

**MINUTES OF THE MEETING OF THE FINANCE & GENERAL PURPOSES COMMITTEE
HELD: on Thursday 6 July 2023 at 17:00 in 4F07 DHB Boardroom**

Present	In Attendance
Cath Orange (Chair)	Chris Malish (Vice Principal Finance & Corporate Services)
Chris Webb (CEO/Accounting Officer)	Marc Gillham (Chief Information Officer)
Lendy Ho (Via MS Teams)	Sarah Towan (Director Student Recruitment & External Relations)
David Fearnley	Allison Booth (Clerk to the Corporation)
Bulbul Barret (Via MS Teams)	Sarah Cooper (Director of People Services) (Via MS Teams for items 14- 17)
John Williams (Observing)	
Apologies	

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

Item		Action
1.	Introductions, Apologies for Absence and Disclosures of Interest	
1.1	The Chair welcomed the Chair Designate John Williams who was in attendance to observe the meeting.	
1.2	No apologies were noted.	
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.	
3.	Minutes of the meeting of 11 May 2023	
3.1	RESOLVED: The minutes of 11 May 2023 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.	
4.2	It was noted that the following items had been deferred: <i>12.2- The VPF&CS to bring a draft Annual environmental sustainability report to the next F&GP meeting- Deferred until October due to agenda size and reporting.</i> <i>14.6- Clerk to look in to training for Governors on cyber security- Clerk will revisit for the April 2024 T&D.</i>	

	<p><i>4.3- All outstanding HR policies to be completed and presented for approval as necessary by the end of the 2022/23 academic year- Update to be provided at agenda item 16.</i></p> <p><i>13.2- The VPF&CS to obtain valuations for the College’s high value/collectable items- ongoing.</i></p> <p><i>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- Ongoing- Limited appetite from the insurance sector to take on the colleges insurance- however Zurich have committed to providing the insurance in the event of being unable to find a new supplier. The VPF&CS assured members that the college will continue to be insured post July 2023.</i></p> <p><i>12.9- DPS to provide a summary of procedure changes and provide policy documents to the Committee for approval- Update to be provided at agenda item 16.</i> <i>ST/J</i></p>	
<p>5.</p> <p>5.1</p>	<p>VPF&CS report</p> <p>The VPF&CS highlighted that there had been a meeting of the SIG (Special Interest Group) on 5 June 2023, to review the position on Capital projects with details in the Estates Plan update and the CSIG minutes were attached at item 13.</p> <p>Item 8. Q3 forecast that demonstrated overall the financial position forecast for the year end will be ahead of budget, though income would be down on Apprenticeship and AEB to budget. This also included the proposed one-off payment to be made to staff, that required approval.</p> <p>Item 10. SO6 – To grow income through student recruitment. This was the three-year plan for student recruitment and pretty much dictated the level of resources available to spend during those periods, which was for recommendation to Corporation for approval.</p> <p>Items 11. & 12. SO5 - To maintain a sustainable college, showed the planned financial performance for the next three years, including large estate changes. Which would be followed by the three-year financial plan and capital plan, which demonstrated detailed financial performance, health and compliance with loan covenants. All of which needed recommending for approval at Corporation.</p> <p>Item 13. Estates Plan update, all the funds that had been recently won or allocated, including the recent successful T-level 5 bid for</p>	

5.2	<p>£3.2m. Also, it required prior approval and delegated authority for build element of the Garden Mills site and the initial design and demolition of Junction Mills.</p> <p>Item 14. Update on the position with the Unions and outcomes of business planning.</p> <p>Item 15. SO4 Employer of Choice, showed the strategic plan for people for the next three years. This needed recommending for approval to Corporation.</p> <p>Item 17. Inprint Design and Print Limited Strategic Update, with a proposal coming forward around its future.</p> <p>The Chair wished to give thanks to the VPF&CS on behalf of Governors for his careful and methodical approach to successfully reshaping the Colleges finances.</p>	
Strategic plan Implementation		
6. 6.1	<p>F&GP Data dashboard</p> <p>The VPF&CS presented the F&GP Data Dashboard:</p> <ul style="list-style-type: none"> • Staff Survey engagement 90.3%- Overall positive result for the college engagement. Engagement action plans being updated at a departmental level. • Levy funding usage- 14%, the levy funding is too low. It has been reviewed as part of business planning and for 23/24 the target will change to be an absolute number of apprentices in the workforce. • 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. • AEB Income (inc. Skill for Jobs)- 8,079, Enrolments on these courses is lower than expected with regards to Skills for jobs. • Apprenticeship Income- 4701 in Q3- Student starts were behind profile and never fully caught up. 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. • Total Income- 52,284- Excluding capital income. This will be much higher than target. 	

Finance 2022-23		
7.	Management Accounts (May 2023)	
7.1	<p>Members considered the period management accounts to 31 May 2023:</p> <p>The underlying EBITDA (excl. capital grant income £0.9m) to the end of May is £4.8m, which is £0.9m favourable to budget. The adjusted EBITDA percentage of Income being is 11.1% vs. a budget of 9.0%</p> <p>Income was favourable to budget by £0.4m when the capital income is excluded, staff costs are £0.6m favourable to budget and non-pay was in line with budget.</p> <p>The staff costs as a percentage of income (excl. capital income) were 60.3%, which was 1.9% favourable to budget.</p> <p>The Cash position was £6.6m higher than budget mainly as result of advanced payment of Capital Grants (£3.9m), 16-19 Funding change in profile payments (£1.3m) and lower than budget Staffing Costs (£0.56m).</p> <p>Of the five loan covenants in place there were no further anticipated breaches for the remainder of 2022-23. Waivers are in place for breaches in previous test periods.</p> <p>As per the latest forecast for 2023-24, there was only one other breach predicted in April 2024 for the CFADS: Debt service covenant.</p> <p>It was noted that the College now closed on a Monday and Wednesday at 6 p.m. this was part of the sustainability of the estate plan and to improve the student experience by creating a more communal environment via changes in timetabling.</p>	
8.	Q3 Forecast	
8.1	<p>Following the third performance review process and Q3 financial forecast, the College had produced a revised financial forecast for 2022/23 and provided analysis of the variances to the plan signed off in July 22.</p> <p>The Q3 forecast demonstrated overall the financial position forecast for the year end would be ahead of budget, though income will be down on Apprenticeship and AEB to budget.</p>	

8.2	Total expenditure was projected to be higher than budget in 2022/23. The main reasons for this were higher than budget examination, insurance, utility, repairs and other mainly establishment costs.	
8.3	The staff costs also included a £500 one off unconsolidated payment to all staff and prorated to those that aren't full time, which the VPF&CS was seeking approval for.	
8.4	RECOMMENDATION: That the one off £500 non- consolidated payment to all staff be recommended to Corporation for approval.	
Finance 2023-24		
9.	Student Recruitment update	
9.1	<p>The CIO provided an update on student recruitment:</p> <p>Summary recruitment position for 2022-23</p> <ul style="list-style-type: none"> • 16-19 uplift an additional 160 learners and in year exceptional growth case achieved of £1.12m • Adults Loans and Free Courses for Jobs remain under-recruited. • AEB on track to exceed allocation. • HE sits at £7.1m vs target of £6.64m. • Apprenticeships down with a forecast of £4.6m against target of £5.2m. <p>Forecast provisional recruitment position for 2023-24</p> <ul style="list-style-type: none"> • 16-19 Study Programme Applications in line with previous year. • 16-19 Progression expected to be higher than 22/23. • HE applications slightly up. • Adult Applications are up 28%. 	
10.	SO6- To grow College income through student recruitment	
10.1	<p>The DSR&ER presented Strategic Objective 6 advising that the three-year plan for student recruitment dictated the level of resources available to spend. The key deliverables were:</p> <ul style="list-style-type: none"> • Deliver a successful recruitment strategy to achieve growth ambition (achieving budget targets across all segments) • Improve and protect the College's reputation • Build and utilise stakeholder relationships in a strategic way • Engage effectively with schools in a planned strategic and data led approach 	

<p>10.2</p> <p>10.3</p> <p>10.4</p>	<ul style="list-style-type: none"> • Develop and grow employer relationships <p>It was noted that the City of Culture was a priority and that there were lots of activities that would be woven in to the plan. Governors would be kept updated on the roll out of those activities.</p> <p>The CEO advised that the DSR&ER will become the Vice Principal of Recruitment & Communications on 1 August 2023 as part of the ongoing strategic action plan around building the Colleges reputation. The Committee congratulated the DSR&ER and wished her well.</p> <p>RECOMMENDATION: That SO6- To grow College income through student recruitment plan is recommended to the Corporation for approval.</p>	
<p>11.</p> <p>11.1</p> <p>11.2</p>	<p>SO5- To maintain a sustainable college</p> <p>The VPF&CS presented the Sustainability Strategic Action Plan to maintain a sustainable college, which showed the planned financial performance for the next three years, including large estate changes. The key deliverables were:</p> <ul style="list-style-type: none"> • Deliver College Budget and Strategic financial plan • Deliver planned income • Improve management information systems / processes and deliver all funding returns • Ensure a stable college IT platform & relevant fit for purpose IT infrastructure • Ensure a relevant fit for purpose estate that is sustainable <p>RECOMMENDATION: That the Sustainability Strategic Action Plan is recommended to the Corporation for approval.</p>	
<p>12.</p> <p>12.1</p> <p>12.2</p>	<p>a) 3-year financial plan including budget for 2023/24 and capital plan for 2023/24</p> <p>The three-year financial plan and capital plan, demonstrated detailed financial performance, health and compliance with loan covenants.</p> <p>Governors heard that the plan (excluding capital grants) anticipates income increasing from £52.2m to £59.2m during the period reflecting confidence in the 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</p>	

	<p>considered prudent by the Senior Leadership Team based on current intelligence and estimates.</p> <p>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.</p>	
12.3	<p>The VPF&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. Should such risk materialise, the College would maintain prudent flexibility over costs in order to manage the financial position.</p>	
12.4	<p>RECOMMENDATION: That the 3-year financial plan including budget for 2023/24 and capital plan for 2023/24 are recommended to the Corporation for approval.</p>	
12.5	<p>b) College Financial Forecasting return (CFFR)</p> <p>RECOMMENDATION: That the College Financial Forecasting return (CFFR) is recommended for Corporation to approve its submission to the ESFA.</p> <p>LH/L</p>	
Resources		
13.	Estates Strategy update	
13.1	<p>The VPF&CS advised that the College currently had the following Estates Capital projects in train, which were:</p> <ul style="list-style-type: none"> • T-levels Capital – Budget £1,293k (no match), £113k spent to date – on track with the principal contractor appointed and on site • FTC (Future Technology Centre) – Budget £10,200k (Inc. £1,296k match), £334k spent to date, additional £3,397k to be funded from additional transformation funding, therefore revised budget of £13,597k and completion date of July 25. This use of funds and revised completion date has been agreed with DfE. Tendering will commence in July for the demolition and stage 1 design of the building (budget value of £720k), it is expected that this will require approval over the summer, therefore delegated authority to the VPF&CS is required to approve. • Garden Mills – Budget £5,800k (no match), £226k spend to date – on track, with principal contractor appointed for stage 1 and subject to costs would provide the build programme (detail below). It is expected approval over the summer will 	

	<p>be required (£4,375k), therefore delegated authority to the VPF&CS is required.</p> <ul style="list-style-type: none"> • Energy Efficiency Grant (no match) – Allocation £356k must be spent by 31 March 2025 is part of the three-year plan • FE reclassification capital (no match) – Allocation £892k must be spent by 31 March 2025 is part of the three-year plan • Skills injection fund (no match) – Allocation £289k must be spent by 31 March 2024 <p>The first three were being overseen by the Special Interest Group.</p> <p>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. This has been agreed with the Bank and a covenant waiver agreed for July 2023.</p> <p>Since the last report proof of funds for £1.2m for the Appleton Building had been received and therefore now been accepted.</p> <p>The Council were still interested in leasing three floors of the Little Germany in the short term and medium term acquiring the full site, though this was going through their business case process.</p> <p>The T-level Wave 5 bid was successful with the full amount (£3,252k) being allocated, the application was previously agreed by the Committee, following this it is recommended that this allocation is accepted.</p>	
13.2	<p><u>The VPF&CS sought approval for the following:</u></p>	
	<p>Approval of delegated authority to the Vice Principal Finance & Corporate Services to approve the demolition and stage 1 design fees of up to £720k.</p>	
13.3	<p>RESOLVED: Delegated authority to the Vice Principal Finance & Corporate Services to approve the demolition and stage 1 design fees of up to £720k is approved.</p>	
	<p>Approval of delegated authority to the Vice Principal Finance & Corporate Services to approve the stage 2 build programme of Garden Mills of up to £4,375k.</p>	
13.4	<p>RESOLVED: Delegated authority to the Vice Principal Finance & Corporate Services to approve the stage 2 build programme of Garden Mills of up to £4,375k is approved.</p>	

13.5	<p>Approval of the acceptance of the T Level Wave 5 allocation of £3,252k.</p> <p>RECOMMENDATION: That the acceptance of the T Level Wave 5 allocation of £3,252k is recommended to Corporation for approval.</p>	
<p>14.</p> <p>14.1</p>	<p>People Strategy Update</p> <p>The DPS provided an overview on the People Strategy Report.</p> <p>Industrial Action-The planned 14 days of industrial action was put on hold by UCU following 10 days of action and a branch meeting on 15 June 2023. They planned to stop the four last days of their strike planned for 19 to 22 June 2023 as their strike was not having a significant impact on college operations. The UCU Regional Officer did not inform the college of this decision until after the start of the working day on 19 June 2023, so the college had continued to manage this as a strike day. College communications had been sent to all staff, staff had been required to be on site and the sign-in sheets were already in place, so the college had made pay adjustments for 11 days of strike action.</p> <p>UCU had told their members that they intended to use these days to impact college enrolment and induction activities. The college will receive two weeks’ notice of any further industrial action.</p> <p>Restructure 2023-Following the business planning process for 2023/24, there was some proposed restructuring required. This was in curriculum areas only. This comes under the scheme that had previously been approved by Governors.</p> <p>Due to the small number of roles and staff impacted, individual consultation had commenced on 26 June 2023, with all changes planned to be completed by 31 July 2023. There were over 80 new roles and vacancies being advertised to meet organisational requirements, so it was hoped that the requirement for compulsory redundancies would be mitigated.</p> <p>Those staff impacted by the proposals would be offered enhanced voluntary redundancy (statutory redundancy payment plus 25%) and full PILON.</p> <p>Voluntary redundancy would only be offered to those impacted by the proposals and there will also be a compensation payment offered to anyone accepting a voluntary reduction in their contracted hours.</p>	

	<p>Head of Department Changes -There were also changes at a Head of Department Level for next year:</p> <ul style="list-style-type: none"> • The Head of Careers and Work Experience and Head of Student Services is formally merged to one role. • The Head of Talent and Learning and the Head of Learning, Teaching and Assessment becomes one new role of Head of Learning, Development and Innovation, meaning all activities associated with staff development are in one team. • There is a newly created Head of Catering and this has been taken from the Head of Facilities and Estates to create a stand-alone department to ensure that service levels and offerings improve in the next year. <p>HR Policies and Procedures-The new Sickness Absence Policy and Procedure had been through two JCC meetings following late feedback from UCU Regional Office which we agreed to review and some additional changes were made. UCU had raised further concerns as their strike action had meant that they had not had time to review the final versions. The process for the unions to now follow is Failure to Agree.</p> <p>The next contentious policy to be consulted on was a new Performance Management Policy and Procedure which would start next week. All other out of date policies would be sent for consultation through written feedback only.</p> <p>The DPS advised that the plan was to work through the policies across the summer to ensure they were ready for the next JCC meeting in September.</p>	
<p>15.</p> <p>15.1</p> <p>15.2</p>	<p>Employer of Choice Strategic Action Plan</p> <p>The DPS presented the Strategic Action Plan for 2020-24 which included the ‘Employer of Choice’ strategic objective. Which focused on the following key objectives:</p> <ul style="list-style-type: none"> • To have high levels of staff engagement. • To maintain staff attendance levels. • To recruit, develop and retain highly skilled and motivated staff and ensure a positive employment experience for all. • To develop a learning and development programme that supports the college to be outstanding. <p>RECOMMENDATION: That the Employer of Choice Strategic Action Plan is recommended to the Corporation for approval.</p>	

Policies and Statements		
16.		
16.1	<p>a) HR policies</p> <p>The DPS provided an overview on the causes of the delays in providing the policies and reassured members that HR Policies and Procedures were the top priority for the HR team, with work on them being carried out over the summer and completion by September 2023.</p>	DPS
16.2	<p>Governors insisted that the DPS tighten the consultation process as this action had been unresolved for quite some time and was a concern. It was highlighted that in the interest of all staff, the DPS should be minded that the Union should be kept to the legitimate process timescales.</p>	
16.3	<p>ACTION: The DPS to advise the Clerk of the dates policies will be available for presentation to Governors.</p>	
16.4	<p>b) Credit Control and Debt Management Policy</p> <p>The VPF&CS advised that the Credit Control and Debt Management Policy had been updated to reflect changes of job titles, roles and responsibilities.</p>	
16.5	<p>RECOMMENDATION: With a suggested change, the Credit Control and Debt Management Policy is recommended to the Corporation for approval.</p>	
16.6	<p>c) Health & Safety Policy (Deferred)</p> <p>This item to be deferred until 12 October 2023.</p>	
16.7	<p>d) Financial Regulations 2023</p> <p>The VPF&CS advised that the Financial Regulations Policy had been updated to reflect changes in role and titles, a change in purchasing limits for work not requiring 3 quotes now up to £4k following further sector benchmarking and additional sections had been added in to include Managing Public Money.</p>	
16.7	<p>RECOMMENDATION: Subject to a minor admin change, the Financial Regulations Policy is recommended to the Corporation for approval.</p>	
Governance and Risk		
17.	Inprint Design and Print Limited Strategic Update	

<p>17.1</p>	<p>The DPS presented a paper that set out the latest position on the strategic direction of IPD.</p> <p>Background- Inprint and Design Limited (IPD) is a joint venture company set up between Bradford College and the University of Bradford on 6 June 2001 under a teckal agreement. IPD provides print, design and post room services, with its primary customers being the two shareholders.</p> <p>The longer-term position of IPD has been a source of discussion at the IPD Board meetings for a number of years. At the IPD board meeting held on 21 March 2022, the University of Bradford proposed that they ‘have the appetite’ to bring IPD into the University as an in-house service as part of its commercial operations. There are liabilities for both the shareholders, pre-dominantly in terms of staff and equipment leasing. IPD has a lease agreement with the University of Bradford for its office and workshop space. It also pays a fee to Bradford College for the provision of financial and payroll support.</p> <p>Latest Position-In October 2022, it became apparent that the University were no longer interested in taking over the shareholding of IPD in the short-term. After discussions with both parties, it was agreed that IPD would continue to operate as is for the next financial year. This was confirmed at the Annual General Meeting held on 29 November 2022. At the AGM, a number of actions were taken including the college request for a review of the original Shareholder Agreement to be made in this financial year. Both shareholders have 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>RECOMMENDATION: That the college’s request for a review of the original Shareholder Agreement to be made in this financial year be recommended to Corporation for approval.</p>	
<p>17.2</p>		
<p>18.</p>	<p>Strategic Risk Monitoring</p>	
<p>18.1</p>	<p>The Committee reviewed the strategic risks for which it has oversight. The VPF&CS proposed that SR12 continues to be closely monitored as whilst still rated as amber, potential further strike action and impact remains a concern.</p>	
<p>19.</p>	<p>Committee self-assessment and Terms of Reference</p>	

19.1	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.	
19.2	RECOMMENDATION: That the F&GP Committee Terms of Reference are proposed to the Corporation for approval.	
20.	2023-24 Schedule of business	
20.1	The Committee reviewed the Schedule of Business which covered each meeting for the coming academic year.	
20.2	RESOLVED: That the schedule of business for 2023-24 is agreed.	
Any Other Business		
21.	Items for report to the Corporation	
21.1	<ul style="list-style-type: none"> • Minutes of meeting – 6 July 2023 • May Management Accounts • Q3 Forecast • 3-year financial plan including budget for 2023/24 and capital plan for 2023/24 & CFFR • SO6- To grow College income through student recruitment • SO5- To maintain a sustainable college • Estates Plan Update- verbal • Credit Control and Debt Management Policy • Financial Regulations 2023 • Inprint & Design • Employer of Choice strategic Action Plan • Committee self-assessment and Terms of Reference 	
22.	Any other business	
22.1	The VPF&CS advised that the College had received an offer on the Appleton building for £1.2m versus a latest valuation of £1.05m for a vacant possession. The scheme is to provide 40 multi occupancy residential units aimed at Overseas students attending the University. The recommendation is that this offer is accepted and the College moves forward with legal contracting.	
22.2	RESOLVED: The College accepts the offer and moves forward with the legal contracting.	
22.3	As it was her last meeting before stepping down as Chair, the CEO thanked the F&GP Chair Cath Orange for being a fabulous member	

22.4	and Chair and for steering the Committee through some difficult very difficult times. The Chair closed the meeting at 19.16.	
23.	Meeting Evaluation	
23.1	ACTION: To be circulated by the Clerk.	Clerk

Approved by the Committee:

B. Barrett
Signed by the Chair

12.10.2023
Date

Agreed actions

No	Minute	Action	Who?
1	16.4	The DPS to advise the Clerk of the dates policies will be available for presentation to Governors.	DPS
2	23.1	Meeting Evaluation to be circulated by the Clerk.	Clerk