Bradford College

MINUTES OF THE MEETING OF THE FINANCE & GENERAL PURPOSES COMMITTEE
HELD: on Thursday 6 February 2025 at 16:00 in 4F07 DHB

Present	**In Attendance**
Bulbul Barrett (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)
Lendy Ho	Allison Booth (Governance Director)
David Fearnley	Rachel Henry (Deputy Governance Director)
Observing	
Furkan Uddin (Professional & Leisure Services HoD)	
Apologies	
David Merrett	

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 and introduced Furkan Uddin who was in attendance to observe the meeting.	
1.2	Apologies were noted for David Merrett.	
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 5 December 2024</u>**	
3.1	**RESOLVED:** The minutes of 5 December 2024, including the confidential annex, 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 thoroughly reviewed and outstanding actions were updated to incorporate actual reporting dates.	
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: 5. F&GP data dashboard, noting the finalised position of the Q1 and the forecast outcome of 'Good' Financial health 8. Q1 financial forecast demonstrating that despite the reduction in income that 'Good' financial health would be achieved. 11. Estates Plan update, specifically noting the credit notes on utilities and the impact on the current year's financial performance. 13. Capital Projects, no major change since the last report; noting the positive post project review for the ATC. 16. Noting the changes to the financial risk after reflecting on the risk appetite session at the governors away day.	
Strategic plan Implementation		
6.	**<u>F&GP Data Dashboard</u>**	
6.1	The VPF&CS presented the F&GP Data Dashboard which reflected the final Q1 position and advised that there had been little change since December 2024; • PERFORMANCE: EBITDA % of Income (excluding capital income) – 6.6% - lower income was the main driver; currently within tolerance. • Capital Programme (Internally Funded) – £4,132k – mainly driven by the match for Garden Mills being paid this academic year and ATC project timings. • Capital Programme (Externally Funded) - £9,594k – driven by the delays in the FTC development.	
6.2	**Q. What metrics are used to ascertain the advertising value equivalent for positive PR?** A. Agility PR Solutions findings indicate that the advertising value equivalent is £14.4m in terms of media coverage. This doesn't take into account the impact/value of our social media campaigns, which would be expensive to monitor.	
6.3	**Q. What is being done to grow alumni numbers?** A. The first year was spent building the alumni database. Year two will involve inviting a number of alumni back to engage with students. This could lead to publication of case studies across social media platforms to promote courses and our profile.	

Finance 2024-25		
7. 7.1 7.2	**Management Accounts (December 2024)** Members considered the period 5 management accounts to December 2024: • Operating Income was £0.17m adverse to budget for the year to date. The income shortfall was made up of a number of variances across different income lines but mainly driven by HE Fees. The shortfall in recruitment for 16-18 also presented a major risk for current and future year income streams. • Staff costs were £0.26m favourable to budget due to vacancies and posts being held. • Non-pay costs were £0.15m favourable to budget for the year to date and could be seen to improve further by the end of the year. • Electricity costs were currently higher than expected and this was being investigated by the Estates Team. • The VAT rebate due would also be factored into the accounts going forward; this would have a positive impact on income not included in the Q1 position. • The cash position was £2.40m lower than the budget due to a £3.54m lower than budgeted opening balance. • There were projected breaches in the cashflow covenant in 2025-26, and projected cashflow covenant in 2024-25. Waivers would be sought, if necessary, as a revised forecast would be produced in March to reflect up to date information on the funding grants, such as additional capital funding and funding rate changes. **Q. Is the T-Level clawback figure the final total?** A. No, this is the level of clawback to date. The final figure is expected in March/April 2025.	
8. 8.1	**Q1 Financial forecast** The VPF&CS provided an update on the Q1 Financial Forecast. The main changes versus the 2024-25 financial plan were highlighted, in particular: • Income – variance of -0.83m • Staff Costs – variance of -0.60m • ESFA Financial Health – remained 'Good' • The projected cashflow covenant was showing breaches in April and July 2025. The VPF&CS advised that the VAT rebate and Garden Mills final account had not yet to be factored into the reporting in the accounts. The Chair requested that this be captured in the reporting.	

8.2 8.3	**ACTION:** The VPF&CS to highlight the position on the VAT rebate and Garden Mills within the forecast reporting. The VPF&CS advised that in accordance with the CFFR, it had been previously agreed with the bank that in the event of the sale of the Little Germany site, the proceeds would go towards paying down the loan. In the event of the site being sold, the College would instead seek permission from the bank to use the proceeds to offset some of the match funding required for the FTC Capital Project.	**VPF&CS**
9. 9.1 9.2 9.3 9.4	**Student Recruitment** The VPR&C presented an update on Student Recruitment. • The 16-18 and Higher Education income streams would remain unchanged for 2025-26. • 16-18 recruitment in year was currently at 4,231 (+80 from Nov 1st) vs target 4,395, with additional 80+ starts to come in Jan/Feb. This was a continuing improving picture that would increase the College's funding position for 2026-27. Applications for 2025-26 were robust and up slightly against the same point last year. • Higher Education continued to be challenged, the position would remain unchanged now for the year; with early applications for next year on track for teacher education, engineering, health sciences, but still challenging for the School of Art. • T-Levels had received increased interest however, a cautious picture was been presented to date. **Q. How have T-Levels landed within the marketplace?** A. The Government put a lot of funding into the launch of T-Levels but not into their continued promotion. Confusion over the Government's future strategy for T-levels, the difficulty of finding industry placements for students in niche markets, low success rates and the reticence of some universities to acknowledge it as a qualification, all appear to be contributing factors to T-Levels' somewhat limited success story to date. **Q. What impact does this have on the foundation T Levels?** A. The aim of the T Level Foundation Year was to prepare students to progress onto and succeed on their chosen T Level as an alternative to A levels. The problem is that some foundation T levels do not come with a qualification embedded in, so are somewhat flawed. **Q. Could there be an opportunity for the College to deliver ESOL courses digitally to students living in other countries?**	

	A. This could certainly be explored; we were able to deliver classes on digital platforms during the pandemic. We will discuss this with the ESOL HoD and provide feedback.	
9.5	**ACTION:** The F&GP Chair to facilitate an email introduction between a contact at Kings Business School and the College.	**F&GP Chair**
9.6	The VPR&C advised that the 16-18 Recruitment position for 2025-26 was seeing a slight uplift in applications versus last year. Main vocational programmes were seeing a high-volume interest, with 30% being at E3/L1 provision as per last year. This area could see growth in demand, which could provide challenges on capacity within the ATC and Maths and English GCSE resits.	
9.7	**Q. What is being done in terms of increasing capacity?** A. The College will not struggle to find the capacity to teach the additional students but risks not having the required funds to be able to do so. So, the intake on learner numbers may need to be capped.	
10.	**Annual Treasury Management Report**	
10.1	The VPF&CS presented the Annual Treasury Management Report, highlighting that: • After raising interest rates thirteen times from 0.25% in 2022 to 5.25% in August 2023, the Bank of England (BoE) cut interest rates for the second time from 5% to 4.75% at its most recent meeting in November. • The College started the 2024/25 year with loans of £14.9m with Lloyds Bank. Interest payments for the year ended July 2024 amounted to £872k. Future annual loan repayments of £900k would continue to be made until December 2033. Early in 2023 the College negotiated with Lloyds Bank to receive interest on cash balances in the current account at a rate of 3.9%, whereas previously no interest was being paid on current account balances. This would result in additional bank interest income of £300k during 2023-24, and a similar but reducing amount in the next few years depending on the level of cash balances in the current account. At the last meeting, members had requested that the College consider engaging with other banks that offered higher interest rates. The VPF&CS advised that a review of the College's terms with the Bank had been undertaken and that there was nothing to stop the College exploring alternative banks. Members agreed that it would be beneficial to explore what interest rates were offered by other banks.	

10.2	**ACTION:** The VPF&CS to explore the interest rates being offered by other banks.	**VPF&CS**
Resources		
11.	**Estates Plan Update**	
11.1	The VPF&CS advised that there had not been a considerable amount of change since the previous update: • The sale of Appleton had stalled and failed due to the proposed buyer going silent, this would need to be returned to the market for sale. The challenge of procuring insurance remained and consequently the College were considering whether the best course of action was to continue attempting to sell the building or whether it would be best to demolish it and retain as brown land. • The CTS building in Little Germany remained vacant; the sale was progressing, with continued communications between the College's Legal partners and the VPF&CS. • The disruption as a result of the works on the Bradford Energy Network had begun. An alternative route into the College was place. • Work continued to re-tender the cleaning services provided to the College; this was on track and the expectation remained that the new contract would be starting August. There had been no change to the expectation that the date for the new FM contract would be starting in April 2026. • Following a recent review of utilities, it was found that VAT had been incorrectly charged for a period and the College received revised invoices of electricity for the previous two years. The credit notes were being processed to assess the amount that was due to be credited back.	
11.2	**Q. How will the VAT rebate be reflected in the financial reporting?** A. We will try to include the rebate in our accounts for this financial year. We will be requesting a return of the credit due in their entirety from our electricity provider. This amount will be reported in the accounts as a non-recurrent item.	
11.3	**Q. What budget has been set for the fire compartmentalisation work?** A. There was a circa 400k budget factored into this year's Capital Plan. There was also circa 400k actual revenue reserved for fire doors. The fire compartmentalisation work is predicted to be circa	

	500k for the next academic year, which is included in the capital plan for next year.	
12. 12.1 12.2 12.3 12.4 12.5 12.6 12.7	**Capital Projects Update** **FTC (Future Technology Centre)** – Revised Budget £19,322k (Inc. £3,432k match), £3,256k spent to date. Main contract works had now commenced on site, the gantry pad foundations had been poured and the piling had commenced. **Garden Mills** – Revised Budget £6,900k. The Final Account had been under negotiation however, the VPF&CS advised that the College had agreed a settlement figure with the contractors prior to the F&GP Committee Meeting, with a cost of circa £75k to the College against the £300k provision that had been made in the accounts. This would mean circa £225k of the provision could be released back into revenue. The College would now start the post-project review process, which had been on hold pending the final account. **Energy Efficiency Grant** (no match) – Allocation £356k must be spent by 31 March 2025. £287k had been spent to date on replacement of all Trinity Green boilers. The remaining amount would be utilised over the coming months on energy efficiency upgrades, including the works on installing the LED lighting. **Skills Injection Fund 1** – Capital & Resource Allocation £434k, spend to date £199k. Spend was halted to mitigate clawback due to the 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 outcome with regards to grant clawback was awaited. **Q. When are we likely to hear the outcome on clawback?** A. We have not received any feedback to date but have made provision in the accounts. The funders did not specify from the outset how clawback would work; this will be followed up. **Skills Injection Fund 2** – Capital & Resource Allocation £325k. This had now all been spent. **T levels Wave 5 – Building Project** – Budget £3,046k, with £338k match, £2,851k spent to date. The remaining budget was currently being reviewed and a spend plan being produced. A change request had been submitted to the funder to account for the revised cashflow of the project.	

12.8 12.9 12.10	**Salix (Heat District Network)** – Budget £2,657k and £364k Match, £164k spent to date. The project was on track, and on budget. However, there was a risk to the year 1 funding drawdown due to the tightness of the programme. Mitigations were in place to reduce the risk. **ATC (PLW relocation)** – The post project review had been concluded and presented to the Capital Special Interest Group (CSIG). The F&GP Committee reviewed the ATC Post Project Review and it was acknowledged that the project had now been closed down in its entirety. The ATC Capital Project would now be removed from the CSIG Committee Terms of Reference.	
13. 13.1 13.2 13.3 13.4	**CSIG Update** <u>11a. Minutes of the meetings 4 November and 9 December 2025</u> These were included in the pack for information and background. <u>11b. Review of the CSIG Committee existence</u> The Committee had reviewed its existence in accordance with the CSIG Terms of Reference. The Annual CSIG Report had been provided which included meeting schedules, CSIG composition and projects to date. The Capital Special Interest Group Report is recommended to the F&GP Committee for approval. **RESOLVED:** The Capital Special Interest Group Report is approved. Members were advised that, in consideration of a number of the Capital Projects being closed off, the frequency of meetings would be discussed at the next CSIG. ***FU/L***	
Policies		
14.	None	
15. 15.1	**Pay increase recommendation** The VPF&CS advised that the Quarter 1 financial forecast had included a 2% pay rise back dated to August 2024. However, since this work was finalised, the College had joined the AOC, their pay recommendation for 2024/25 was 2.5% and it was known that all	

	surrounding colleges would offer this. Therefore, it was proposed that the College match that offer so that salaries do not fall in comparison to these colleges. The expected additional cost would be £0.2m, which would be covered by additional income that was not included within the financial forecast. The additional income being support for high needs students, (though the additional costs had already been included within the financial forecast) and the reduction in costs due to the correct VAT rate of 5% being applied going forward, rather than 20%.	
15.2	The VPF&CS confirmed that the F&GP Committee had the delegated authority level to agree the decision. The Chair advised that the F&GP Committee would inform the Corporation that the decision had been approved.	
15.3	**RESOLVED:** That a pay rise of 2.5% be given to all staff with effect from March 2025 and backdated to August 2024 is approved.	
15.4	The Committee requested an extraordinary meeting be arranged as recommendations on Senior Post Holder pay was the remit of the Remuneration Committee.	
15.5	**ACTION:** The GD to arrange an extraordinary Remuneration Committee.	**GD**
Governance and Risk		
16.	**Strategic Risk Monitoring**	
16.1	The Committee reviewed the strategic risks for which it has oversight. The VPF&CS advised that, since the Risk Register had been presented in December, the gross score for SR1 had been reduced from 20 to 12 and the net score had been reduced from 12 to 9. Risk appetite in this area had therefore moved from averse to cautious. Update to the commentary on SR12 reflected the recommendation to provide the AOC pay recommendation.	
17.	**Items for report to the Corporation**	
17.1	It was noted that there was another meeting of the F&GP Committee on 13 March ahead of the next Corporation meeting on 20 March 2025. Items from this meeting for reporting to Corporation include: • Minutes of meeting – 6 February 2025 • Pay rise of 2.5% for staff – for information	

Any Other Business		
18.	**Any other business**	
18.1	There was no other business.	
18.2	The Chair closed the meeting at 17:41.	
19.	**Meeting Evaluation**	
19.1	**ACTION:** To be circulated by the Deputy Governance Director.	**DGD**

Approved by the Committee:

L. Ho **13.03.25**

Signed by the Chair Date

Agreed actions

No	Minute	Action	Who?
1	8.2	The VPF&CS to highlight the position on the VAT rebate and Garden Mills within the forecast reporting.	VPF&CS
2	9.5	The F&GP Chair to facilitate an email introduction between a contact at Kings Business School and the College.	F&GP Chair
3	10.2	The VPF&CS to explore the interest rates being offered by other banks.	VPF&CS
4	15.5	The GD to arrange an extraordinary Remuneration Committee.	GD
5	19.1	Meeting Evaluation to be circulated by the DGD	DGD