Bradford College

MINUTES OF THE MEETING OF THE FINANCE & GENERAL PURPOSES COMMITTEE
HELD: on Thursday 13 March 2025 at 16:00 in 4F07 DHB

Present	**In Attendance**
Lendy Ho (Chair)	Chris Malish (Vice Principal Finance &Corporate Services)
Chris Webb (CEO/Accounting Officer)	Sarah Cooper (Director of People Services)
John Williams	Sarah Towan (Vice Principal Recruitment & Communications)
David Merrett	Allison Booth (Governance Director)
	Rachel Henry (Deputy Governance Director)
Apologies	
Bulbul Barrett	
David Fearnley	

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

Item		**Action**
1.	**Introductions, Apologies for Absence and Disclosures of Interest**	
1.1	Lendy Ho had previously agreed to Chair the meeting when the Chair had given her apologies.	
1.2	The Chair welcomed everyone to the meeting.	
1.3	Apologies were noted for Bulbul Barrett and David Fearnley.	
1.4	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 6 February 2025**	
3.1	**RESOLVED:** The minutes of 6 February 2025 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: **8.2** – *The VPF&CS to highlight the position on the VAT rebate and Garden Mills within the forecast reporting* – This would be included in Q2 forecast reporting.	

	9.5 – *The F&GP Chair to facilitate an email introduction between a contact at Kings Business School and the College* – Email introductions had been made and the VPR&C would continue to follow this up. **10.2** – *The VPF&CS to explore the interest rates being offered by other banks* – The College was in the position to look into better rates on short-term deposits, this would be reported on at a future F&GP meeting.	
4.2	**Q. Would we consider using an intermediary to assist in finding better rates on short-term deposits?** A. Potentially, however we would need to ensure that we do not stray into anything novel or contentious and we would need to create an investment policy.	
4.3	**9.9** – *The Clerk to consider where the Deep Dive could be placed on the agenda for the Strategic Planning Event* – The VPQT&L would lead on reviewing current recruitment practices for September and return a review on HE Curriculum to the Quality and Standards Committee. The GD would notify the F&GP Committee when this had been actioned. **10.6** – *The DPS to provide data on the percentage of staff involved in the wellbeing activities as well as a comparison between programme costs and savings made in areas such as sickness absence costs and staff turnover* – A verbal update would be provided at item 11 on the agenda. **12.4** – *The VPF&CS to present a checklist and any associated papers at the next CSIG meeting for initial sign off on the Garden Mills projects* – The final account had just been received and the post-project evaluation would now commence. This would be reported at the next CSIG meeting in April and brought to the next F&GP in May. **13.2** – *The VPF&CS to add in the improvements in sustainability related to the capital projects and the Bradford Energy Network to the report prior to publishing* – The additions had been made, but the report was yet to be published. **11.4** – *The VPR&C and DPS to determine how to provide metrics to measure the effectiveness of developing an employee brand* – The Great Place to Work audit and accreditation had been used to measure this. This would be covered further under item 11 on the agenda. **14.7** – *The VPF&CS to present a report on clawback at the next F&GP meeting* – This would be covered under item 13 on the agenda.	
5.	**<u>VPF&CS Report</u>**	
5.1	The VPF&CS introduced his report, which served to highlight a number of areas within the other reports on the agenda. Key things to note:	

	6. F&GP data dashboard, noting the draft position of the Q2 and the forecast outcome of 'Outstanding' Financial health. Though year end adjustment and latest funding announcements had not yet been fully factored in; for example, the £50m one off payment being made to the sector from April 2023. 7. Management Accounts, the underlying position was slightly behind budget when adjusting for the VAT credit on utilities, however outturn suggested a position that exceeded the current years financial objectives. 9. Budget Planning and Financial Objectives, the proposal to still have 'Good' Financial health as the overall financial objective, though the position on capital funding allocation and funding to cover the increased NI was still unknown. 11. People Plan update, noting the employment law changes on the horizon and the outcome of the Great Place to Work Survey. The VPF&CS advised that there was currently a funding audit taking place and initially there was a view that it may result in a sizable but not material clawback. Recent information would suggest the risk of clawback was much lower and a fundamental flaw in the assessment methodology had been identified by the College's Data and Funding team.	
5.2	**Q. What is the funding audit and who conducts it?** A. The DfE selects a number of colleges each year for an invent funding audit, which is conducted by an external audit firm.	
5.3	Members agreed to consult the Audit Committee to request that an audit of funding streams be annually carried out within the internal audit plan. This would allow for increased oversight of the various student funding streams, which would be helpful in terms of managing any potential clawback risk.	
5.4	**ACTION:** The F&GP Committee Chair to liaise with the Audit Committee Chair to ensure funding streams was added into the Internal Audit Plan.	**F&GP Chair**
5.5	Following a review of the West Yorkshire Pension scheme, the College contributions were set to fall from 18.1% to 13.9% in April due to the pension now being underwritten by the government as a result of the change in classification to public sector. This was forecast to reduce costs for the current academic year by £93k.	

5.6	The purchase of the land next to the FTC site was progressing with the Council, with the purchase price being £75k, which had been reported to the CSIG.	
Strategic plan Implementation		
6.	**<u>F&GP Data Dashboard</u>**	
6.1	The VPF&CS presented the F&GP Data Dashboard which reflected the draft Q2 forecast and highlighted the following items: • **Staff Absence** – would be addressed at item 11 • **Levy Funding Usage** – this was a running trend • No substantial changes in terms of the overall financial objectives and metrics • **Capital Programme (Internally Funded) £'000** – Mainly driven by the match for Garden Mills being paid this academic year • **Capital Programme (Externally Funded) £'000** – Driven by the delays in the FTC development • **Financial Health** – Outstanding • Consistent with Q1, there had not been much movement in the actual income streams, though there had been a slight amendment to the 2023-24 clawback of circa £140k. • **Student Numbers** – Remained below target • **Adult Student Recruitment** – On track to deliver contract	
6.2	Members discussed the Colleges current 'outstanding' financial health rating and agreed that this would naturally return to 'good', as the rating was due to various accounting procedures and timing around capital project spending and match funding, not any increase in income.	
6.3	**Q. Is there any action required at this stage to manage the cash sweep?** A. Further details will be reported at the next meeting once the final Q2 position is available.	
6.4	**Q. Are there any trends related to the increase in staff absence?** A. Higher absence levels have been mainly driven by coughs, colds, flu, viruses and COVID, which followed the national trends. We enabled staff to work flexibly and from home where viable. Sickness absence is closely monitored due to the potential impact on the student experience.	

Finance 2024-25		
7. 7.1 7.2	**Management Accounts (January 2025)** Members considered the period 6 management accounts to January 2025: • The EBITDA to end of January was £1.97m, which was £0.38m favourable to budget. This was mainly driven by the VAT rebate of circa £0.5m. • Operating Income was £0.68m adverse to budget for the year to date. The income shortfall was mainly driven by HE Fees. • Staff costs were £0.16m favourable to budget; which included factoring in the pay rise that was agreed, which was 0.5% higher than originally budgeted. • Non-pay costs were £0.87m favourable to budget for the year to date, which included a VAT refund of £0.56m in January for utilities. • The cash position was £2.09m lower than the budget due to a £3.54m lower than budgeted opening balance and lower HE fees as a result of the lower than budgeted recruitment numbers. • There were projected breaches in the cashflow covenant in 2025-26, and projected cashflow covenant in April 2025. Discussions were ongoing with the Bank regarding these, though the ESFA financial health was still forecasted to be Good. **Q. Have recruitment challenges been evident due to pay rises in the FE sector not matching those of schools and academies?** A. Not as yet, however it is always challenging when recruiting for roles where we are competing with schools due to the pay disparity that exists. We have raised this with the DfE through AoC reporting channels.	
8. 8.1	**Student Recruitment Update** The VPR&C presented an update on Student Recruitment. Further trend and like-for-like applications data would be presented at the next meeting following the Easter break when the substantive applications for study programmes would have been received. Comparisons would then be made as to how the College was performing in terms of applications at course and subject area level. T-levels represented a significant area of growth and income. Further conversations would take place with HoDs on the continuation of T-Levels with slightly lower recruitment numbers. General recruitment issues were not anticipated for this area, however a moderate target	

	had been set to reflect the risk of clawback in-year should there be under-recruitment. Currently the College's PLW, Entry Level/Level 1 provision made up circa 30% of its applications profile.	
8.2	**Q. Have you seen a shift in student and parent attitudes on T-Levels?** A. I don't think there can be. For any new product brought into education, particularly for the school leaver audience, we are having to re-educate a new customer base every year. As the names of Level 3 qualifications have changed so much over the years (in contrast to A Levels), there is a general unfamiliarity of what these are and A Levels are always used as a benchmark. Positively, more direct routes into Universities are opening up for those who have studied T Levels. We are also working with employers around the industry placements to get employer endorsement for those programmes and progression into jobs.	
8.3	**Q. Is there any other support received in the publicising of T-Levels?** A. The Government will occasionally run a national campaign. We are working closely with the Careers Advice Team and Bradford Council to encourage teachers in schools to champion and promote T-Levels further. We are working with the Director of the Schools Improvement Strategy to try and increase messaging about T-Levels in schools.	
8.4	The Chair commended the encouraging recruitment efforts to date.	
8.5	**Q. How much more positive is the level of mainstream HE applications compared with last year and has this been evident across subjects?** A. We have reduced our portfolio a little more this year and are continuing to shift from a traditional, 3-year academic, honours programme to more applied Level 4/5 Higher National Diplomas and employer-endorsed Level 5 specialist diploma qualifications. There is a considerable shift in what falls under the HE remit. We are working with partner institutions to develop new courses. This is often a 3-year cycle from identifying the marketplace to delivering a course. We have been able to promote Teacher Training courses much earlier this year and therefore a more positive picture around the recruitment cycle is evident. We are also streamlining and refocusing the School of Art provision and slight improvements have been noted on the recruitment for a couple of programmes. We are working the University of Greater Manchester to put in specialist pathways around fashion design, graphic design and digital.	

8.6 8.7 8.8 8.9 8.10 8.11	**Q. Have you seen much change in the HE market across the sector?** A. Massively. There are 7 major HEI providers of the arts in the region, so the marketplace is saturated. There are increasing ITPs in Leeds promoting shorter Music Production courses and Brit School will be entering the market in 2027. There are now a lot more niche specialist providers in the sector. **Q. Are there any partnership opportunities with these providers?** A. Possibly with Brit School, as they will cover the North and are likely to need facilities from which to operate from. We are also looking at integrated degrees in Dental Nursing and Teaching Assistants because these are growth areas around our Apprenticeship provision. This area represents Higher Education within the Apprenticeships budget line. Provision is becoming a lot more diversified, specialist and niche, and markets are shifting. **Q. In terms of 16-18 provision, which areas of the College are oversubscribed?** A. PLW – Entry Level/Level 1, Construction, Engineering & Motor Vehicle and Early Years, Health & Social Care. **Q. Do we have enough space if further growth is seen in these four areas?** A. For PLW yes, but not within the ATC building. We do not have enough space for further growth in the other three areas identified. **Q. Would these areas require specialist facilities?** A. The courses necessitate a combination of classroom and workshop space. An industrial unit could be rented, for example, however, the consistency of student experience must be considered. Classroom size, safeguarding measures, staff and student safety, provision of facilities and access to enrichment activities are all key considerations. The more recent College policy had been to remove satellite sites to deliver the consistency in student experience. However, when looking for additional space, the VPF&CS advised that it could be possible to identify suitable sites within the community for conversion. Yet this would be a deviation from the policy adopted over the past 7 years. Members agreed that this was something to explore further, as the College considered how to deliver a curriculum offer that meets the needs of its students, employers and community.	
9. 9.1	**Budget Planning and Financial Objectives** The current position on the College financial objectives was to keep them in line with the plan presented in July 2024 and ESFA financial health measures. This provided a good platform of what the College's	

	expected financial performance was to be. It would deliver a financial health rating of good and would manage stakeholders such as the DfE and Bank and represented the minimum expectation.	
9.2	The VPF&CS advised that should the College wish to generate some funds to allow it to apply for match funding for a new building or site, 7% EBITDA would be the minimum expectation; this would cover off the College debt, an internal capital amount of circa £2m and allow a small amount of additional working capital to accumulate over the years. If the College was to consider a larger capital investment, EBITDA would need to rise to circa 10%.	
9.3	**Q. Is it realistic to still expect EBITDA to remain at 7% if staff costs continue to rise?** A. This will become clearer as we continue the business planning process. Staff costs range across the sector from 65-70%; our costs are within average.	
10.	**Procurement Report**	
10.1	Following the reclassification of the FE sector and the financial regulations, it had been agreed that governors should be provided with greater visibility of some aspects of procurement which would support assurance around the College's management of public money. Therefore, two appendices had been provided; one on single source justifications (SSJs) approved during the academic year and one which contained information on Purchase orders (POs) raised that were greater than £150k. For the financial year 2023-24, there had been 58 SSJs, totalling £1.7m. In terms of purchase orders over £150k, there had been 7, totalling £18.1m. The Chair recognised that this report provided really good assurance and that this triangulated well with the CSIG reporting.	
10.2	**Q. Do we receive significant value for our IT applications?** A. Yes, Smoothwall performs safeguarding monitoring and provides the firewall. We do have an existing contract with them, which has been extended. The external auditors require completion of an annual SSJ for extension of contracts. The Finance HoD has been tasked to investigate whether there is an equivalent alternative provider.	
10.3	Members had an in-depth discussion on the importance of further pre-planning and preparation by HoDs to reduce the number of SSJs	

	going forward. It was agreed that appropriate challenge should be levelled in cases where insufficient time had been left to procure goods and services. Giving further attention to, and providing additional coaching on rationale wording for SSJs was also recognised as important going forward. The CEO advised that the need to tighten up procurement processes had been picked up in an Internal Audit Report and had since been incorporated into the VPF&CS and Head of Finance's targets. Improvements would continue to be made by the Finance Department and any related issues would be raised in Quality Review meetings with HoDs. The Committee noted that it was a very helpful report and thanked the VPF&CS for the update.	
Resources		
11.	**People Strategy Update**	
11.1	The DPS provided an overview on the People Strategy Update, highlighting:	
11.2	**Employment Law Changes** The UK Government's plan to Make Work Pay changes multiple aspects of employment law. Its commitment to deliver most of the related proposals had been laid out in the Employment Rights Bill. The Bill had been amended through consultations and was currently progressing through the parliamentary system. In addition to the Employment Rights Bill, the Make Work Pay plan involved other non-regulatory consultations, amendments to codes and guidance. The proposals, when made law, would impact many Bradford College HR policies and procedures. The SLT had discussed the changes due to be introduced under the Bill and the potential impact. A detailed report would be submitted at the next F&GP meeting and a subsequent training event would be organised for the Corporation.	
11.3	**ACTION:** The DPS to provide a report on the changes to be introduced under the Employment Rights Bill and the potential impact on the College.	**DPS**
11.4	**Management Essentials Programme** This new learning and development programme commenced in January 2025. The first module delivered was on Absence Management. The purpose of the programme was to give new and	

	experienced leaders the fundamental skills and knowledge to effectively support and lead staff in the College.	
11.5	**Staff Turnover** Cumulative staff turnover for 2024-25 to date was 8.9%, which was within the expected parameters for a large city centre FE College. This linked with the work done on employee brand, culture and strategy, health and wellbeing.	
11.6	**Sickness Absence** The absence rate for Q2 showed an increase in days lost compared to this period last year, with an overall absence rate of 5%. This would be closely monitored throughout Q3. Sickness absence data was shared in detail at the Health and Safety Committee and overall figures were presented at the JCC to ensure transparency with the Trade Unions.	
11.7	**ER Cases** • Disciplinary cases YTD at Q2 2024/25: 8 hearings • Grievance cases YTD at Q2 2024/25: 12 at Stage 2 • Capability cases YTD at Q2 2024/25: 6 at Stage 1 Improvement was required in managing capability in terms of performance; this would be picked up through the Management Essentials Programme.	
11.8	**Special Payments** There had been no further special payments agreed year to date further to the two previous cases reported at the last meeting. The College had received three tribunal claims from current employed staff, none of which have been settled or scheduled for a hearing. At least two of these could have been settled through the system that was in place prior to the Managing Public Money regulations coming into force. Current restrictions meant higher costs would now be incurred to settle in the case of tribunals. This would be raised at the Annual Strategic Conversation with the DfE.	
11.9	**ACTION:** The DPS to report on the impact of the current tribunal process and related costs at the Annual Strategic Conversation in April.	**DPS**
11.10	**Q. Is it possible to seek subsequent approval from the DfE following a breach?** A. No, we must get prior permission.	

11.11	**Updated AWAM** UCU had balloted their members and the new updated AWAM T&Cs had been agreed. This would be finalised by a joint statement and the new system would be rolled out for the next academic year.	
11.12	**Recognition Agreement** The College was negotiating with the trade unions on an updated recognition agreement and disputes policy. Further meetings were scheduled.	
11.13	**Great Place to Work Accreditation** The College met the benchmark and achieved the accreditation in December 2024, although it was recognised that there was still the opportunity to improve in future surveys. Data would be triangulated with the College's annual staff survey and areas for improvement would be worked on in line with employer of choice objectives. The Chair noted that the survey provided a useful benchmark and starting point.	
11.14	**Q. Have you identified areas through the survey that you would like to start working on?** A. The biggest impact of engagement for an individual is through their direct line management and immediate team. Heads of Departments (HoDs) therefore need to take ownership of working through actions identified with their teams. Any further areas of concern will be picked up through Performance Reviews and with the Strategic Leads.	
11.15	**Health & Wellbeing** • The new Wellbeing Lead started in September to allow an increased agenda of pro-active support and activities to be put in place for the wellbeing of staff. • 19 members of staff had been trained in Adult Mental Health First Aid. • 2 members of staff had taken the Adult Mental Health First Aid Instructor training so that more training could be rolled out going forward. • A target had been set for 20% of staff to be Mental Health First Aid trained for young people. • The College had 12 wellbeing champions, with 4 new applications received this month. • A full wellbeing calendar had been designed with a theme for each month and a host of wellbeing activities offered. • Utilisation of the wellbeing room in the DHB had increased, with circa 1500 people accessing the room and circa 200-250 individual using it on a monthly basis.	

	• The Planet Earth Games was being promoted amongst students and staff. A step challenge took place in January, with 45 staff and 12 students engaged. • Positive feedback had been gained from staff and testimonies shared demonstrated the programme's success.	
11.16	Members commended the encouraging work done by the College in this area with great results and noted that the return on investment was not limited to financial value but also the impact on individuals.	
12.	**Estates Plan Update**	
12.1	The VPF&CS advised that there had not been a considerable amount of change since the previous update: • The work on fire remedial action continued within DHB with fire door rectifications and replacements taking place. • The CTS building in Little Germany remained vacant; the sale was progressing, with communications between the College's Legal partners continuing. The delay being resolving the land registry ownership of the attached car park that was still listed under City Training. • The disruption as a result of the works on the Bradford Energy Network continue, so the alternative route into the College remained in place, which had reduced the number of car parking spaces currently available. • The work continued on the tendering of the cleaning services provided to the College. In addition, work was ongoing for the retendering of the Facilities Management (FM) contract and FM consultants had been engaged to support with this. • Following the reported recent review of utilities, it had been found that VAT had been incorrectly charged for a period and the College had received funds credited back to the College of £0.5m. • Following the sale of Appleton stalling due to the proposed buyer going silent, the College had since received communications from them, in which they confirmed that they had secured the funds necessary to buy the property and had requested to do a valuation. The College would also do a valuation as the building had inherently suffered damage and represented a challenge in terms of insurance due to being vacant.	
13.	**Capital Projects Update**	
13.1	The College currently had the following Estates Capital projects in train, which were:	

13.2 13.3 13.4 13.5 13.6	**Garden Mills** – Revised Budget £6,900k, the final account had concluded at £7m (including the held retention). Therefore circa £200k of the £300k provision that had been made in the accounts would be released back into revenue. The College had now started the post-project review process, which had been on hold pending the final account. **Skills Injection Fund 1** – Capital & Resource Allocation £434k, spend to date £199k. Spend was halted to mitigate clawback due to student recruitment position and projected student numbers for associated courses being lower than what was within the original bid. This appeared to been a national issue with the scheme of funding. The College's final report had been submitted to the funder in September 24 and the College had since received notification that the funder would clawback funds that hadn't been spent. Provision had been made in the accounts for circa £300k and therefore circa £100k would be released. **T levels Wave 5 – Building Project** – Budget £3,046k, with £338k match, £2,937k spent to date. All TLW5 areas had been handed over and were operational. A change request had been approved by the funder, allowing project spend to continue to the 31 March deadline. The project was within budget. The remaining budget was currently being expended against the agreed scope of the project. Installation of the soundproof doors was outstanding after an issue with supplier shipping, but once fitted, the project would reach conclusion. **Q. Will the £368k remaining FE classification capital be spent by the end of March?** A. Yes, the remaining amount is being spent on emergency lighting replacement. CBRE have facilitated the work which will address emergency lighting issues, as well as provide LED lighting which should have a benefit on energy usage and costs. **Q. Do our funders expect any impact or value statement on our expenditure around estates and capital?** A. Much of the expectation is around simply providing the space. This is an area on which we will be externally audited. We are also considering producing a report in about 12 months' time to provide feedback on the utilisation of the various spaces, their value and how students have benefited.	
Policies and Statements		
14.	None	

Governance and Risk		
15. 15.1 15.2	**Strategic Risk Monitoring** The Committee reviewed the strategic risks for which it has oversight. The VPF&CS advised that there were no suggested changes to the scoring. **SR1** – Notes the draft Q2 position of Outstanding Financial Health and the fall in local government pension scheme employer contributions that is expected to bring an annual saving. **SR8** – The details of the £50m one off payment to the sector would not be known until May. The funding allocation rate for 16-18 funding in 2025-26 had been announced with a 3.78% increase. Due to unprecedented growth in the sector, the growth cases from College's in 2024-25 could not be fully funded in line with the prior year's methodology. **Q. Can you expand on the limited funding for growth cases alluded to in the SR8 commentary?** A. College's typically overrecruit 16-19s, in the knowledge that in the following year they will receive lagged funding. However, when substantial growth has not been seen across the sector, the DfE have typically held some funds back and awarded individual Colleges who have done something exceptional in terms of their growth in-year. This year, exceptionally, unprecedented growth has been seen across the sector and therefore the DfE has not been able to fully fund the growth cases submitted. This will impact future years, as Colleges are likely to become more reluctant to overrecruit, should there be a chance this will not be covered by additional funding. The matter will be raised at the College's Strategic Conversation with the DfE in April	
16. 16.1	**Items for report to the Corporation** • Minutes of meeting – 6 February 2025 & 13 March 2025 – Including CSIG minutes - for information • Budget Planning and Financial Objectives - for information	
Any Other Business		
17. 17.1 17.2	**Any other business** There was no other business. The Chair closed the meeting at 17:49.	

18.	**Meeting Evaluation**	
18.1	**ACTION:** To be circulated by the Deputy Governance Director.	**DGD**

Approved by the Committee:

B. Barrett **08.05.25**

Signed by the Chair Date

Agreed actions

No	Minute	Action	Who?
1	5.4	The F&GP Committee Chair to liaise with the Audit Committee Chair to ensure funding streams was added into the Internal Audit Plan.	F&GP Chair
2	11.3	The DPS to provide a report on the changes to be introduced under the Employment Rights Bill and the potential impact on the College.	DPS
3	11.9	The DPS to report on the impact of the current tribunal process and related costs at the Annual Strategic Conversation in April.	DPS
4	18.1	Meeting Evaluation to be circulated by the DGD	DGD