

BASINGSTOKE COLLEGE OF TECHNOLOGY CORPORATION

Owing to the emergency restrictions imposed by HM Government on travel and social distancing because of the global COVID-19 pandemic this meeting was held by video conference

FINANCE & RESOURCES COMMITTEE

MINUTES OF A MEETING HELD ON WEDNESDAY 13 MAY 2020

Membership (7):	*	Lynne George	External Member	Chair
	*	George Batho	External Member	
	*	Anthony Bravo	Principal	
	*	Greg Devereux-Cooke	Staff Member	
	*	Mike Howe	External Member	Vice Chair
	*	Dave Murray	External Member	
	*	Colin Willoughby	External Member	
Quorum:		3 required	7 present	Meeting quorate
In Attendance:		Mark Bonnett	Finance Manager (FM)	
	*	Simon Burrell	Clerk to the Corporation (Clerk)	
	*	Lorraine Heath	Deputy Principal: Business (DPB)	
	*	David Moir	Deputy Principal: Finance & Resources (DPFR)	
	*	Malcolm Quiney	Head of HR (HHR)	
Present at Meeting:	*			

PART 1 - NON-CONFIDENTIAL MINUTES

(5.00pm)		ACTION
802.	APOLOGIES FOR ABSENCE Mark Bonnett (Finance manager)	
803.	DECLARATION OF INTERESTS There were no declarations of interest made.	
804.	NOTIFICATION OF ANY OTHER URGENT BUSINESS The DPFR notified one item of any other urgent business.	
805.	MINUTES OF THE PREVIOUS MEETING The Minutes of the meeting held on 20 November 2019 were confirmed as a correct record. <i>[The Minutes would be signed by the Chair when national restrictions were relaxed]</i>	

806.	<p>MATTERS ARISING</p> <p>There were no Matters Arising considered that had not been discussed elsewhere at the meeting.</p>	
807. (5.03pm)	<p>HR ACTIVITY REPORT</p> <p>A written report was received and noted. The HHR took the Committee through the report and advised that:</p> <ul style="list-style-type: none"> • A lot of work and time had been devoted to dealing with COVID-19 related matters such as trying to maintain some element of normal operations towards operational matters, and working from home arrangements. A total of 32 staff (mainly nursery and refectory staff) had been furloughed under the Government's Job Retention Scheme. • PDR achievement was at 83% for the current period, with the next round due to commence in June 2020. • The two industrial tribunals were continuing at various stages of progress. • Current gender pay gap data for BCoT showed that it had narrowed slightly. It was noted that the data for BCoT Professional Services showed a negative figure that was as a result of females being paid on average 2.82% more than males. • Recruitment of staff was providing a challenge. Currently 8 vacancies at present. However, during the current national emergency it was anticipated that staff turnover would be low. <p><i>(The HHR left the meeting)</i></p>	
808. (5.15pm)	<p>MANAGEMENT ACCOUNTS 2019/20</p> <p>The Management Accounts for March 2020 were received and noted. The DPFR took the Cttee through the April 2020 Management Accounts that had been published earlier that day.</p> <p>The DPFR advised that the third forecast update (F3) showed a deficit of -£743k, that was a slight improvement on the (F2) forecast of -£792k, against an original budget deficit (F1) of -£418k.</p> <p>With regards to the COVID-19 national emergency, the DPFR advised that most funding had been protected. There had been some additional costs associated with it but general spending had also reduced. Overall he anticipated the net cost to the College would be c£35k.</p> <p>The DPFR stressed that the greater concern to the College was the impact on employment opportunities for new apprentices as the economy went into recession and employers began the process of re-starting as restrictions are lifted. He advised that it was not yet possible to estimate the impact, but it was known that many businesses were in furlough, recruitment activity had stopped and new starts in September would be severely impacted. He was currently modelling a 50% drop in new start values for apprenticeships that would show a reduction in funding in excess of £500k in income in 2020/21. However, he anticipated that this could have a positive impact on full-time numbers that would, in time, compensate for the income loss. However under the lagged funding methodology there was a time delay of one year with any consequential significant cash impact and deficit on the Income and Expenditure account.</p>	

<p>808. (cont)</p>	<p>The DPFR advised further that because of the current emergency there was the risk that a number of Training Providers would go out of business, and, at the present time, it was not known whether the Government would provide financial support to training providers. He stressed that the College would not know until June or July 2020 what potential enrolment numbers could be anticipated for September apprenticeship starts. However, maintaining a comprehensive curriculum with full-time and apprenticeship options was considered to be the right strategy and in the business planning the College would need to ensure that all areas were set-up to offer this for next year.</p> <p>With regards to WBTC the DPFR advised that the forecast for 2019/20 had improved to a deficit of -£7k, but that March 2020 had shown the deficit estimated to be at -£49k. He stressed that the impact of COVID-19 was proportionately greater for WBTC because apprenticeships were the main source of the company's income. Some staff had been furloughed and all staff had agreed to a temporary 20% pay reduction.</p>	
<p>809. (5.35pm)</p>	<p>PROVISIONAL BUDGET 2020/21</p> <p>A written report was received and considered. The DPFR advised that current projections for 2019/20 remained at a deficit of around -£800k. It had been expected that the College would return to a small surplus in 2020/21 but a new assumption of significantly lower apprenticeship starts due to COVID-19 meant that the budget was likely to be a further deficit, provisionally in the region of -£200k to -£400k. Work on the budget was still continuing but could not be finalised until the curriculum plan had been finished and costed.</p> <p>The DPFR took the Ctte through the various assumptions (listed in the report) that he would be using in developing the budget. Because of the continuing variances and uncertainties caused by the COVID-19 pandemic he did not anticipate that he would be in a position to present a budget in the original timescale and requested consideration that the next scheduled meetings of the F&R Ctte and the Corporation be deferred by 2-3 weeks.</p> <p>In particular the DPFR advised that a technical error had been identified in the level of applications for full time programmes starting in September 2020. It had been identified that a number of applications had been 'double-counted' and the actual increase in applications was 5% as opposed to the 10% that had been assumed previously.</p> <p>The DPFR also outlined possible capital expenditure plans for 2020/21 and confirmed that the working draft budget included a flat-sum pay award to all staff other than those on minimum wage and nursery staff as they had been subject of a pay award earlier in the year.</p>	<p>Clerk</p>
<p>810. (5.57pm)</p>	<p>PROPERTY STRATEGY</p> <p>A written report was received and noted. The DPFR advised that the report set out a schedule of known works for the College's estate, and that it aimed to bring together all those requirements and parts of the estate where significant maintenance expenditure was required. He advised further that the schedule had been prioritised and costed over a five year plan.</p> <p>The DPFR took the Ctte through the proposed works identified for 2020/21. In response to a question from a Member he advised that funding for the works would</p>	

<p>810. (cont)</p>	<p>be from a combination of the existing estates budget, the capital budget and additional provision in the budget. He advised further that the Government had announced £1.5b of capital funding for the FE sector but how this would be allocated had not yet been advised.</p> <p>It was noted that the Capital Projects Committee would be re-formed in due course to oversee some of the projects.</p>	
<p>811. (6.25pm)</p>	<p>PARTNERSHIP PROVISION</p> <p>A written report was received for information and noted. The DPCPI took the Ctte through the report that updated it on progress by the current sub-contractors. In response to a question from a Member she advised that Learning Curve were confident that they would achieve the increased contract value agreed at the last meeting.</p> <p>With regards to the recently agreed contract with WBTC the DPCPI advised that there had been no enrolments to date but that they (WBTC) hoped that there could be some enrolments in the summer term.</p>	
<p>812. (6.28pm)</p>	<p>ANY OTHER URGENT BUSINESS</p> <p>1. Electric Vehicle Training Centre</p> <p>A written report was received and considered. The DPFR advised that Enterprise M3 LEP had recently agreed to the scheme and funding had been made available.</p> <p>The DPFR advised that orders in excess £50k required the approval of the F&R Ctte. However, he stressed that there was a long lead time (12 weeks minimum but could be delayed because of COVID-19) between placing the order and delivery of specialised equipment from Germany, and that in order to try to ensure delivery by the start of the autumn term he had sought Chairs Approval in line with the Financial Regulations. The cost of the equipment to be ordered was 86k euros plus 20% import duty.</p> <p>The DPFR advised further that the procurement route had been unusual for this purchase as the project plan and equipment specification had been produced by The Institute of the Motor Industry (IMI) which had been working as a expert partner with the College to develop and run the project. IMI had negotiated a price for the equipment with Lucas Nuelle (supplier), securing a 10% discount on the normal price (which had been used as matched funding for the project). In response to a question from a Member the DPFR advised that IMI had not sought competitive quotes as the equipment was very specialised and that they (IMI) had negotiated directly with the supplier to achieve the discount.</p> <p>The F&R Ctte supported the use of Chairs Action.</p>	
<p>813. (6.37pm)</p>	<p>CONFIDENTIAL MINUTES OF THE PREVIOUS MEETING</p> <p>The Confidential Minutes of the meeting held on 12 February 2020 were confirmed as a correct record. <i>[The Minutes would be signed by the Chair when current restrictions were relaxed]</i></p>	
<p>814.</p>	<p>CONFIDENTIAL MATTERS ARISING</p> <p>There were no Confidential Matters Arising considered that had not been discussed elsewhere at the meeting.</p>	

815.	<p>ESTATES UPDATE</p> <p>A written report was received for information and noted. The DPFR took the Ctte through the report and update it on progress. The Ctte recorded its thanks to the Head of Operations and his team for all they good work they undertook for the College.</p>	
816.	<p>IT SERVICES UPDATE</p> <p>A written report was received for information and noted. The DPFR advised that the IT Team had worked very hard on developing the on-line remote working processes used following the COVID-19 'lockdown'.</p> <p>The DPFR advised that, owing to the various restrictions in place related to the COVID-19 pandemic, there would be a delay in completing a number of actions as they were dependent on government plans for staff / students returning to college. In addition, if there was to be a large influx of work due to the return of staff and students, it could also cause a further delay to the roll-out.</p> <p>The Chair requested that the Director of IT attend the next meeting of the committee to update on progress with the implementation.</p>	DoIT
817.	<p>DATES OF FUTURE MEETINGS <i>(Meetings commence at 5.00pm unless stated)</i></p> <p>Wednesday TBA Jul 2020</p> <p>Thursday 26 Nov 2020</p> <p>Wednesday 10 Mar 2021</p> <p>TBA TBA May 2021</p> <p>Wednesday 23 Jun 2021</p>	
(6.48pm)	Meeting closed	

Confirmed as a correct record:		21 Jul 2020
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