

**MINUTES OF THE MEETING OF THE FINANCE & GENERAL PURPOSES COMMITTEE
HELD: on Thursday 9 May 2024 at 17:00 in 4F07 DHB Boardroom**

Present	In Attendance
Bulbul Barrett (Chair)	Chris Malish (Vice Principal Finance & Corporate Services)
Chris Webb (CEO/Accounting Officer)	Sarah Cooper (Director of People Services)
Lendy Ho (MS Teams)	Sarah Towan (Vice Principal Recruitment & Communications)
John Williams	Marc Gillham (Chief Information Officer)
Apologies	Allison Booth (Clerk)
Cuthbert Pazvakavambwa	Rachel Henry (Assistant Clerk)
David Fearnley	
Asa Gordon	

L/J Denotes the time any individual left/ re-joined the meeting.

Item		Action
1.	<u>Introductions, Apologies for Absence and Disclosures of Interest</u>	
1.1	The Chair welcomed everyone to the meeting.	
1.2	Apologies were noted for Asa Gordon, Cuthbert Pazvakavambwa and David Fearnley.	
1.3	There were no declarations of interest.	
2.	<u>Chair's action</u>	
2.1	There had been no use of Chair's actions since the last meeting.	
3.	<u>Minutes of the meeting of 14 March 2024</u>	
3.1	RESOLVED: The minutes of 14 March 2024 were approved to be signed by the Chair as an accurate record of the meeting.	
4.	<u>Matters Arising</u>	
4.1	The Matters Arising Report was reviewed:	
	4.2 – <i>The VPF&CS to notify Wentworth Woodhouse, which is now in charitable ownership that the College holds two works by Charles Broughton.</i> The VPF&CS advised that he was waiting on a response from Wentworth Woodhouse. In the meantime, location of the two works would be organised with the Estates team.	

	5.3 – The VPF&CS to make the required correction to the reporting in the data dashboard / 4.3 That commentary be added in to the F&GP Data Dashboard – The VPF&CS confirmed this was complete.	
Strategic plan Implementation		
5.	<u>F&GP Data Dashboard</u>	
5.1	<p>The VPF&CS presented the F&GP Data Dashboard, advising that it provided the final position on Q2 and that there were no material changes.</p> <ul style="list-style-type: none"> • PERFORMANCE: EBITDA % of Income (excluding capital income) - Reduction due to additional costs treated in forecast as non-pay. • Financial Health – remained at ‘Good’. 	
5.2	<p>Q. Is there a reason that staff turnover increased in Q2? A. The figure is cumulative – year to date. Consideration will be given to report the figure at an annualised rate and presented on a rolling 12-month cycle.</p>	
5.3	<p>Q. Is the figure for Individual Student Award Entries expected to increase by year-end? A. Work has been done with the curriculum departments to make award entries ‘business as usual’ rather than an additional standalone task. The College will be using the World Skills platform to encourage investment in skills which are vocationally linked and can be embedded into the curriculum. The marketing team is working closely with the curriculum teams in this area, however it is unlikely that this year’s target will be reached.</p>	
5.4	<p>Q. On what basis was the target of 50 set for the Individual Student Award Entries? A. The indicator has not been put on the dashboard before and as an incremental rise in individual student award entries had been seen previously, an aspirational target seemed appropriate. A revised plan around how we approach Individual Student Award Entries, will be factored into Strategic Objective 6.</p>	
5.5	<p>Q. Could the lower participation rate on the staff survey engagement be attributed to survey fatigue? A. The rate of participation is really positive in comparison to other colleges in the sector. We know that there is sometimes a reluctance to provide personal data despite the anonymity of the survey process. Triangulation of stakeholder feedback is vital in gaining the full picture on staff engagement.</p>	

5.6	<p>The DPS advised that a detailed breakdown of the Staff Survey would be presented at the next F&GP Committee.</p> <p>ACTION: The DPS to include details in the paper on the staff survey participation rates and how it could be improved.</p>	DPS
6.	<p><u>VPF&CS Report</u></p> <p>6.1 The VPF&CS introduced his report, which served to highlight a number of areas within the other reports on the agenda.</p> <p>Key things to note were:</p> <p>Item 6. F&GP Data Dashboard, noting the overall positive position on the finance metrics following the Q2 Forecast, full details within the paper.</p> <p>Item 8. Student recruitment update noting the current position and early indications for 2024/25.</p> <p>Item 9. Employer of choice update, noting the variation to contracts to align with sectors norms and changes around managing public money.</p> <p>Item 10. Estates plan update, noting the position on projects, specifically the request to increase the budget for the repurposing of ATC to support the relocation of PLW by £0.6m.</p> <p>Items 13. Strategic Risk monitoring, noting the impact upon relevant risks informed by the papers about; these have been highlighted for ease of identification.</p> <p>Items 16. AOB – The Annual Strategic Conversation occurred with a large section around a potential cash sweep on the College and implications of this in the event of delayed spend on known issues. A request for a delay of the calculation of this by 12 months to mitigate the adverse impacts of timing of spend was supported by the DfE representatives in the meeting. The request would now be considered by the DfE and this has also been shared with the Bank.</p>	
Finance		
7.	<p><u>Management Accounts (Jan 2024)</u></p> <p>7.1 Members considered the Management Accounts for March and the Q2.</p>	

	<p>The underlying EBITDA (excl. capital grant income £0.5m) to the end of March is £3.4m, which is £0.1m favourable to budget. The adjusted EBITDA percentage of income is 8.8% compared to the budgeted figure of 8.8% to this period of the year.</p> <p>Income (excl. capital income) is favourable to budget by £0.8m made up of a number of large variances across different income lines.</p> <p>Staff costs are £1.2m adverse to budget mainly due to a pay increase of 6.5% as compared to a budget of 2% and the use of agency staff due to vacancies across the College.</p> <p>Staff costs as a percentage of income (excl. capital income) are 63.8% against the budget of 62.0% to this period of the year. This increase is being driven by the full increase in the ESFA funding being used to support the additional increase in salaries.</p> <p>Non-pay costs are £0.5m favourable to budget, mainly related to timing of spend on IT costs and Publicity. However, there are some permanent savings in Subscriptions.</p> <p>The cash position is £5.11m higher than the budget due to a higher opening balance and timing of income and project expenditure.</p>	
7.2	<p>Q. Has the ESFA agreed to cover the increase in Teacher’s Pension contribution rates?</p> <p>Yes, the College has received a new funding allocation that is expected to be paid in April, which includes an additional £198k from the ESFA to mitigate the Teacher’s Pension contribution rates increase in April.</p>	
7.3	<p>Following the second performance review process and Q2 financial forecast, the College has produced a revised financial forecast for 2023/24 and provided analysis of the variances to the plan signed off in July 23.</p> <p>The Q2 forecast outturn 2023/24, shows a deficit of £0.58m. The main changes versus the 2023/24 financial plan were detailed as follows:</p> <ul style="list-style-type: none"> • Income - £4.83m variance • Staff costs, including outsourced costs - £2.52m variance • Total expenditure is projected to be higher than budget in 2023/24. The main reasons for this are higher than budget materials and supplies, Rents and Rates, IT costs, Examination costs, a 6.5% staff pay rise, additional teachers’ pension costs and 	

	<p>£1.5m of forecasted additional spending on the estate (Substation, Estate Infrastructure and repurposing of ATC building).</p> <ul style="list-style-type: none"> • EBITDA is lower than budget at 6.4%. <p>The borrowing ratio has decreased slightly due to higher than budgeted income projected for 2023/24. The current ratio has increased due to the slower start of projects, resulting in a higher than anticipated cash balance at year end.</p> <p>The College is in the process of obtaining waivers in respect of the Cashflow Cover and Projected Cashflow Cover covenants from Lloyds Bank which are breached in 2023-24. Regular updates and meetings continue to take place with the College’s lenders.</p>	
<p>8.</p> <p>8.1</p> <p>8.2</p>	<p><u>Student Recruitment update</u></p> <p>The VPR&C provided an update on the forecast student recruitment position for 2024-25 and focused on the following areas:</p> <p>Apprenticeships Pipeline now in development for Sept-Nov starts, with potentially more 18-year-olds as Early Years L3 pathway is now defunded and not all L2 learners will want to follow the T-Level route. There would be staggered starts for apprenticeships and these were on target.</p> <p>HE Continuation forecast at £3.4M, new business target based on BP1 will be approximately £3.5M, this equates to approximately 518 new students; currently at 179 warm applications.</p> <p>HE recruitment is challenging this year, with Teacher Education moving from the College’s own accreditation to Leeds Trinity University (LTU). Delays in this contract being put in place has caused a delay in Teacher Education provision going to market. This could impact new business (particularly with QTS 1-year courses) and LTU now heavily marketing their own provision in Bradford. The College are currently at 110 LTU franchised course applications compared to 200 at the same time last year. However, most of these applicants are choosing only Bradford College so improved conversion rates are anticipated this year and the College has a robust local marketing campaign. Conversations are still ongoing with DfE about regaining accreditation.</p> <p>Q. Will increased resources be required to support the growth in High Needs students? A. The College can receive top-up funding (element 3), over and above the core funding (elements 1 and 2) it receives for high needs</p>	

	provision. We are facing increased pressures due to the top-up funding not adequately covering the costs of the additional support required to meet the student’s needs. Consultations with the DfE and the Local Authority are ongoing.	
Resources		
9.	People Strategy Update	
9.1	The DPS presented the People Strategy Update, which also provided an overview of the Proposed Variation to Contracts:	
9.2	HR Policies and Procedures All legacy HR policies and procedures have been updated and gone through the required approval processes. Legal changes in April have meant a new policy for carers and updates to the paternity policy.	
9.3	Trade Unions The UCU submitted a new pay claim on 2 May. There were two elements to the claims: Part 1 – A claim for a 10% pay increase; Part 2 – A commitment to close gender, ethnicity and disability pay gaps.	
9.4	ACTION: The Clerk to circulate the new UCU pay claim to members.	Clerk
9.5	HR KPIs HR reporting of key metrics is now completed on a quarterly basis. Q3 data (February to April) is not yet available. Q1 sickness absence was 3%. In Q2 this had increased to 4%. February sickness absence was 3% and March 4%, so Q3 overall should remain on target.	
9.6	Inprint and Design Limited The launch consultation for the team at Inprint and Design Limited commenced on 30 April 2024. As previously reported, the decision has been made to wind-up this joint venture company by 31 July 2024. Individual consultation has now commenced with the 13 team members (7 of these are employed through the University of Bradford and 6 through Bradford College).	
9.7	Contractual Changes around PILON HR have reviewed the College’s employment contracts in line with public sector financial regulations, feedback from the annual financial audit and HR best practice recommendations. It is proposed that all staff members contracts of employment include a specific clause relating to pay in lieu of notice (PILON) and garden leave. This clause is only relevant on termination of the contract of employment by the college.	

	<p>In practice, this means that where it is not operationally feasible to provide full written notice on termination of a contract, a payment in lieu of notice can be made. This would be used in limited circumstances such as redundancy, a mutually agreed settlement agreement, capability or ill-health dismissal and so on.</p> <p>For Senior Post Holders, governor approval is needed before any contractual change can be issued. It is also worth noting that this does not negate the fact that the college also has to follow the managing public money guidelines around termination payments.</p> <p>9.8 Q. How did the College communicate the contractual changes around PILON to staff? A. This was sent out by email to all staff. The change will also be implemented in all new contracts.</p> <p>9.9 Q. Did you engage in stakeholder consultation regarding the contractual changes? A. Yes, we had consultations with the JCC.</p> <p>9.10 The VPF&CS advised that under the new Managing Public Money guidelines, if an employee with a salary over £150k was to receive a severance payment, approval from the DfE would be required, irrespective of the value.</p> <p>Members had some concerns about how the Variation to Contract would be received by staff and asked the DPS if she would provide an update on this, along with the engagement figures, at the next F&GP Committee Meeting.</p> <p>9.11 ACTION: The DPS to provide an update on the Variation to Contract at the next F&GP meeting.</p> <p>9.12 RECOMMENDATION: The Proposed Variation to Contracts for staff be taken to Corporation for information.</p>	<p>DPS</p>
<p>10.</p> <p>10.1</p>	<p>Estates Plan Update</p> <p>The VPF&CS focused on the following Estates Capital projects that the College currently has in train:</p> <ul style="list-style-type: none"> • FTC (Future Technology Centre) – The hoarding and strip out of the Junction Mills building underway and the demolition is due to start shortly. • Garden Mills – The Contractors have submitted another extension to programme, taking the completion date to 5 August and have reported additional time required on fire protection. 	

	<ul style="list-style-type: none"> Following the initial design report from the professional teams of the changes required to repurpose the ATC for the relocation of the PLW students into the building, it has become apparent the initial draft budget of £0.5m is not sufficient. This is due to the scale of changes required and the changes needed to the building infrastructure it is now projected that the budget needs to increase to £1.1m and further £0.6m which will also provide a 10% contingency. <p>At the last F&GP Committee on 14 March 2024, the new budget of £500k of internal funding to support the move of PLW students into the ATC building had been approved.</p> <p>The VPF&CS clarified that the £0.5m budget was an initial draft of the projected costs, before the surveys had been returned. RIBA Stage 1 and 2 had only come through following the approval of the original budget.</p> <p>The VPF&CS sought approval for an increase to the initial draft budget of £0.6m and advised that according to the Financial Regulations, the F&GP Committee had an unlimited approval authority.</p> <p>The proposal to increase the budget had been shared with the Capital Special Interest Group which would have oversight of the project and approval from the DfE and Bank would be sought.</p> <p><i>L/LH</i></p> <p>Members requested that the F&GP Committee approval levels be reviewed and clarified by the VPF&CS in the Financial Regulations before they are presented for approval at the next F&GP Committee in July.</p>	
10.2	<p>ACTION: The VPF&CS to provide clarification on F&GP Committee approval levels and present this in the Financial Regulations.</p>	VPF&CS
10.3	<p>RESOLVED: That the increase to the initial draft budget for the ATC relocation of £0.6m is approved.</p>	
10.4	<p>Q. How much is the extra estate spend taking from other areas? A. The Garden Mills, Future Technology Centre, Junction Mills and Bradford Energy Network Projects are being primarily paid for by DfE funding and only require a small amount of match funding from the College. The SLT have evaluated the additional cost and have agreed that it meets the College’s Estate Strategy and the needs of the students.</p>	

10.5	<p>Q. Are you certain that the increase in budget is enough to cover all of the requirements factored in to the tight timeframe you have to work to?</p> <p>A. Yes, I have included a 10% contingency to cover any unforeseen issues.</p> <p>Since the last meeting, the buyer of the Appleton Building was in contact and requested a further 8 weeks, which meant the deadline was put back to 3 May. However, as there had been no subsequent communications from the buyer, confidence is low that the site would be sold. Therefore, the marketing of the property for sale would recommence later in the month.</p> <p>In terms of the Little Germany site, the agreement with the Council is agreed and a signed copy is awaited. In addition, an agent had been contacted to quote for marketing the site for sale, as the Council did not exercise their option to buy by 31 March 2024. Therefore, as previously agreed, the site would be placed back on the open market.</p>	
10.6	<p>Q. What are the asking prices for the Appleton Building and Little Germany site?</p> <p>A. We will need to carry out new valuations on both sites. The last valuation on the Appleton Building in 2021 was 1.2m and the Little Germany site was previously valued at 1.4m.</p>	
Policies		
11.	<p><u>HE Fees Policy 25/26</u></p>	
11.1	<p>In the absence of the VPC, the VPF&CS advised that the HE Fees Policy 25/26 had been updated to reflect an Updated Fee for Undergraduate Degrees and PGD ITT/ Cert Ed ITT.</p>	
11.2	<p>Q. Is there benchmarking carried out on fees?</p> <p>A. A comparison was made with other providers and the College's fees are on benchmark.</p> <p>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 27 June 2024.</p> <p>A suggested change was made to clarify that the two committees review and recommend the HE Fees Policy to the Corporation where it is approved, as it currently states that it is approved by all three.</p>	

11.3	RECOMMENDATION: That, subject to the suggested change, the HE Fees Policy 2025-26 be recommended to the Corporation for approval.	
Governance and Risk		
12.	<u>Funding Update</u>	
12.1	<p>The CIO presented a report on changes to funding rules. Members were informed of updates to Study Programme Funding, the Adults Skills Fund (previously Adult Education Budget) and Tailored Learning (previously Community Learning). Under Study Programme changes, funding base rates have increased, the Maths and English 1:1 tuition fund has been removed for 2024-25 and Level 3 Maths and English funding would be extended to all levels. National rates and rules had been released for the Adult Skills Fund but were still awaited from the West Yorkshire Combined Authority (WYCA). WYCA documentation was yet to be provided for Tailored Learning, but it was expected to mirror National rules. There would be new ILR fields to evidence purpose of learning and funding would not be available solely for ‘leisure’ purposes.</p>	
12.2	<p>Q. What is the likely impact of the proposed phasing out of the current conditions of funding tolerance for Maths and English? A. Proposed increases in hours and changes to Conditions of Funding are scheduled to be enforced from 2025/26. The likely implications will be that if students do not attend Maths and English they will need to be withdrawn from their vocational courses. This will inevitably lead to a decrease in student numbers. The College has expressed concerns to the DfE about the increased expectation with regards to fixed delivery hours, and is lobbying for a more flexible approach that will better suit the needs of its learners. While it is hoped that a change will be achieved at national policy level, the College are working on the assumption that the proposed changes to funding rules is going ahead.</p>	
12.3	<p>Q. Is there a way for the additional 3 hours per week of English and 4 hours per week for Maths required to be built into the vocational curriculum? A. GCSEs are standalone academic qualifications which cannot be embedded into vocational subjects or made vocationally relevant.</p>	
12.4	<p>It was noted that a Funding Update Report will also be presented at Q&S meeting as it had previously been agreed that it required cross committee monitoring.</p>	
13	<u>Strategic Risk Monitoring</u>	

13.1	The Committee reviewed the strategic risks for which it has oversight. SR12 – An update to the commentary would be added to reflect the risk of potential industrial action as the College had now received the UCU pay claim.	
13.2	Q. Where we are on the route to reaccreditation for Cyber Essentials? A. There have been a number of changes within the IT team and an interim HoD has recently been appointed. Reaccreditation requires heavy documentation and planning. The College is hoping to obtain reaccreditation by the end of the calendar year. The recent ICT Review of Disaster Recovery Audit Report will be presented at next weeks' Audit Committee. The new SO7 will include focus on a roadmap beyond Cyber Essentials.	
Any Other Business		
14.	<u>Items for report to the Corporation</u>	
14.1	<ul style="list-style-type: none"> • Minutes of meeting – 9 May 2024 • Management Accounts and Q2 • People Strategy Update • Estates Plan Update • HE Fees Policy 25/26 	
15.	Any other business	
15.1	There was no other business.	
15.2	The Chair closed the meeting at 19.11.	
16.	Meeting Evaluation	
16.1	ACTION: To be circulated by the Assistant Clerk.	Assistant Clerk

Approved by the Committee:

Bulbul Barrett

04.07.24

Signed by the Chair

Date

Agreed actions

No	Minute	Action	Who?
1	5.6	The DPS to include details in the paper on the staff survey participation rates and how it could be improved.	DPS

2	9.4	The Clerk to circulate the new UCU pay claim to members.	Clerk
3	9.11	The DPS to provide an update on the Variation to Contract at the next F&GP meeting.	DPS
4	10.2	The VPF&CS to provide clarification on F&GP Committee approval levels and present this in the Financial Regulations.	VPF&CS
5	16.1	Meeting Evaluation to be circulated by the Assistant Clerk.	Assistant Clerk