

**MINUTES OF THE MEETING OF THE FINANCE & GENERAL PURPOSES COMMITTEE
HELD: on 7 July 2022 at 17:00 in 4F07 DHB Boardroom**

Present	In Attendance
Neil Ward (Chair)	Chris Malish (Vice Principal Finance & Corporate Services)
Cuthbert Pazvakavambwa (Vice Chair)	Asa Gordon (Vice Principal Curriculum)
Chris Webb (CEO/Accounting Officer)	Jo Wright (Turnaround Director)
David Fearnley	Sarah Towan (Director Student Recruitment & External Affairs)
Cath Orange (Via MS Teams)	Sarah Cooper (Director of People Services)
Apologies:	Sarah McKenzie (Clerk to the Corporation)
Lendy Ho	Allison McEvoy (Assistant Clerk to the Corporation)
Marc Gillham (VPD&F)	

Item		Action
1.	Introductions, Apologies for Absence and Disclosures of Interest	
1.1	The Chair welcomed everyone to the meeting.	
1.2	Apologies were noted for Lendy Ho.	
1.3	There were no declarations of interest.	
2.	Chair's action	
2.1	There had been no use of Chair's actions since the last meeting but the Chair highlighted that the VPF&CS had taken soundings from him in relation to the position with the bank and the Capital Transformation Fund.	
3.	Minutes of the meeting 12 May 2022	
3.1	RESOLVED: with the correction of a minor typo, the minutes of 12 May 2022 were approved to be signed by the Chair as an accurate record of the meeting.	
4.	Matters Arising	
4.1	The Matters Arising Report was reviewed, it was noted that all items were due to be addressed as part of the meeting agenda.	
Strategic plan Implementation		
5.	F&GP Data dashboard	

5.1	<p>The VPF&CS presented the F&GP Data Dashboard and advised that the items for highlight were:</p> <ul style="list-style-type: none"> • Absence had reduced during the quarter. HR were monitoring closely with the HoD's and Trade Unions to understand and manage short term and long-term absence. • Levy funding usage stands at 30%, New Head of Talent and Learning is now owning the plan for levy use. HoDs were challenged through business planning to employ apprentices where appropriate and more apprentice roles are in the plan for 22/23. The levy is being used as part of individual development plans and are planning the next cohort of future leaders. • PERFORMANCE: EBITDA % of Income reduction from HE and AEB, whilst cost pressures as a result none budgeted items such as the NI increase, increase in national minimum wage and energy prices continue to impact • BORROWING: Borrowing % of Income had moved from 37.3% in Q2 to 38.2% in Q3 Mainly a result of the £2m repayment authorised for July 21 did not occur. • Staff Costs % of Income (incl. Outsourcing) had moved from 69.8% in Q2 to 70.3% in Q3 Whilst, the spend on staffing was lower than budget these had not been enough to mitigate the lower income levels. • Capital Programme (External Resources)- Outcome received and new match negotiated from 25% to 12.5%, however bank had not approved the additional capital spend due to wider economic risks. • Covenant Compliance- Based on draft Q2 forecast and initial response to the debt reduction proposal to Lloyds is that waivers will be provided till July 22. • HE Fee Income- HE enrolments are below budget and forecast income as a result is lower. • AEB Income- 7,745 in Q2 moved to 7,901 in Q3. Whilst this is an improvement upon Q2, this will still result in claw back of funding. However, the College is working to ensure this does not occur, though at this point a more prudent view of achieving this has been taken. • 14-16 Learner Fees (Schools)- was 808 at Q2 and is now 993 at Q3- The increase is a result of much higher recruitment in the spring term. 	
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<p>5.2</p> <p>5.3</p>	<ul style="list-style-type: none"> Total Income- 45,255 in Q2 and 45,135 in Q3 Reduction in HE income and AEB not being fully mitigated by other income streams or savings. <p>Q. How likely will we be with mitigating a clawback of AEB? A. We are currently £72k away.</p> <p>Q. What is the ‘great resignation’? A. It is a post pandemic economic trend in which employees are choosing to take stock and change jobs/careers.</p>	
<p>6.</p> <p>6.1</p> <p>6.2</p> <p>6.3</p> <p>6.4</p>	<p>Verbal update on the position with the Bank and ESFA (including PIMS)</p> <p>The Committee heard that following negotiations with the ESFA to reduce the Capital Transformation Fund match funding against the bids won, from 25% to 12.5%, the VPF&CS had carried out some modelling for the bank to demonstrate the impact of various scenarios, with the ultimate recommendation that 2 of the 3 projects bid for could be accepted and should be supported by the bank. The bank had reviewed the information received and were not in a position to support any the scenarios put to them. Instead, in their response they listed a number of factors that had contributed to them arriving at their negative response, that ultimately, they perceived the plan too risky. Whilst some of their reservations related directly to the College and a view that the College does not have a good track record with delivering capital projects. Some of the nervousness related to uncertainty in the FE sector and the UK economic position more widely.</p> <p>Subsequent to the bank’s decision, the VPF&CS, CEO and Chair had met with the ESFA/DfE to explore how the College might be supported to deliver the aspirations set out in the Capital Transformation Fund bids. It was also agreed at that meeting that the PIMS plan which had been delayed pending outcomes of the Capital Transformation bids, would effectively be the updated strategic objectives/KPIs due to be reviewed by the Corporation at its July 2022 meeting.</p> <p>At the time of the F&GP Committee meeting, the ESFA/DfE were planning to meet with the bank to discuss the College’s position. In addition, the VPF&CS were exploring how the West Yorkshire Combined Authority might support the capital projects.</p> <p>The Committee discussed the College’s position and expressed its frustration as it felt that decisions being reached by the bank were</p>	

6.5	<p>perhaps too short sighted and that there needed to be a more longer-term view of the College's position within the sector and the need to keep pace with change, through investment, so that the College can continue to grow and meet the needs of its local communities. Recognising that ultimately the students and communities of Bradford were those being deprived.</p> <p>The Chair of Corporation asked that the Committee considered its advice to the Corporation on the matter.</p> <p>RECOMMENDATION: That the F&GP Committee recommends that the Corporation endorses the CEO and Chair of Corporation to lobby influential individuals within local and national government via a letter setting out the position and the impact of the decisions being made on behalf of the College.</p>	
6.6	<p>The Committee were reminded that the sale of the Old Building had been delayed and was due to complete by mid/late July. If the sale was to fall through, it was recognised that it would compound the College's position. A further update on the sale was expected to be given to governors at the Corporation meeting on 14 July.</p>	
Finance 2021-22		
7.	Management Accounts and Q3 Forecast	
7.1	<p>The College has undertaken a financial re-forecast process following the Q3, in order to assess the forecast outturn for the year compared to the initial plan submitted to governors in July 2021.</p> <p>Discussions continue with the bank regarding waivers on all the breaches.</p>	
7.2	<p>The current key risks are that AEB income is lower due to lower than forecast enrolments. Whilst a current clawback is expected, work is being undertaken to mitigate this risk. Therefore, in the event of full mitigation it will result in a further improvement of income of circa. £300k.</p>	
7.3	<p>Restructuring costs are currently forecast to increase by £350k to £550k, however dependent upon the individuals who leave this could fluctuate. The VPF&CS explained that the number of staff that leave the College will be significantly mitigated. However, should one of those individuals attract pension strain as a result of being a member of the Local Government Pension Scheme this could be a significant cost.</p>	

7.4	The Committee heard that the latest Management Accounts showed a significant increase greater than expected and was being investigated as it could be the result of an error. The expectation was that it will be around £100k better than at the Q3 forecast.	
7.5	Governors noted that the cash in hand days at Q3 (58) were below the 2021/22 target (58)	
8.	Write off of debt - Student Fees	
8.1	The VPF&CS presented a paper seeking Committee approval in line with the Financial Regulations for the write off of the outstanding tuition fee balances relating to 2018, a total write off of £146,811.81. The value of the write off is within scope of the College's overall total provision for bad and doubtful debts, as stated in the 20/21 year-end accounts. These had been provided for at 80%, therefore it will impact upon the College's SOCI (statement of Comprehensive Income) of £29,362. However, it is expected that this will be fully mitigated as a result of a further reduction in the bad debt provision at the year-end. In reaching these recommendations, the debts in question had been fully reviewed and inputs considered from the College's external debt recovery agents/partners.	
8.2	Q. Has the process to recover outstanding tuition fees improved? A. Extensive efforts have been made by accounts receivable team since 2019 to improved credit control process and procedures.	
8.3	RESOLVED: The Committee approved that the outstanding tuition fee balances from 2018 totalling £146,811.81 are written off.	
Finance 2022-23		
9.	Student recruitment Update	
9.1	The DSR&ER provided the Forecast provisional recruitment position for 2022-23, highlighting: <ul style="list-style-type: none"> • 16-18 – applications currently +7% new (2,971), we have also identified 1,938 potential internal progressors in FE of which 1,600 16-17 yr olds have already been re-enrolled for next year. Total target 3,650 at day 42. • HE continuation forecast could see a 1-2% uplift from earlier forecasts after Semester 2 • HE new business applications down 10% (-130) total applications vs. last year, but we have more direct applications, that 	

	<p>traditionally have a higher conversion rate. We also have like for like active applications – so fewer withdrawals than last year at this point.</p> <ul style="list-style-type: none"> • Adult applications for 22-23 are returning to pre Covid levels of performance, YoY +10% with strong performance in ESOL and Access. • Apprenticeships picture ongoing – for 21-22 budget year on target £4.584M (561 starts), pipeline looking positive for Q1 in 22-23. <p>The Committee noted the report and the risks to income. Governors also noted that capital development, alongside other tangible successes (Ofsted, NSS etc) were key to the College maintaining and developing its market share.</p> <p><i>L/ST</i></p>	
10.	Sustainability Strategic Action Plan and KPI's	
10.1	<p>The VPF&CS presented the updated Sustainability Strategic Action Plan alongside the proposed budget, highlighting the key deliverables:</p> <ul style="list-style-type: none"> • Deliver the College Budget and Strategic financial plan • Deliver on planned income • Improve management information systems and processes • Ensure a stable college IT platform & relevant fit for purpose IT infrastructure • Ensure a relevant fit for purpose estate that is sustainable <p>The Committee discussed the plan in the context of the 3-year plan and noted that the plan was clear and governors were happy to recommend it to the Corporation for approval.</p>	
10.2	RECOMMENDATION: That the Sustainability Strategic Action Plan is recommended to the Corporation for approval.	
11.	a) <u>3-year financial plan including budget for 2022/23 and capital plan for 2022/23</u>	
11.1	The VPF&CS notified the Committee that the plans did not include for any of the scenarios discussed at item 6 relating to the Capital Transformation Fund.	
11.2	Governors heard that the plan anticipates income increasing from £45.1m to £54.4m during the period reflecting confidence in the	

	<p>recruitment process and the underlying provision being offered to the students and employers in the District. Given the complexity of funding streams it is likely that there will be some variation in individual income lines but the overall growth is considered prudent by the Senior Leadership Team based on current intelligence and estimates. A turnover of £54m provides an excellent planning total, against which to target improvements in the staff cost base over the three years.</p>	
11.3	The proposed budget for 2022/23 included a planned deficit of £143,000.	
11.4	The forecast outturn for each year of the plan results in a financial health rating of 'Good', due to the underlying operating position and the planned reduction in debt.	
11.5	The Committee considered the risks associated with proposed with the fundamental risk to the plan being the failure to secure the forecast levels of income. The VPDF&CS provided assurance that the forecasts had been the subject of detailed planning by Heads of Department and Executive Leads with the effort to recruit learners supported by an improved marketing effort and greater differentiation of the College's offer and that should such risk materialise the College would maintain prudent flexibility over costs in order to manage the financial position.	
11.6	<p>Q. Does a bottom up approach to budget setting work? How can we be assured that the strategic direction is being delivered?</p> <p>A. The Exec work with the Heads of Departments to deliver the key messages from the strategy, these provide the boundaries of the business planning process.</p>	
11.7	RECOMMENDATION: That the 3- Year Financial Plan 2022/23 to 2024/25 and Capital Plan for 2022/23 are recommended to the Corporation for approval.	
11.8	<p>b) <u>College Financial Forecasting return (CFFR)</u></p> <p>RECOMMENDATION: That the College Financial Forecasting return (CFFR) is recommended for Corporation to approve its submission to the ESFA.</p>	
Resources		
12.	People Strategy Update	
12.1	The DPS provided an overview on the People Strategy Report.	

12.2	<p>Proposed Restructure- Collective consultation commenced on 13 June 2022 and briefings were given to those impacted on 14 June. The initial proposals which came about from business planning meant that 28 roles were proposed to be removed. As HR worked through the organisational impacts and had a pre-meet with the trade unions, this was 26 roles impacting 40 staff at the start of the consultation. As at 28 June 2022 all but 11 impacted staff have been mitigated but this may change depending on selection matrix appeals. Of the 11 staff, 6 were considering alternative roles, 2 were still considering VR and 3 had made no decisions and remain at risk of redundancy.</p>	
12.3	<p>HR Services Team Activity - Following Business Planning Round 3 the HR team collated all the organisational change impacts per Head of Department area. This included the roles removed, existing vacancies and newly created roles. There are around 80 roles to be filled for the new academic year.</p>	
12.4	<p>HR KPI's - Activity continues on improving HR data and KPI's. Reporting gaps are part of the new HR System implementation.</p>	
12.5	<p>Staff absences - Reduced to 4% at Q3. The main reasons for absence are coughs/colds/covid-related illness, personal stress and mental health and work-related stress. Long term sickness cases have remained at 16.</p>	
12.6	<p>Employer relations cases remain low and there continues to be an increased focus on speed of resolution. In May 2022, there were two disciplinary cases and four grievances in progress.</p>	
12.7	<p>The new HR and Payroll system is all on track.</p>	
12.8	<p>HR Policies- Consultation with the trade unions on policies has started again with the grievance and disciplinary policies ongoing. With collective consultation in progress, trade union activity is focussed on supporting their impacted members.</p>	
12.9	<p>ACTION: DPS to provide a summary of procedure changes and provide policy documents to the Committee for approval.</p>	DPS
12.10	<p>Learning and Development Activity was been focused on ED&I including the launch of trauma informed training for the wider college. As part of International Woman's Day, we have launched a mentoring programme for female staff wanting to develop in their careers. Lack of self-confidence in women staff to go for promotion is a key learning so additional development sessions to support this is now being planned for next year.</p>	

<p>12.11</p> <p>12.12</p> <p>12.13</p>	<p>Trade Union Relations- There had been regular meetings with the trade unions with scheduled JCC and Health and Safety Committee meetings plus some additional SIG meetings, particularly around Learning and Teaching and policies.</p> <p>UCU had submitted a two part pay claim and negotiation meetings are continuing around this. Part 1 is a 10% pay claim and part 2 is around workload and teaching and learning. Activity is focused around part 2 of the claim as part 1 is unaffordable.</p> <p>Engagement Survey 2022- The staff engagement survey had been completed. Despite the response rate not being as high as hoped, the results continued to be positive with support areas having an engagement score of 91.2% and curriculum areas 85.5% and the overall score being 88.1%.</p> <p>Q. Where are we with the unions and the pay rise, in terms of threat to strike? A. Bradford College does not feature any of the latest strike ballot lists.</p> <p><i>L/co</i></p>	
<p>13.</p> <p>13.1</p> <p>13.2</p>	<p>Estates Plan Update</p> <p>The VPF&CS reminded the Committee that the high-level Estates plan strategy was to reduce satellite campus sites (Little Germany, Bowling Back Lane, which houses Motor vehicle provision) through better utilisation of the city centre campus and the redevelopment of the empty buildings the college owns on the city centre campus (Junction Mills and Garden Mills). In addition to this the Old building will be disposed of.</p> <p>The Capital Transformation bids, although successful have not been able to progress due to the position set out in agenda item 6 (above).</p> <p>The Committee was asked to approve the submission of an OfS capital bid of £6m which required no match funding. It was to be used for the redevelopment of Garden Mills</p> <p>RESOLVED: The submission of the £6m Capital OfS bid (no match funding required) to renovate Garden Mills was approved.</p>	
<p>14.</p> <p>14.1</p>	<p>Employer of Choice Strategic Action Plan</p> <p>The DPS presented the Employer of Choice Action Plan which focused on the following key objectives:</p>	

14.2	<ul style="list-style-type: none"> • To improve staff engagement • To improve staff attendance levels and reduce sickness absence • To recruit, develop and retain highly skilled and motivated staff • To develop a learning and development programme that supports the college to be outstanding • To be a great place to work (new objective for 2022/23) <p>Q. How will we test the brand?</p> <p>A. We are going to do a lot more on making the application process with more attractive and accessible. We are making use of case studies to promote staff experiences within their roles at the College.</p>	
14.3	<p>RECOMMENDATION: That the Employer of Choice Strategic Action Plan is recommended to the Corporation for approval.</p>	
Policies and Statements		
15.	<p>a) <u>Health & Safety Policy</u></p> <p>15.1 The DPS advised that as part of the annual review, the policy had been reviewed and updated</p> <p>15.2 RECOMENDATION: That the Health & Safety Policy is recommended to the Corporation for approval.</p> <p>15.3 b) <u>Procurement Policy</u></p> <p>The Procurement Policy had been reviewed and updated to reflect changes in job titles.</p> <p>15.4 RESOLVED: That the Procurement Policy is approved.</p> <p>15.5 c) <u>Financial Regulations</u></p> <p>The Financial Regulations had been updated to reflect an update of job titles, change in purchasing limits for estates work not requiring 3 quotes now up to £10k and changes to budget and un-budget approval limits for the VPF&CS.</p> <p>15.6 The Committee were happy to support the proposed changes.</p> <p>15.7 RECOMMENDATION: That Financial Regulations Policy be recommended to the Corporation for approval.</p>	
Governance and Risk		

16.	Strategic Risk Monitoring	
16.1	The Committee reviewed the strategic risks for which it has oversight. The VPF&CS proposed that there were no changes to the risks, governors agreed.	
17.	Committee self-assessment and Terms of Reference	
17.1	The Clerk proposed that the Committee Terms of Reference be amended to include for consideration of the College's long -term strategy for carbon reduction and improving environmental sustainability. Governors also agreed that they should be updated to recognise the Committee's role in offering strategic advice to the Corporation in order to inform the overall direction of the College.	
17.2	The Committee reviewed the Committee Self-assessment against its Terms of Reference it was agreed that the Committee had covered the breadth of its Terms of Reference and performed well.	
17.3	RECOMMENDATION: That the updated F&GP Terms of Reference are proposed to the Corporation for approval.	
18.	2022-23 Schedule of business	
18.1	The Committee reviewed the Schedule of Business which covered each meeting for the coming academic year.	
18.2	RESOLVED: That the schedule of business for 2022-23 is agreed.	
19.	Internal Audit Reports	
19.1	The Funding Review Internal Audit carried out in March 2022, rated as substantial assurance was shared with the Committee for information.	
Any Other Business		
20.	Items for report to the Corporation	
20.1	<ul style="list-style-type: none"> • Minutes of meeting – 7 July 2022 • Verbal update on the position with the Bank and ESFA (including PIMS) • 3-year financial plan including budget for 2022/23 and capital plan for 2022/23 • College Financial Forecasting return (CFFR) 	

	<ul style="list-style-type: none"> • Sustainability Strategic Action Plan and KPI's • Employer of Choice Strategic Action Plan • F&GP Committee Terms of Reference • Health and Safety Policy • Financial Regulations <p>L/JW</p>	
21.	Any other business	
21.1	Jo Wright (Turnaround Director) withdrew from the meeting. The Chair has asked that the Committee considered the continuing position of the role within the College. It was noted that the appointment of a Turnaround Director for 18 months, was a requirement of the RF agreement but that the appointment has surpassed this and was now in its third year. Governors discussed the benefit and VFM received from the position and heard that the number of days that the incumbent was carrying out had reduced over the last 2 years. It was agreed that it was now time to consider bringing the position to a close.	
21.2	ACTION: That under the endorsement of the F&GP Committee, the VPF&CS is to discuss the closure of the Turnaround Director role with the bank.	VPF&CS
21.3	The Chair closed the meeting at 19.40.	
22.	Meeting Evaluation	Assistant Clerk
22.1	ACTION: To be circulated by the Assistant Clerk.	

Approved by the Committee:

N. Ward
Signed by the Chair

14.10.2022
Date

Agreed actions

No	Minute	Action	Who?
1	12.9	DPS to provide a summary of procedure changes and provide policy documents to the Committee for approval.	DPS
7	21.2	That under the endorsement of the F&GP Committee, the VPF&CS is to discuss the closure of the Turnaround Director role with the bank.	VPF&CS
8	22.1	To be circulated by the Assistant Clerk.	Assistant Clerk