer)	Asa Gordon (Vice Principal Curriculum)
Lendy Ho	Jo Wright (Turnaround Director)
Cuthbert Pazvakavambwa	Sarah Cooper (Director of People Services)
	Sarah McKenzie (Clerk to the Corporation)
	Allison McEvoy (Assistant Clerk to the Corporation)

The quorum was three committee members.

L/J Denotes the time a Governor left/joined the meeting.

Item		Action
Housekeeping		
1.	Introductions, Apologies and Declarations of Interest	
1.1	The Chair welcomed the new DCEO to the meeting.	
1.2	Apologies were noted for Zohayb Mohammed.	
1.3	There were no declarations of interest.	
2.	Chair's Actions	
2.1	There had been no use of Chair's actions.	
3.	Minutes of the meeting of 18 March 2021 and Matters Arising	
3.1	The Turnaround Director suggested some small changes to minute 4.5 to add clarity.	Clerk
3.2	RESOLVED: With the changes identified, the minutes of 18 March 2021 were approved as an accurate record and can be signed by the Chair.	
3.3	The Matters Arising report was reviewed, members were encouraged to reflect on the development of the Data Dashboard and offer comments to the DCEO for its	

3.4	<p>development either within the meeting or via the Clerk outside of the meeting.</p> <p>The DECO commented that the letter from the FE Commissioner on their revised financial benchmarking (circulated with the papers for this meeting) was something that would need to be incorporated in future reporting.</p>	DCEO
Strategic Plan Implementation		
4.	F&GP Data Dashboard	
4.1	The DCEO presented the F&GP Data Dashboard noting that there were some shortfalls in and around the bank covenant compliance, which have been managed through the granting of waivers, but that the overall financial position is healthy.	DCEO
4.2	<p>The Committee encouraged the review of the dashboard to include having a greater focus future income projections and to take into account FE Commissioner benchmarking.</p> <p><i>J - Lendy Ho</i></p>	
Finance		
5.	DCEO report to the committee	
5.1	<p>The DCEO summarised the key items:</p> <ul style="list-style-type: none"> • Management Accounts and Q2 Forecast- The management accounts continue to show a positive overall position and forecast. The overall position, and especially the underspend on pay, does provide the opportunity to reward staff with a non-consolidated pay award. • Treasury Management Update- The positive cash position, along with the meagre interest rates on deposits, and the ongoing costs of serving debt make a compelling case for settling loans early. • Strategic Risk Monitoring- Will be raised under item 13. • Inprint & Design- The Committee is asked to note that Christopher Malish has resigned as a Director and has been replaced by Mark Day, Companies House has been notified. Additionally, Steve Roberts (Independent Governor) is to be appointed as Lay Director. 	

6.	Student Recruitment (2021-22)	
6.1	<p>The VPD&ER provided an update on Student Recruitment:</p> <p>16-18- recruitment is showing signs of growth. The current number of applications is 170% up on the same period of time last year (2042 v 813) with 95.5% of applicants being new students (not studied or drawn down any funding in the current academic year).</p> <p>Adults- Adult AEB income is more complex in 2021/22 as the funding lines are across a number of funding streams and is profiled to deliver starts all year. Adult recruitment does not start its significant period until mid-July so reporting will be more relevant in September.</p> <p>Higher Education- HE recruitment is also progressing well in comparison to last year; 28% increase in new student applications (711 v 553).</p> <p>Apprenticeships- Apprenticeships has performed strongly during COVID and is expected to deliver to budget. The 2021/22 budget is £4.5m with a carry in value of around £2.8m and the remainder coming in new growth. The key recruitment period for apprenticeships is April to September and the impact of this will be seen in the Q1/Q2 figures.</p>	
6.2	<p>Q. Are we keeping abreast of the recent UCAS reports on the significant increase in HE student recruitment?</p> <p>A. Our UCAS applications are on a par with last year's figures. We have seen an increase in direct applications which is better for us as it means the students have chosen Bradford College as their provider. These students won't have gone through the UCAS system where they will have been offered between one and five institutions to study with.</p>	
6.3	<p>Q. Is there anything that drives a difference to the 16-18 recruitment?</p> <p>A. Our systems have changed this year and we are not measuring like for like with previous years. That said, we are seeing an earlier application process this year. We are also seeing an increase in 17-year-old applicants who are not able to continue their learning in other sixth forms.</p>	

6.4	<p>Governors had observed a number of adverts appearing across the city and asked what impact they were having on recruitment.</p> <p>The VPD&ER said that whilst it was always difficult to attribute an advert to an application, there is a piece of evaluation work taking place and the results of that will be made available to F&GP Committee in early 2021/22.</p> <p>The Chair welcomed comment and reflection from the CEO on student recruitment.</p> <p>The CEO advised that he now had more confidence in the figures presented, which now resemble the 2015/16 figures. The College will now need to monitor the conversion rate from applications to enrolments. as we move into August/ September. The CEO noted that he wanted to see a bigger rebound in the figures. It was reported that Adult recruitment could exceed the AEB and it was highlighted that in setting the strategic direction, Governors will need to make decisions about the Curriculum plan v's the sustainability of the College.</p>	VPD&ER
7.	Management Accounts and Q2 forecast	
7.1	The DCEO advised that the overall in year position is healthy which will drive some further discussion on spend. Again, the DCEO welcomed feedback on the report and future refinement.	DCEO
7.2	The Committee felt that due to the large costs, the pension contribution numbers should be more predominant in the management accounts.	
8.	Treasury Management report	
8.1	<p>The DCEO advised that there had been positive discussions with the bank about paying down some of the loan early, that professional advice was being sought and that a formal proposal will come to F&GP Committee at its next meeting. The DCEO explained that this needs to be considered in the context of the likely sale of Old Building which will generate a net receipt of circa £1.4m in September 2021.</p> <p>The Turnaround Director reminded the Committee about the deed of priority with the bank and the ESFA.</p> <p>The DCEO highlighted that the abolition of LIBOR (London Interbank Offered Rate) could potentially impact borrowing</p>	

	<p>costs and the implications and risks are being explored with the College bankers. However, the committee were informed that only a third of the College`s borrowing was subject to a rate change.</p> <p>In the meantime, the DCEO sought the Committee`s approval to place up to £5.0m on deposit with Lloyds instant access deposit account, with a view to obtaining a more favourable interest rate.</p>	
8.2	<p>Q. How would you categorise our ongoing relationship with the bank?</p> <p>A. They are happy with the information flow, the relationship is really encouraging, there are no red flags. The debt reduction piece opens the door for covenant discussions.</p>	
8.3	<p>Q. Will the LIBOR issue be painful for the college?</p> <p>A. It will be painful in terms of understanding the finer detail and relaying that back, the likely outcome would be a nominal shift in the interest we pay.</p> <p>The Turnaround Director advised that the debt to income covenant had not be amended as planned, this has been delayed. The test date at 30 April will need a waiver.</p> <p>There are ongoing discussions with the bank around capital expenditure.</p> <p>The DCEO raised the subject of the cash sweep, discussions with the ESFA were ongoing relating to 2020/21, particularly in relation to the interpretation of the arrangements, for example the starting point for the calculation.</p> <p>The Chair of Corporation and the CEO both raised concern about the potential implementation of a cash sweep, especially when the College had been so careful in managing its finances and resources.</p>	
8.4	<p>APPROVED: The placing up to £5.0m on deposit with Lloyds instant access deposit account.</p>	

<p>9.</p> <p>9.1</p> <p>9.2</p>	<p>Subcontracting update</p> <p>The VPD&ER presented the Subcontracting Update which, inline with ESFA requirements, sought approval to continuing working with approved providers to deliver adult education budget and apprenticeship provision on behalf of the College for 2021-22 contract year. The delivery relates only to any carry in activity and there are no new proposals to subcontract new provision in 2021/22.</p> <p>The CEO advised that there are proposed changes in the AOC Code of Good Governance regarding greater scrutiny of subcontractors by governing bodies. With advice from the Clerk, the VPD&ER is currently working on the Supply Chain Management Policy to reflect these changes.</p> <p>RECOMMENDATION: That the Corporation approves the continuation of subcontracting provision set out in the Subcontracting update for 2021/22, to facilitate carry in learning contracts.</p>	
<p>Resources</p>		
<p>10.</p> <p>10.1</p>	<p>Estates strategy update</p> <p>The DCEO presented the Estates strategy update:</p> <ul style="list-style-type: none"> • On 21 April 2021, City of Bradford MDC approved, subject to conditions, the planning application for the conversion of Old Building into 190 apartments. Before confirmation letters are issued the purchaser needs to complete a ‘Section 106’ agreement in respect of car parking provision for the development. The granting of planning permission means the purchaser is contractually obliged to proceed with the purchase, with completion and receipt of funds expected September 2021. • Mobilisation of the facilities management contract is now complete with no adverse impact to the running of the College or student experience. TUPE discussions are underway with Amulet Security. It is anticipated that six vacancies will need recruiting to following the completion of the TUPE process. • Transformation Fund Bid <p>In line with the approval given by the Corporation, a Stage 1 application was submitted for the following projects:</p>	

	<ul style="list-style-type: none"> ➤ FECDG audit capital works to the Lister Building; ➤ Refurbishment of Garden Mills to assist with the relocation of the Apprentice provision from Little Germany; ➤ and Demolition of Junction Mills to make way for the build of a 'Future Technologies Hub' which will house our Motor Vehicles Provision from Bowling Back Lane. Bowling Back Lane is a leased building costing the College £175,000 per annum. <p>The outcome of stage 1 is expected in May. As agreed by the Corporation and for expedience, the College has already begun to plan for Stage 2 in readiness to submit.</p>	
<p>11.</p> <p>11.1</p> <p>11.2</p>	<p>People strategy update</p> <p>The DPS provide the People strategy update, including:</p> <ul style="list-style-type: none"> • Staff engagement is ahead of the target • The College is now in phase 6 of the covid plan, so more people are returning to on-site working. • The HR Business Partners will be working with the Heads of Department to develop their new engagement actions plans and areas of focus moving forwards. • The College is seeing a positive return from the investment that was made in Learning and Development. • Year to date we now have less than 3% absence which is better than the current UK absence average. • The lockdown health and wellbeing activities for staff continue and are being really well received. • The College has received notice on the contract for our Occupational Health provider and this is going through a tender process at the moment. • Mid-year appraisals have now been completed and checks are in place to follow up with managers that have not completed them. • The re-tender for the HR payroll and HR system is currently being rolled out. • HR continue to review DBS renewal compliance. • The HR data provision and reporting has improved. • A summary of year to date Termination Payments. <p>Q. Is there much scholarly activity going on?</p> <p>A. It is in the AWAM and was also discussed at CMT, part of the development is for a discussion on staff needs. Do they need</p>	

11.3	<p>any more courses etc, we are an educational establishment so there is a great opportunity for people to continue developing and learning. We are also looking at our vacancies to become more of an apprentice employer.</p> <p>Q. Will the staff turnover target be reviewed as you work through it?</p> <p>A. The staff turnover target is one of the RF measures, despite the restructures over the years, we still have lots of staff with long service.</p>	
12. 12.1	<p>2020/21 Non-consolidated Pay Award</p> <p>The DCEO reported that the improved in-year financial position meant that it was possible to consider a non-consolidated pay award for all College Staff, which would provide tangible recognition of the collective effort to maintain services to students in the midst of the Covid-19 pandemic.</p> <p>Sustained improvements in learning and teaching, positive student feedback, and the commitment of all staff to maintain access in challenging circumstances can be recognised in a tangible way sending a clear message to both workforce and stakeholders about the College’s improvement journey and the importance of the contribution of staff in all disciplines.</p> <p>The Senior Leadership Team had explored potential options and a proposal for a 2.0% in year, non-recurrent, non-consolidated, and non-superannuable pay award is recommended to the Committee for consideration.</p> <p>The award would be payable to all staff employed by the College pro rata to their length of service during the 12-month period to 31 May 2021 and the proportion of full-time hours worked, subject to a minimum payment of £500 for a full-time employee employed throughout the period.</p> <p>It was noted that further work will be undertaken to calculate the detailed cost of the award within the affordability envelop established and include that in financial forecasts; and that a communications plan will be approved by SLT on or before 31 May 2021 which will include engagement with relevant stakeholders.</p> <p>The Committee was fully supportive of the proposal, particularly the minimum payment element.</p>	

12.2	<p>RECOMMENDATION: That the Corporation approves, the payment of a non-consolidated pay award in June 2021 payroll within an affordability envelope of £525,000.</p> <p>The CEO in his role as governor, declared a conflict of interest in relation to Senior Postholder pay and abstained from the decision to recommend the proposal to the Remuneration Committee for consideration.</p>	
12.3	<p>RECOMMENDATION: That the Remuneration Committee considers the same proposal in respect of Senior Post Holders.</p>	
Governance and Risk Management		
13.	Strategic Risk Monitoring	
13.1	<p>The Committee reviewed the risk register, one change was proposed:</p> <p>SR6 – the risk owner (Director of People Services) recommended that, in recognition of the progress made in this area, moving likelihood from ‘3’ to ‘2’ resulting in an overall score of ‘8’.</p>	
13.2	<p>RECOMMENDATION: That the proposed change to SR6 are recommended to the Corporation for approval.</p>	
Policies		
14.	FE Fees Policy	
14.1	<p>The Committee reviewed the Fees Policy, the VPD&ER explained that it will include a link to the relevant guidance from the ESFA and West Yorkshire Combined Authority guidance for 2021-22.</p>	
14.2	<p>Q. Is there any elasticity of demand associated with this?</p> <p>A. There is no competitive element.</p>	
14.3	<p>RECOMMENDATION: That the FE Fees Policy be recommended to the Corporation for approval.</p>	
For Information Only		
15.	Subsidiary Company Reports - Provided for information	
	Inprint & Design- minutes of 15.03.21	
16.	Internal audit reports- none	
Any Other Business		
17.	Items to Report to the Corporation	

	<ul style="list-style-type: none"> • Student Recruitment – for information • Management Accounts – for information • Subcontracting – for approval • People strategy – for information • 2020/21 Non-consolidated Pay Award – for approval • Strategic Risk Register- SR6 – for approval • FE Fees Policy- for approval 	
18.	Any other business	
18.1	The CEO raised the issue of the College’s involvement with West Yorkshire Consortium of Colleges (WYCC) a joint venture with other West Yorkshire Colleges. There are concerns about the College’s continued membership relating to value for money, effectiveness and personal liability for the CEO. 14 days’ notice is required for any college wishing to exit.	CEO
18.2	The College’s Financial Regulations state that Corporation approval is required for entering into joint venture arrangements and so the CEO will seek Corporation approval to exit from WYCC.	
18.3	The Chair closed the meeting at 18.32	
19.	Meeting Evaluation	Assistant Clerk
19.1	To be circulated by the Assistant Clerk.	

Approved by the Committee:

N. Ward

09.07.2021

Signed by the Chair

Date

No	Minute	Item	Action	Who?
1.	3.1	Minutes of the meeting of 18 March 2021 and Matters Arising	The Turnaround Director suggested some small changes to minute 4.5 to add clarity.	Clerk
2.	3.4	Minutes of the meeting of 18 March 2021 and Matters Arising	The DECO commented that the letter from the FE Commissioner on their revised financial benchmarking (circulated with the papers for this meeting) was something that would	DCEO

			need to be incorporated in future reporting.	
3.	4.2	F&GP Data Dashboard	The Committee encouraged the review of the dashboard to include having a greater focus future income projections and to take into account FE Commissioner benchmarking.	DCEO
4.	6.4	Student Recruitment (2021-22)	The VPD&ER said that whilst it was always difficult to attribute an advert to an application, there is a piece of evaluation work taking place and the results of that will be made available to F&GP Committee in early 2021/22.	VPD&ER
5.	7.2	Management Accounts and Q2 forecast	The Committee felt that due to the large costs, the pension contribution numbers should be more predominant in the management accounts.	DCEO
6.	18.2	Any other business	The College's Financial Regulations state that Corporation approval is required for entering into joint venture arrangements and so the CEO will seek Corporation approval to exit from WYCC.	CEO