

**MINUTES OF THE MEETING OF THE FINANCE & GENERAL PURPOSES COMMITTEE  
HELD: on 16 March 2023 at 17:00 in 4F07 DHB Boardroom**

<b>Present</b>	<b>In Attendance</b>
Cath Orange (Chair)	Chris Malish (Vice Principal Finance & Corporate Services)
Cuthbert Pazvakavambwa (Vice Chair) (Via MS Teams)	Marc Gillham (Vice Principal Data & Funding)
Chris Webb (CEO/Accounting Officer)	Sarah Cooper (Director of People Services)
Lendy Ho (Via MS Teams)	Sarah Towan (Director Student Recruitment & External Relations)
Bulbul Barrett	Sarah McKenzie (Clerk to the Corporation)
David Fearnley	Allison Booth (Assistant Clerk to the Corporation)
<b>Apologies</b>	
Alina Khan (Vice Principal EDI & Student Voice)	
Asa Gordon (Vice Principal Curriculum)	

<b>Item</b>		<b>Action</b>
<b>1.</b>	<b>Introductions, Apologies for Absence and Disclosures of Interest</b>	
1.1	The meeting started in the absence of the Chair who was running late and joined for item 5 onwards and the Vice Chair who was experiencing technical difficulties. The Clerk confirmed that the meeting was quorate and the CEO introduced the meeting and chaired items 1 to 4.	
1.2	Apologies were noted for Alina Khan and Asa Gordon.	
1.3	There were no declarations of interest.	
<b>2.</b>	<b>Chair's action</b>	
2.1	There had been no use of Chair's actions since the last meeting.	
<b>3.</b>	<b>Minutes of the meeting of 19 January 2023</b>	
3.1	The Clerk recommended that the minutes (11.5) be amended to reflect the fact that the wave 5 T-level Capital Fund would require an element of match funding.	
3.2	<b>RESOLVED:</b> That with the amendments to 11.5, the minutes of 19 January 2023 were approved to be signed by the Chair as an accurate record of the meeting.	
<b>4.</b>	<i>J/CP</i> <b>Matters Arising</b>	

4.1	The Matters Arising Report was reviewed.	
4.2	<i>Item 12.9-</i> It had previously been noted that there could be further delays to agreeing the outstanding HR Policies with the unions as a result of UCU time spent in negotiations regarding its pay claim. The DPS advised the committee that all policies will be complete by the end of the academic year.	
4.3	<b>ACTION:</b> All outstanding HR policies to be completed and presented for approval as necessary by the end of the 2022/23 academic year.	<b>DPS</b>
<b>5.</b>	<i>J/CO</i> <b>VPF&amp;CS Report</b>	
5.1	The VPF&CS highlighted that the quarterly PIMs meetings were taking place with the last meeting having taken place on 13 March 2023.	
5.2	<b>ACTION:</b> PIMS tracker to be circulated to the Committee for information.	<b>VPF&amp;CS</b>
5.3	The VPF&CS also provided feedback from the two meetings of the Capital SIG (Special Interest Group) meetings that had taken place and alerted members to the Capital SIG minutes that were provided as part of the meeting papers, for information. It was noted that all capital projects above £250k will report into the Capital SIG.	
<b>Strategic plan Implementation</b>		
<b>6.</b>	<b>F&amp;GP Data dashboard</b>	
6.1	The VPF&CS presented the F&GP Data Dashboard: <ul style="list-style-type: none"> <li>• SOLVENCY: Adjusted Current ratio- Forecast 1.51 in Q1- 1.42 in Q2- Whilst the position had this reduced this is a result of having funding provided ahead of need and the impact this has on this ratio. Cash levels remain inline with expectations.</li> <li>• Covenant Compliance- stands at 80%, As per the financial plan the college is in breach of covenants but waivers have been agreed with the Bank to July 2023, the main reason for breach is the match funding required for the Transformation funding, which at the time of agreeing the plan had not been approved by the bank.</li> <li>• Levy funding usage- is 17%, We have struggled to recruit a number of roles that were advertised as apprenticeships. A number of existing staff are starting ILM apprenticeships (Level 3 and 5). Use of our levy pot and how we measure usage.</li> <li>• AEB Income (inc. Skill Guarantee and Multiply)- 8,294, Enrolments on these courses is lower than expected with regards to Skills for</li> </ul>	

	<p>jobs and Multiply, though in year increase of funding rates for AEB Adult level 2 and below provision has mitigated some of this.</p> <ul style="list-style-type: none"> <li>Advanced Learner Loans- 896 in Q1- 804 in Q2- Enrolments on these courses is lower than expected with regards to Skills for jobs and Multiply, though in year increase of funding rates for AEB Adult level 2 and below provision has mitigated some of this.</li> <li>Apprenticeship Income- 5161 in Q1- 4801 in Q2- Student starts are behind profile and a number of students have started but not live on the ILR, though the funding will be back dated. The further reduction is a result of ongoing issues with end point assessment and the expectation that the achievement element of funding will come through later than originally budgeted.</li> </ul>	
<b>Finance 2022-23</b>		
<b>7.</b>	<b>Management Accounts (January 2023)</b>	
7.1	Members considered the period 6 management accounts to 31 January 2023:	
7.2	<ul style="list-style-type: none"> <li>The main components of the shortfall in income (compared to budget) are AEB income (£1,003k) and Apprenticeship's income (£530k). FE income is also £596k adverse to budget. These shortfalls are partly offset by higher than budget Capital Grants (£405k), HE Fees (£356k) and Other income (£261k).</li> <li>Current cash balance of £9.1m is higher than the budgeted cash balance of £6.3m for January.</li> <li>Receipts of capital Grants are the monies received for the capital projects that were not in the original budget. The amount is broken down as follows: - T. Levels Wave 4 £37k, Energy Efficiency Grant £356k, Strategic Development Fund £366k, £100k for the OFS Competitive Capital and £34k from the OFS for the HE Students Capital.</li> </ul>	
7.3	<p><b>Q. What is the impact to the College of our cash climbing?</b></p> <p>A. We are gaining interest and income from it, we will now have to start looking at how to utilise it better on short term investments.</p>	
7.4	<p><b>Q. What does 'Debtors: amounts falling due after one year' mean?</b></p> <p>A. It is for money that's owed after one year but we don't have any, everything is due and paid within year.</p>	
7.5	<p><b>ACTION:</b> The VPF&amp;CS to provide a rolling cash flow break down to the next F&amp;GP meeting on 11 May 2023.</p>	<b>VPF&amp;CS</b>
<b>8.</b>	<b>Student Recruitment update</b>	

8.1	<p>The VPD&amp;F provided an update on student recruitment:</p> <p><b>Summary recruitment position for 2022-23</b></p> <ul style="list-style-type: none"> <li>• 16-19 uplift an additional 160 learners and in year exceptional growth case achieved of £1.12m</li> <li>• Adults Loans and Free Courses for Jobs are under-recruited.</li> <li>• AEB on track to achieve vs original allocation.</li> <li>• HE sits at 1,054 enrolments and remains above target</li> <li>• Apprenticeships down with a forecast of £4.8m against target of £5.2m.</li> </ul>	
8.2	<p>Internal progression is currently down, but newly introduced HE Progression officers are working with Level 3 groups directly. The position will become clearer as we get closer to the deadline for internal applications in May. In year growth and funding increases mean that the College income position is strong, and any under recruitment is offset by the areas of growth.</p>	
8.3	<p><b>Q. Are the HE Progression officers employed by the college?</b>  A. Yes, it was one of the outcomes focusing on progression support from the HE deep dive from last year.</p>	
8.4	<p><b>Q. Can we apply the internal progression piece to curriculum?</b>  A. We will be advising curriculum on how to navigate students so we have the right learners on the right courses. We will need advice and guidance around the integrity of keeping those students on.</p>	
8.5	<p><b>Q. How are we dealing with the apprenticeship’s difficulties?</b>  A. There are huge barriers for employers when taking on apprentices, there is the need to find the jobs and then find employers that are willing to go through the overly bureaucratic process. We have recently had the Annual Strategic Conversation with DfE where we raised concerns.</p> <p><b>Forecast provisional recruitment position for 2023-24</b></p> <ul style="list-style-type: none"> <li>• 16-19 Study Programme Applications up by 30%.</li> <li>• HE applications slightly up.</li> </ul>	
8.6	<p>Currently there are no significant risks to the delivery of the three-year plan, however areas of under recruitment must be monitored to ensure that any decline is arrested.</p>	

<p><b>9.</b></p> <p>9.1</p> <p>9.2</p>	<p><b>Budget Planning and Financial Objectives</b></p> <p>The VPF&amp;CS remind the Committee of the timings of the business planning cycle, highlighting that business planning round one was complete, with two further rounds to be completed before the resultant plan is presented to F&amp;GP Committee in July for consideration and subsequent approval at the July Corporation meeting.</p> <p>The VPF&amp;CS suggested that the College financial objectives remain as presented in July 2022 with any suggested changes to be recommended as part of the budget to be presented in July.</p> <p>The Committee discussed the College financial health rating system adopted by the ESFA, commenting on the detrimental impact an outstanding rating can have on quality and student experience in some colleges.</p>	
<p><b>10.</b></p> <p>10.1</p>	<p><b>Forecast and Pay rise</b></p> <p>The VPF&amp;CS provided an overview of the high-level output of the college's forecast financial performance, noting that there was minimal impact upon financial health score and bank covenants from the budget approved in July 2022. The VPF&amp;CS reminded the Committee that any forecast has an element risk, the main risks being:</p> <ul style="list-style-type: none"> <li>• the planned AEB and Apprenticeship delivery for the remaining year</li> <li>• inflation and its impact upon materials, supplies and outsourced services -though this is regularly scrutinised through the management accounts for each department, it can now be seen at the College level through increased forecast of non-pay versus the budget.</li> </ul> <p>The VPF&amp;CS presented a proposed pay rise proposal for consideration by the Committee. The Committee were reminded that a 2% pay rise had already been factored into the approved budget and that the AoC recommended pay award for 2022-23 was 2.5%, whilst the UCU claim was for 10%.</p> <p>It was proposed that given the economic challenges and the reduction in employers NI, the recommended affordable pay rise was a £1,160 increase to all full-time salary bands with effect from the 1 August 2022 (this would mean pay rises of up to 6.2% and equates to an average increase in salaries of 4.3% and 8.2% when including increments). The Committee were reminded that the starting position of the negotiations with the unions was a flat increase of £600.</p>	

10.2	The VPF&CS explained that the forecast also included the new national legal minimum wage from April 2023, which will increase to £21,029 for a full-time employee, resulting in around a further 52 staff being in receipt of an additional increase above the amount proposed (up to 3.7%). It was noted that the additional cost of the further uplift would be c.£5k per month to the College.	
10.3	The VPF&CS assured the Committee that the proposed pay rise was affordable.	
10.4	<p><b>Q. You are suggesting that part of this proposed pay rise is being funded by the additional income and from currently unfilled vacancies, can you assure us that it is sustainable and that there is no long- term impact on the students.</b></p> <p>A. Each department works to a higher student number figure than we put in to the governor budget, so a number of those vacancies have been held because the department hasn't delivered its budgeted student numbers. It is affordable but will put pressure on next years' budget in terms of total staff number and what pay rise will be affordable next year.</p>	
10.5	<p><b>Q. Have we factored in the pressure from the non-pay inflationary costs that we are seeing?</b></p> <p>A. Yes, we do model for the additional costs but you can't plan too far in advance as funding streams change.</p>	
10.6	Governors reflected on the intent of the journey to arrive at the revised proposed pay rise against a very difficult economic backdrop and that it shows that the college values its staff.	
10.7	<b>RECOMMENDATION:</b> That the Corporation approves a consolidated increase in all salary spine points by £1,160, back dated to the 1 August 2022 for all staff excluding senior post holders (as they fall under the remit of Remuneration Committee), to be implemented in April 2023.	
<b>Resources</b>		
<b>11.</b>	<b>People Strategy Update- Industrial Action Planning</b>	
11.1	The DPS provided an update on the UCU ballot for industrial action.	
11.2	It was noted that the outcome of the ballot was likely to be delivered to the CEO over the Easter break and that work is ongoing with Heads of Department to manage the situation with a view to keeping the college open during any strike action, to ensure that students are not negatively impacted and can continue to learn, achieve and progress.	

11.3	Governors noted the position and await further update once the outcome of the ballot is known.	
<b>12.</b>	<b>Estates Plan Update</b>	
12.1	<p>The VPF&amp;CS provided an update on the Estates Capital projects in train:</p> <ul style="list-style-type: none"> <li>• T-levels Capital – Budget £1,293k (no match), £97k spent to date – on track with tender reviews currently being undertaken</li> <li>• Future Technology Centre – Budget £10,200k (Inc. £1,296k match), £162k spent to date – was on hold pending a request to DfE to fund the inflation increase since original application by utilising the original allocation for the Garden Mills building. This request was denied on the 7 March 2023. Next steps to be discussed with project managers and proposal to be put to the Capital Special Interest Group.</li> <li>• Garden Mills – Budget £5,800k (no match), £80k spend to date – on track</li> <li>• Energy Efficiency Grant (no match) – Allocation £356k must be spent by 31 March 2025 and is being picked up as part of Business Planning for 2023/24</li> <li>• FE reclassification capital (no match) – Allocation £892k must be spent by 31 March 2025 and is being picked up as part of Business Planning for 2023/24</li> <li>• Skills injection fund (no match) – Allocation £289k must be spent by 31 March 2024</li> </ul>	
12.2	All capital projects over £250k will be reported in to the Capital Special Interest Group, which began meeting monthly in February 2023.	
12.3	The VPF&CS explained that all additional capital funds that have either been won through bids or allocation will be additional to the annual £1.5m capital limit covenant in place as part of the RF (restructuring finance) agreement. It was noted that this principal had been agreed with the Bank and will be formally agreed ahead of the 2022-23-year end audit.	
12.4	The Committee also heard that the College had received an offer of sale for the Appleton Building.	
12.5	<b>ACTION:</b> Full details of the offer of sale for the Appleton Building will be provided to governors at the next Corporation meeting on 30 March, for decision.	<b>VPF&amp;CS</b>

	Additionally, the Council had expressed an interest in the Little Germany site, with a view to leasing elements of the site and in the longer-term a possible purchase. Discussions were ongoing with the view to the lease commencing from September 2023.	
<b>13.</b>	<b>College Insurance</b>	
13.1	The VPF&CS presented a report on the college insurance. It was noted that the renewal documentation was expected from the current provider and the committee were asked to note the current level of cover ahead of the tender exercise for the renewal.	
13.2	<b>ACTION:</b> The VPF&CS to obtain valuations for the College's high value/collectable items.	<b>VPF&amp;CS</b>
13.3	It was noted that due to the ONS reclassification of Colleges to the public sector, insurance may not be needed going forwards but that advice from DfE on the issue is not likely until 2024.	
13.4	The Committee noted the report and approved the proposed level of insurance cover.	
13.5	<b>ACTION:</b> Outcome of insurance retender to be added to the agenda for 11 May 2023 F&GP Committee as it will be over £100k.	<b>Clerk</b>
<b>Policies</b>		
<b>14.</b>	<b>None</b>	
<b>Governance and Risk</b>		
<b>15.</b>	<b>Strategic Risk Monitoring</b>	
15.1	The Committee reviewed the strategic risks for which it has oversight. The VPF&CS advised that there had been no suggested changes to the scoring.	
15.2	<b>SR12-</b> Remains red following the UCU ballot for industrial action.	
<b>16.</b>	<b>Inprint and Design Financial Accounts 2021-22 and update on strategic review</b>	
16.1	16.1 Financial Accounts 2021-22  The Inprint & Design (IPD) Financial Accounts 2021-22 were shared with the Committee for information.	
	16.2 Strategic direction update	



	<p>The DPS in her capacity as Director of IPD, provided an update on the strategic direction of the joint venture company between Bradford College and the University of Bradford. It was highlighted that in October 2022, it became apparent that the University were no longer interested in taking over the shareholding of IPD in the short-term and that after discussions with both parties it was agreed that IPD would continue to operate as is for the next financial year. This position was confirmed at the AGM held on 29 November 2022. Also, at the AGM, a number of actions were taken including the college request for a review of the original Shareholder Agreement to be made during 2022-23.</p> <p>It was noted that both shareholders signed a letter of support to ensure that they will provide the support to IPD to allow it to run for the next financial year without liquidating it or significantly altering its operating model.</p> <p>The Committee noted the position in relation to Inprint and Design.</p>	
<b>17.</b>	<b>Internal Audit Reports*</b>	
17.1	<p>The following Internal Audit Reports were shared with the Committee for information:</p> <p>17.1 Estates – Property Compliance 17.2 Key Financial Controls – Creditor Payments and Debtors</p>	
<b>18.</b>	<b>Items for report to the Corporation</b>	
18.1	<ul style="list-style-type: none"> <li>• Minutes of meetings –16 March 2023</li> <li>• Student recruitment update</li> <li>• Forecast and pay rise</li> <li>• Industrial action planning</li> <li>• Estates Plan update (including Appleton Building sale proposal)</li> </ul>	
<b>Any Other Business</b>		
<b>19.</b>	<b>Any other business</b>	
19.1	The Chair thanked the Executive for their hard work, noting that a lot of effort had gone in to the volume of reporting.	
19.2	The Chair closed the meeting at 18.50.	
<b>20.</b>	<b>Meeting Evaluation</b>	

20.1	<b>ACTION:</b> To be circulated by the Assistant Clerk.	<b>Assistant Clerk</b>
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Approved by the Committee:

B. Barrett  
Signed by the Chair

12.05.23  
Date

### Agreed actions

No	Minute	Action	Who?
1	4.3	All outstanding HR policies to be completed and presented for approval as necessary by the end of the 2022/23 academic year.	DPS
2	5.2	PIMS tracker to be circulated to the Committee for information.	VPF&CS
3	7.5	The VPF&CS to provide a rolling cash flow break down to the next F&GP meeting on 11 May 2023.	VPF&CS
4	12.5	Full details of the offer of sale for the Appleton Building will be provided to governors at the next Corporation meeting on 30 March, for decision.	VPF&CS
5	13.2	The VPF&CS to obtain valuations for the College's high value/collectable items	VPF&CS
6	13.5	Outcome of insurance retender to be added to the agenda for 11 May 2023 F&GP Committee as it will be over £100k.	Clerk
7	20.1	Meeting Evaluation to be circulated by the Assistant Clerk.	Assistant Clerk