

**MINUTES OF THE MEETING OF THE FINANCE & GENERAL PURPOSES COMMITTEE  
HELD: on Thursday 11 May 2023 at 17:00 in 4F07 DHB Boardroom**

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

<b>Item</b>		<b>Action</b>
<b>1.</b>	<b>Introductions, Apologies for Absence and Disclosures of Interest</b>	
1.1	Bulbul Barret had previously agreed to Chair the meeting when the Chair had given her apologies.	
1.2	Apologies were noted for Cath Orange.	
1.3	There were no declarations of interest.	
<b>2.</b>	<b>Chair's action</b>	
2.1	<p>There had been two Chair's actions on approval of contractor appointments due to urgency to commence the work, both in line with budget and plans with details in the Estates Plan update, these were:</p> <ol style="list-style-type: none"> <li>1. The Chair of Corporation had given approval of the purchase order to Sewell to be the principal contractor for the construction of the T level works at Bradford College.</li> <li>2. The Chair of Corporation had given approval of the purchase order to Sewell (who were also awarded the T-level contract) to be the principal contractor for the replacement of the DHB chillers.</li> </ol>	
<b>3.</b>	<b>Minutes of the meeting of 16 March 2023</b>	
3.1	The minutes of 16 March 2023, including the confidential annex were approved as an accurate record to be signed by the Chair.	

3.2	<b>RESOLVED:</b> The minutes of 16 March 2023 were approved to be signed by the Chair as an accurate record of the meeting.	
<b>4.</b>	<b>Matters Arising</b>	
4.1	The Matters Arising Report was reviewed.	
4.2	4.3- All outstanding HR policies to be completed and presented for approval as necessary by the end of the 2022/23 academic year.	
4.3	The DPS advised that she would bring an update on the outstanding HR policies to the next F&GP Committee.	
<b>Strategic plan Implementation</b>		
<b>5.</b>	<b>F&amp;GP Data dashboard</b>	
5.1	<p>The VPF&amp;CS presented the F&amp;GP Data Dashboard:</p> <ul style="list-style-type: none"> <li>• All ratios are on track for delivery.</li> <li>• Capital Programme (External Resources)- 2596, The position is that due to delays with project approval and work with the DFE and incoming OFS funding, this will be delivered but over a longer time scale.</li> <li>• Capital Programme (Internal Resources)- is 1,500, Expected to be in line with budget, however to date there have been some delays with the capital programme and some payments of equipment ordered not yet being paid.</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>• AEB Income (inc. Skill Guarantee and Multiply)- 8,294, 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- 4802 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>	

	<ul style="list-style-type: none"> <li>Total Income- 51,729- Excluding capital income.</li> </ul>	
<b>6.</b>	<b>VPF&amp;CS report</b>	
6.1	The VPF&CS highlighted that there had been a further two meetings of the SIG (Special Interest Group), to review monthly the position on Capital projects with details in the Estates Plan update.	
6.2	The Management Accounts for March and the Q2, demonstrated overall that the College is on track, though behind with Apprenticeship and AEB income to budget.	
6.3	The student recruitment report included an update around the position on AEB, which will be reviewed as part of the Q3 financial forecast.	
<b>Finance</b>		
<b>7.</b>	<b>Management Accounts (March 2023) and Q2 Forecast</b>	
7.1	Members considered the period management accounts to 31 March 2023, the Management Accounts for March and the Q2.	
7.2	For the eight months to March 23, EBITDA is £4,801k, which is £1,921k favourable to budget. EBITDA as a percentage of Income is 13.7%. Overall income for the period is £34,921k, which is £783k favourable to budget. Overall expenditure for the period is £30,120k, which is £1,138k favourable to budget.	
7.3	EBITDA is being driven up by the Capital Grants amount (+£761k). The underlying EBITDA to the end of February is £4,040k, which is £1,160k favourable to budget. Adjusted EBITDA as a percentage of Income is 11.5%.	
7.4	The Cash position is £6.3m higher than the original cash budget due to higher than budget Capital Grants (+£2.4m), Exceptional Growth Fund (+£0.6m), 16-19 Funding (£1.4m); and lower than budget Staffing Costs (£1.5m).	
7.5	Following the second performance review process and Q2 financial forecast, the College has produced a revised financial forecast for 2022/23 and provided analysis of the variances to the plan signed off in July 22.	
7.6	The borrowing ratio has decreased slightly due to higher than budgeted income projected for 2023/24. The current ratio has fallen	

	<p>due to accelerated capital grants, which increased both current assets and liabilities, resulting in a fall in the current ratio.</p>	
7.7	<p>The College is in breach of its original loan covenants for 2022/23, but waivers are place and the bank is currently comfortable with the covenants position.</p>	
7.8	<p><b>Q. Are we any clearer on the reclassification position?</b> A. We have submitted the Managing Public Money return which focused on novel or contentious actions, payments for termination of roles of which we had 2 and any new borrowing. We are waiting for further clarification on the reclassification and how it will affect our finances.</p>	
7.9	<p>Members discussed the Colleges financial health rating of good and discussed the pros and cons of achieving an outstanding financial health rating.</p>	
<b>8.</b>	<p><b>Student Recruitment update</b></p>	
8.1	<p>The CIO provided an update on student recruitment advising that the main issue for 2022-23 had been that the West Yorkshire Combined Authority (WYCA) had previously agreed a 10% funding increase against all AEB Aims at Level 2 and below. WYCA had since informed the College that there would be no increase to the College's allocation for 22-23. This will result in £150-200k of unpaid funding, the College remained committed to its original delivery plan to ensure the needs of learners are met for this academic year.</p>	
8.2	<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 remain under-recruited.</li> <li>• AEB on track to achieve vs original allocation.</li> <li>• HE sits at £7.1m vs target of £6.64m.</li> <li>• Apprenticeships down with a forecast of £4.7m against target of £5.2m.</li> </ul>	
8.3	<p><b>Forecast provisional recruitment position for 2023-24</b></p> <ul style="list-style-type: none"> <li>• 16-19 Study Programme Applications in line with previous year.</li> <li>• HE applications slightly up.</li> <li>• Adult Applications are up by 30%.</li> </ul>	
8.4	<p><b>Q. Is the picture on apprenticeships changing?</b></p>	

8.5	<p>A. A combination of delayed starts and a lower than expected enrolment number for September means that we are now forecasting £4.7m, we don't expect it to go any lower than that.</p> <p><b>Q. Do we keep the data on students hitting the criteria depending on how many days they are in college?</b></p> <p>A. We do but not on apprenticeships, the drop- out rate was 12% between day 1 and day 42. We monitor this very closely year on year to try to determine why students drop out.</p>	
8.6	<p><b>ACTION:</b> The CIO will bring a report back on drop out data to the next F&amp;GP Committee meeting.</p>	CIO
<b>Resources</b>		
9.	<p><b>People Strategy Update</b></p>	
9.1	<p>The DPS highlighted the key points from the People Strategy Update:</p> <ul style="list-style-type: none"> <li>• College absence levels remain on target at 3%. Long term sickness cases increased in April to 21, but pro-active case management continues. There are currently 9 open grievances and 1 disciplinary with no appeals.</li> <li>• This year's engagement survey has completed. Detailed analysis is still taking place but the overall result is extremely positive and the college has maintained a high level of engagement with increased response rate. Where there are areas of opportunities, these will be put in departmental engagement plans. A detailed report will come to the next F&amp;GP meeting.</li> <li>• The focus on recruitment continues, although April saw a decrease in leavers to 4. There are currently 22 open vacancies with half of these being for academic roles (both college and community tutors).</li> <li>• UCU started a period of 14 days of discontinuous escalating strike action on 4 May 2023. Planning will ensure the college remains open to students and no disruption to learning and exams in particular.</li> </ul>	
9.2	<p><b>Q. Are there any specific type of role that you are struggling to fill?</b></p> <p>A. No it is just the scale of the issue on the whole, it is a national issue.</p>	
9.3	<p><b>Q. Are you on the cusp of an agreement with the unions on the sickness policy?</b></p>	

	A. Yes, the consultations are over and we have taken their feedback away.	
<b>10.</b>	<b>Strike Management Update</b>	
10.1	The college had been notified of UCU industrial action over pay and conditions following their recent successful ballot that met the 50% threshold. The college had been notified that UCU members would take 14 days of discontinuous strike action during May and June 2023. Dates targeted included the 5 GCSE Maths and English exam dates.	
10.2	The DPS provided an overview of the Strike Management plan that have been previously been circulated to Governors.	
10.3	Members recognised the extensive preparation that had gone in to the plan and were very pleased to hear that the first roll out on 4 May 2023 had gone very well, resulting in minimal impact on students. It was noted that the strike action had not affected the open evening that was held on the same day, members agreed that keeping the College open on strike days was the right thing to do.	
10.4	The DPS advised she would feed the committees positive comments and thanks back to the relevant teams.	
<b>11.</b>	<b>Estates Plan Update</b>	
11.1	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 to become the Future Technology Centre and Garden Mills).	
11.2	The current list of all large capital projects and funding had been provided. These were all being overseen by the SIG (Special Interest Group), which had met a further two times since the last F&GP committee. The dashboards were presented along with the minutes from those meetings.	
11.3	All additional capital funds that have either been won through bids or allocated will be on top of the annual £1.5m capital limit covenant currently in place as part of the RF (restructuring finance) agreement. A covenant waiver has been agreed with the Bank and the formal document is expected this month ahead of the year end audit.	

11.4	The main updates since the last F&GP is the allocation of the remaining Transformation Fund budget, from which the College has been allocated £6.1m. This needs to be spent by March 2025 on improving the condition of the College Estate. A full list of projects is currently being formulated by the Projects and Estates team.	
11.5	With regards to the T levels Wave 4 project, the principal Contractor has been appointed following procurement exercise and approved via chairs actions (£483k vs. budget of £668k). This is was due to the timing and follow up of tender queries has meant it missed the last F&GP committee and given the timescales to complete this work for the start of next academic year, it could not be delayed to next F&GP committee. This was reported to the SIG.	
11.6	In addition to this the principal contractor for the replacement of the chillers (air conditioning units) within DHB (which is linked to the T Levels Wave 4 project) following a procurement exercise via chairs action at a contract value of £359k. This will be funded through the FE reclassification funding allocation. Again, the reason for the chairs action was a result of timing and urgency of having this done for the start of delivery in next academic year.	
11.7	Following a review and update of the programme costs for the Future Technology Centre (FTC) the full scheme is expected the cost a further £3m. It is recommended to deliver the project the recently allocated Transformation funding of £6.1m is utilised to address this increase in costs, which is allowable under the funding rules.	
11.8	With regards to the Garden Mills refurbishment funded by the OfS, the tenders for the RIBA stage three design have been received, with the interviews scheduled to take place on the 11/04/23. Therefore, approval is sought to award the contract design up to a value of £150k subject to a procurement exercise.	
11.9	The VPF&CS sought approval from the F&GP Committee to approve the award of the RIBA stage three and four contract design up to a value of £150k, subject to a procurement exercise.	
11.10	<b>RESOLVED:</b> The award of the RIBA stage three and four contract design up to a value of £150k, subject to a procurement exercise is approved.	
11.11	Since the last report there has yet to be any evidence of proof of funds follow the offer to buy the Appleton building for £1.15m. However, another interested party has come forward and visited the	

	site on the 21/04/23, with an expectation of another offer being received in the next few weeks.	
11.12	The Council still has an interest in acquiring the Little Germany site, with a change in approach now being purchase and that we lease elements back from the Council. Independent valuations of the site have been undertaken and they have valued the property at £1.65m. The Colleges independent evaluation will take place w/c 15 May 2023.	
11.13	The VPF&CS sought approval to accept the Little Germany site offer for £1.65m subject to the Colleges own independent valuation not being higher than the offer.	
11.14	<b>RESOLVED:</b> The sale of Little Germany for £1.65m subject to the colleges own evaluation is approved.	
11.15	<b>ACTION:</b> The VPF&CS will bring a report on the Little Germany site outcome to the next F&GP Committee meeting.	<b>VPF&amp;CS</b>
<b>12.</b>	<b>Draft- Annual environmental sustainability report- Deferred</b>	
12.1	The VPF&CS advised that the item had been deferred as a result of the reclassification which meant that the plan had been put on hold. The HoD of Estates and Facilities was currently looking at the metrics for the report and a draft would be presented at the next F&GP Committee meeting.	
12.2	<b>ACTION:</b> The VPF&CS to bring a draft Annual environmental sustainability report to the next F&GP meeting.	<b>VPF&amp;CS</b>
<b>Policies and Statements</b>		
<b>13.</b>	<b>(a) HR policies (Deferred)</b>	
13.1	<b>(b) HE Fees Policy 24/25</b>  The VPC advised that the HE Fees Policy 24/25 had been updated to reflect:  <ul style="list-style-type: none"> <li>• Removal of foundation year fee.</li> <li>• FdA Textiles Practice part-time fee of £3000 added to table of fees.</li> </ul>	
13.2	It was noted that the Fees policies were now to be agreed by both the F&GP and Q&S Committee before being presented to Corporation for approval. The HE fees policy will be presented at the next Q&S Committee on 29 June 2023.	



13.3	<b>RECOMENDATION:</b> That the HE Fees Policy 2024-25 be recommended to the Corporation for approval.	
13.4	<p><b>c) Credit Control and Debt Management Policy (Deferred)</b></p> <p>It was noted that the deferred Credit Control and Debt Management Policy will go for review to the next EDI Committee on the 15 June 2023 and will be presented at the next F&amp;GP Committee on 13 July 2023.</p>	
<b>Governance and Risk</b>		
<b>14.</b>	<b>Strategic Risk Monitoring</b>	
14.1	The Committee reviewed the strategic risks for which it has oversight.	
14.2	The VPF&CS advised that there had been no material changes to the Risk Register.	
14.3	<b>SR12-</b> Following the F&GP committee in March it had been agreed upon reflection, that whilst the strike action will have an adverse impact upon the College (with plans in place to address this), the impact would not be critical but would affect a significant part of the College's operation. Therefore, as a result the score had been changed and is now shown as a major risk rated as amber.	
14.4	<p><b>Q. Does the insurance quote cover cyber- attacks?</b></p> <p>A. Yes, that element of the insurance is approximately £36k a year and covers up to £2m per category.</p>	
14.5	The VPF&CS advised the committee that there had recently been a high-profile spear phishing attempt over the bank holiday. This had been identified promptly, with swift comms to all staff, with work undertaken to remove the threat. The CIO advised that the I.T Team were relentless in their approach to the cyber- attacks.	
14.6	<b>ACTION:</b> Clerk to look in to training for Governors on cyber security.	<b>Clerk</b>
<b>Any Other Business</b>		
<b>15.</b>	<b>Items for report to the Corporation</b>	
15.1	<ul style="list-style-type: none"> <li>• Minutes of meeting – 11 May 2023</li> <li>• Management Accounts and Q2 Forecast</li> <li>• HE Fees Policy 24/25</li> <li>• Strike management update</li> <li>• Estates Plan Update</li> </ul>	

<b>16.</b>	<b>Any other business</b>	
16.1	Governors had a discussion on the many difficulties of recruitment in the education sector at the moment.	
16.2	Members also discussed the recent advancements in A.I. modelling and the impact it could have in the way assessments are conducted. The CIO advised that the College was in a 'watch and learn' stage and that it was too early to identify any impact but benefits and risks would be monitored. Members were mindful that there was a need to teach students about A.I while keeping a close eye on any detrimental implications	
16.3	The CEO advised that the Executive were preparing a draft to seek approval for a new strategic objective and this would be presented at the Strategic Planning Event in January 2024. This would be a Strategic Objective on Digital Transformation Strategy. Members were encouraged to provide any ideas and feedback to the CIO who had started pulling the draft together.	
16.4	The Chair closed the meeting at 18.43.	
<b>17.</b>	<b>Meeting Evaluation</b>	
17.1	<b>ACTION:</b> To be circulated by the Clerk.	<b>Clerk</b>

Approved by the Committee:

C. Orange  
Signed by the Chair

06.07.2023  
Date

### Agreed actions

No	Minute	Action	Who?
1	8.6	The CIO will bring a report back on drop out data to the next F&GP Committee meeting.	CIO
2	11.15	The VPF&CS will bring a report on the Little Germany site outcome to the next F&GP Committee meeting.	VPF&CS
3	12.2	The VPF&CS to bring a draft Annual environmental sustainability report to the next F&GP meeting.	VPF&CS
4	14.6	Clerk to look in to training for Governors on cyber security.	Clerk
5	17.1	Meeting Evaluation to be circulated by the Clerk.	Clerk