

**MINUTES OF THE MEETING OF THE FINANCE & GENERAL PURPOSES COMMITTEE
HELD: on Thursday 10 October 2024 at 16:00 in 4F07-DHB Boardroom**

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

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 John Williams.	
1.3	There were no disclosures 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 on 4 July 2024 (including confidential annex) and CSIG Minutes for information</u>	
3.1	RESOLVED: The Minutes of the meeting held on 4 July 2024, including the confidential annex, were approved as an accurate record and would be signed by the Chair.	
4.	<u>Matters Arising</u>	
4.1	The Matters Arising Report was reviewed.	
5.	<u>VPF&CS Report</u>	
5.1	The VPF&CS introduced his report, drawing members attention to the following specific items: <ul style="list-style-type: none"> Item 6. F&GP Data Dashboard, noting the overall positive position on draft Q4 position; full details within the Item 8 Quarter 4 Forecast. 	

5.2	<ul style="list-style-type: none"> • Item 7. Student recruitment update noting the current position and early indications for 2024/25, specifically the shortfall in HE student numbers. • Item 10. AWAM Policy & Procedures noting the variation to lecturer contracts. • Item 11. Estates plan update, noting the offer on the Little Germany site and the subsequent recommendation. In addition, noting the work being undertaken on utilities contracts. • Item 12. Capital Projects update specifically the completion of the ATC and Garden Mills refurbishments. Noting the position on the FTC, with the indication of a requirement for increased budget. • Items 13. Annual Sustainability report, noting the progress made in year and activities identified for the coming academic year. • Items 17. Strategic Risk monitoring, noting the impact upon relevant risks informed by the papers. <p>The VPF&CS advised that a late paper had been submitted on utilities costs and this had been due to the short time frames allotted by the energy suppliers</p> <p><i>J/LH</i></p>	
Strategic Plan Implementation		
6.1	<p><u>F&GP Data Dashboard</u></p> <p>The VPF&CS presented the F&GP Data Dashboard, identifying areas of enquiry and challenge that would be coming up in the papers.</p> <ul style="list-style-type: none"> • Levy funding usage – An area outside of target which had been discussed at length by the Committee previously. • Deliver the College Budget and Strategic Financial Plan – These items would be addressed under item 8 on the agenda. • HE Fee Income – Due to lower than budgeted student recruitment. • AEB Income – This would be addressed under item 8 on the agenda. Lower delivery impacts AEB income. • Individual Student Award Entries – Lower than target. 	
Finance		
7.1	<p><u>Student Recruitment</u></p> <p>The VPR&C advised that there were two broad areas of concern:</p>	

7.2	<p><u>16-18</u></p> <ul style="list-style-type: none"> • 16-18 recruitment was below target, however the College had proactively removed learners with no attendance earlier, with the view to securing a definitive Day 42 measure. More definite recruitment figures would be available by the next meeting, following the passing of Day 42. • The influx of interest seen by the College followed by a high level of non-attendance was thought to be partly attributable to education-related benefits, as certain benefits could be claimed following proof of enrolment rather than proof of attendance. • There was capacity for in-year recruitment with the increased need of more short-term, modularised learning such as through the Prince’s Trust programme, Culture Fusion and the NEET (Not in Education, Employment or Training) provision in PLW. This would impact the finance allocation for next year due to recruitment being in-year. • An uplift particularly in the number of Level 2 learners had been seen, with local intelligence indicating that sixth forms and other colleges in the area were not filling their Level 3 places due to the low Bradford District GCSE results. 	
7.3	<p>Q. If students enrol but don’t attend College will they still receive education-related benefits?</p> <p>A. Yes this is likely, as there is not a dynamic, live data feed from Bradford College to the Department for Work and Pensions (DWP). This means it will take time for the DWP to register non-attendance of students.</p>	
7.4	<p><u>Higher Education (HE)</u></p> <ul style="list-style-type: none"> • Higher Education was extremely challenged. The financial position would become clear at Q1, but a c.£1M shortfall in income was anticipated for this budget line currently; predominantly in the Bradford School of Art and Science, Computing & Allied Health departments. • The College’s new Education delivery partnership with Leeds Trinity University was still in its infancy and enrolment through their admissions team had delayed recruitment substantially this year which would be reflected in lower cohort numbers. • Anecdotal evidence suggested that Arts intake was low across the sector, with UCAS indicating that there was reduced applications in various Arts courses. Colleges were being hit the hardest in this area. 	
7.5	<p>Q. At what point do certain courses become unviable?</p> <p>A. We need to be determining viability of courses in the performance reviews. There could be an option to outsource certain courses however, this would bring its own challenges.</p>	

<p>7.6</p> <p>7.7</p> <p>7.8</p>	<p>Q. Do we need to look at changing our curriculum offer? A. This curriculum offer comes under SO2 - To deliver a curriculum that meets the needs of students, employers and our community. We need to quickly transfer our offer to subjects that Universities aren't recruiting to. This will then feed in to SO6 – to grow the College's income through student recruitment. We need to ensure we have the right product and remove subjects that have a low uptake.</p> <p>Q. Why are we struggling to recruit to HE Computing? A. We had previously offered a 3-year Honours Degree in Computing which was academically focused and a course offered by many better-resourced Universities. We are now offering more skills-based courses, focused on areas such as cyber security which we will need to build our reputation in.</p> <p>Members acknowledged that if the current position on student recruitment did not improve, there could be a potential shortfall of approx. £1.32m in 16-18 income in 2025, due to lagged funding. The College was also seeing an in- year shortfall for HE of approx. £1m in 24-25 budget year. This would present a significant issue for the College in terms of meeting this shortfall. Therefore, it was crucial that the push on recruitment remained a priority.</p> <p>Members discussed the requirement for a deep dive into the College's curriculum offer. This would be raised with the Quality & Standards Committee at the next Corporation meeting.</p>	
<p>8.</p> <p>8.1</p>	<p><u>Quarter 4 Forecast and Draft Management Accounts (2023-24)</u></p> <p>The VPF&CS presented the 2023-24 Quarter 4 outturn advising that it was a draft position and subject to change due to year-end adjustments.</p> <ul style="list-style-type: none"> • Income (excl. capital income) was favourable to budget, mainly driven by increases in FE Funding. • Staff costs were £2.6m adverse to budget mainly due to a pay increase of 6.5% as compared to a budget of 2%, increased TPS costs from April and higher agency costs to cover vacancies. • Operating and estates costs were higher than budgeted due to the substation works and the repurposing of the ATC building. • The College was delivering on all metrics. • The EBITDA, excluding capital grants and interest was 6.9% compared to the 2023/24 target of 7.1%. • All bank covenants had been met for 2023-24. 	

8.2	<p>The Chair commended the work the VPF&CS had done on the covenants with the Bank and acknowledged that the College's financial position was a good news story.</p> <p>Q. Are there any risks associated with the actions taken to avoid the cash sweep?</p> <p>A. No, all actions have been taken in line with the Financial Regulations, with the intent of safeguarding the public purse and working to practicalities.</p>	
Resources		
9.	<p>(a) <u>Organisational Changes Update</u></p> <p>9.1 The DPS advised that following business planning for 2024/25, there had been some proposed restructuring which had required individual consultation. This had taken place over the summer period.</p> <p>There had been a small restructure required following three rounds of business planning. The College had started early consultation with employees impacted by the decision to close down Inprint and design Limited, a joint venture with the University of Bradford.</p> <p>The Corporation had approved an enhancement to statutory redundancy pay in line with managing public money rules in July 2024. In total, less than twenty roles had been impacted.</p> <p>9.2 (b) <u>People Strategy Update</u></p> <p>The DPS provided an overview on the People Strategy Update, which included a summary of the key people services metrics for the academic year 2023/24.</p> <ul style="list-style-type: none"> • Staff turnover remained low at 11.9% and was sector leading with the average being circa 20-25% for larger colleges. • Sickness absence for the year was 3%. The HR Team continued to support Line Managers on the absence management processes. • Employer Relations Cases remained low, the focus remained on informal resolution and investment in line managers. • The annual staff survey was positive in 2023/24 with overall engagement of 90%. <p>9.3 Q. Is the College implementing the new Worker Protection Act?</p> <p>A. The SLT have completed Dignity at Work training and the Dignity at Work Policy has been updated. This will be rolled out</p>	

9.4	<p>across the organisation in staff training and through related internal comms. Bradford College has a positive culture around dignity at work and it is taken incredibly seriously.</p> <p>Q. Has there been good uptake on Wellbeing Programmes?</p> <p>A. Not as much as we would have liked to see. However, wellbeing champions are now being appointed across the College. We have seen good uptake for sessions on stress reduction and mindfulness.</p>	
9.5	<p>The DPS advised that the staff voice would continue to be a priority for the College.</p>	
10.	<u>AWAM – Contract Terms and Conditions</u>	
10.1	<i>A separate confidential minute was recorded – see annex.</i>	
11.	<u>11a. Estates Update</u>	
11.1	<p>The VPF&CS provided the following Estates update:</p> <ul style="list-style-type: none"> • Since the last meeting, no correspondence had been received from the prospective buyer of the Appleton Building and therefore the site was being remarketed. • The Little Germany site was marketed at £1,325k and had received interest from a number of parties, which culminated in 3 block viewings attended by a total of 10 parties. This had resulted in two offers being received; one from Fox Developments at £994k, but this was conditional upon attaining planning permission for residential conversion and would take approximately 8 to 10 months. The other offer being from Overland Developments Ltd at £1,000k; this was unconditional and would be for their own office space with the intent to rent out the surplus space, the time scale of which was 4 to 6 weeks. Given the reduction in market activity and high level of supply, it was recommended that the offer from Overland Developments be accepted as this aligned with the estates plan of reducing satellite sites and estate that is surplus to requirements. The acceptance of the offer and subsequent sale of the Little Germany site would result in £1m being received, which could be used to support other capital projects. It would also support the College’s insurance position and sustainability goals. 	
11.2	RESOLVED: That the offer for the Little Germany site of £1m from Overland Developments is accepted.	

11.3	<p><u>11b. Utilities Contracts</u></p> <p>The VPF&CS advised that the current utilities contracts would expire in April 2025 and given the wider volatility, all the market intelligence suggested securing contracts now would be prudent. Therefore, NGP had been out to the market and approached twelve energy suppliers and had recommended the following:</p> <ul style="list-style-type: none"> • A three-year fixed gas supply from ENGIE, which would provide an annual saving versus the current contract of £57k net of VAT (a 43% increase had been budgeted). In the event of future price reductions, the contract could be renegotiated at a new rate, though this would require an extension of the contract by 12 months. • A four-year flex contract for electricity from NPower, which would result in an annual increase of £102k net of VAT per annum (a 10% increase had already been factored into the budgeted from April). In addition, monitoring software for DHB will be provided free of charge, with expected annual savings ranging from £24k to £72k net of VAT. <p>The electricity contract would be flexible, with a cap 8% higher than the current forecast costs but also provided the flexibility for the costs to fall in the event of energy price reductions in the market.</p> <p>The VPF&CS advised that the reason for exploring this now was that the probability of future increases in utility costs was high. This was driven by the current low wholesale energy market, the conflict in the middle east and the uncertainty on this around oil infrastructure. In addition, there was uncertainty around the impact of the US general election and the potential for liquified natural gas costs to increase.</p>	
11.4	<p>Q. Has due consideration been given to use of renewable energy sources?</p> <p>A. Securing a renewable energy source is not within the College’s budget, however our connection with the Bradford Energy Network will achieve some balance. There is no usage requirement within the contract and therefore as we start to use energy from the Network, there will be no negative financial impact.</p>	
11.5	<p>The fast-changing nature of energy markets meant that the quoted figures may have changed post-approval, therefore the VPF&CS requested approval to enter the contracts as reported allowing for a 5% cost variation.</p>	

11.6	RESOLVED: That suppliers be engaged with to enter the contracts as reported, allowing for a variation of costs of 5%.	
12. 12.1	<p>Capital Projects Update</p> <p>The VPF&CS provided the following Capital Projects update:</p> <ul style="list-style-type: none">• ATC (PLW Relocation) – Completed on time and on budget.• Garden Mills – The contractor had completed the main works and handed the building back to the College as planned on 13 September. Final snagging works would continue in line with the contract.• T Levels Wave 5 – Practical completion had been delayed to end of October/early November due to long lead times from the supply chain for some elements.• FTC (Future Technology Centre) – The projected overall budget position was approximately £8.9m which factored in all anticipated risks. Project risks had been reducing, with the pile probing having been completed ahead of schedule and no obstructions found. The main contract works were proposed to start on site on 9 December 2024, based on a contract award of 28 October 2024. This was subject to DfE’s response to the formal change request that had been submitted to extend the funding drawdown to December 2025 and a 10% inflationary uplift of the grant funding which would be £890K. The request outcome remained outstanding despite the College following up and making the DfE aware of the hard deadlines to be met. The DfE had indicated that the College would receive a response by mid-October but that there were delays due to staff shortages. In view of the tight timeframe, the VPF&CS would present a scenarios report to the Corporation on 17 October requesting approval to proceed, which would be conditional on receiving DfE approval prior to the planned contract award date of 28 October 2024. Members were informed that should this not be obtained, the project would not be able to continue. <p>Members acknowledged the importance of the input and guidance from Finance & General Purposes Committee and Capital Special Interest Group members at the Corporation meeting in order to inform any decision making.</p>	
12.2	<p>Q. Would there be an opportunity to delay the contract award date until a response from the DfE is received?</p> <p>A. No, this would impact the programme end date which is fixed into the funding agreement with the DfE. DfE approval would</p>	

<p>12.3</p>	<p>need to be received prior to the 28 October for the project to remain viable.</p> <p>Q. How do we sign off and close the ATC and Garden Mills Projects?</p> <p>A. The College will receive a final close out position from the contractors in the form of a final report. A washup exercise will be completed and lessons learnt recorded. This will be signed off by the CSIG and then the F&GP Committee.</p> <p>It was recognised that addressing defects in the form of snagging could take up to a year to complete and therefore would be delegated back into the organisation for completion and this would then be picked up through the usual Estates reporting.</p>	
<p>12.4</p>	<p>ACTION: The VPF&CS to present a checklist and any associated papers at the next CSIG meeting for initial sign off on the ATC and Garden Mills projects.</p>	
<p>13.</p> <p>13.1</p> <p>13.2</p> <p>13.3</p>	<p><u>Draft – Annual Environmental Sustainability Report</u></p> <p>The VPF&CS presented the draft Annual Environmental Sustainability Report, which demonstrated the College’s Sustainability Journey and the progress to date. Following members’ previous request, the report now contained more detailed analysis of the College’s performance against sustainable goals and how these had been embedded into the curriculum.</p> <p>The Committee agreed that the report evidenced the College’s commitment to sustainability which went beyond sector requirements and showcased key initiatives implemented and achievements gained, including winning Planet Earth Games.</p> <p>ACTION: 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.</p> <p>RESOLVED: That the Annual Environmental Sustainability Report be approved for publishing on the College website, subject to the requested final amendments.</p>	
<p>14.</p> <p>14.1</p>	<p><u>Procurement Report</u></p> <p>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</p>	

	<p>would support assurance around the College’s management of public money.</p> <p>Therefore, two appendices had been provided: one on single source justifications approved during the academic year 2023-24 and another which contained Purchase Orders raised that were greater than £150k.</p> <p>The Committee noted the report.</p>	
15.	<u>Write off of debt</u>	
15.1	<p>The VPF&CS provided a summary of student debt write-offs during 2023-24.</p> <p>Debts were only written off after due diligence to assess recoverability, including discussions with the College’s external debt recovery agents.</p> <p>The largest balance written off had been £6k. No other balance written off exceeded £5k. All 2023/24 write-offs had been approved by the Vice Principal of Finance and Corporate Services in accordance with the limits set out in the Financial Regulations. There were no write-offs which required authorisation by the F&GP Committee, or the EFSA according to the College Financial Handbook 2024.</p>	
Policies and Statements		
16.	<u>Health & Safety Policy</u>	
16.1	There had been no significant changes made to the Health and Safety Policy as part of an annual review.	
16.2	RECOMMENDATION: That the Health & Safety Policy be recommended to the Corporation for approval.	
16.3	<p><u>FE Fees Policy 2024-25</u></p> <p>The FE Fees Policy had been updated to reflect Funding Rules being added to the linked information section, changes to Adult FE Fees and updated Apprenticeship Fee guidance.</p> <p>It was noted that the FE Fees policy would also be presented at the Q&S Committee next week, before being presented to the Corporation.</p>	

16.4	RECOMMENDATION: That the FE Fees Policy 2024-25 be recommended to the Corporation for approval.	
Governance and Risk		
17.	<u>Strategic Risk Monitoring</u>	
17.1	The Committee reviewed the strategic risks for which it has oversight. It was noted that there was relatively little change, with the only updates being made to the commentary.	
17.2	Members agreed that it would be helpful to discuss the reporting lines allocated to each Committee for some of the risks on the register, to ensure optimum assurance. The Chair advised that this would be picked up at the next Corporation meeting.	
Any Other Business		
18.	<u>Items for report to the Corporation</u>	
18.1	<ul style="list-style-type: none"> • Minutes of meeting – 10 October 2024 • Student Recruitment • Quarter 4 Forecast and Draft Management Accounts (2023-24) • AWAM – Contract Terms & Conditions • Estates – FTC Report • Health and Safety Policy • FE Fees Policy 2024-25 	
19.	<u>Any other business</u>	
19.1	There was no other business.	
19.2	The Chair closed the meeting at 18:28.	
20.	<u>Meeting Evaluation</u>	
20.1	To be circulated by the Assistant Clerk.	

Approved by the Committee:

B. Barrett

05.12.24

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Signed by the Chair

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Date

Agreed actions

No	Minute	Action	Who?
1	12.4	The VPF&CS to present a checklist and any associated papers at the next CSIG meeting for initial sign off on the ATC and Garden Mills projects.	VPF&CS
2	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.	VPF&CS
3	20.1	Meeting Evaluation to be circulated by the Assistant Clerk.	Assistant Clerk