

BASINGSTOKE COLLEGE OF TECHNOLOGY CORPORATION

FINANCE & RESOURCES COMMITTEE

MINUTES OF A MEETING HELD ON WEDNESDAY 16 MARCH 2022

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| Membership (8): | * | Mike Howe | External Member | Chair |
| | * | Anthony Bravo | Principal | |
| | * | Kevin Croombs | External Member | Vice Chair |
| | * | Greg Devereux-Cooke | Staff Member | |
| | * | Arun Mummalaneni | External Member | |
| | * | Dave Murray | External Member | |
| | | Barry Smith | External Member | |
| | | Vacancy (GB) | External member | |
| Quorum: | | 3 required | 6 present | Meeting quorate |
| In Attendance: | * | Mark Bonnett | Finance Manager (FM) | |
| | * | Simon Burrell | Clerk to the Corporation (Clerk) | |
| | | Lorraine Heath | Deputy Principal: Curr, Perf, Innov (DPCPI) | |
| | * | David Moir | Deputy Principal: Finance & Resources (DPFR) | |
| | * | Malcolm Quiney | Head of HR (HHR) | |
| Present at Meeting: | * | | | |

PART 1 - NON-CONFIDENTIAL MINUTES

| (5.00pm) | ACTION |
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| [The Clerk took the Chair for the following items] | |
| 903. APOLOGIES FOR ABSENCE Lorraine Heath (DPCPI) | |
| 904. ELECTION OF CHAIR OF THE COMMITTEE The Clerk advised that the Term of Office for the Chair of the Finance & Resources Committee had expired. He called for nominations. One nomination was received. It was RESOLVED that Mike Howe be elected Chair of the Finance & Resources Committee for a two-year term of office commencing 16 March 2022. (Proposed by Anthony Bravo, Seconded by Arun Mummalaneni) | |

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| 905. | <p>ELECTION OF VICE CHAIR OF THE COMMITTEE</p> <p>The Clerk advised that the Term of Office for the Vice Chair of the Finance & Resources Committee had expired. He called for nominations. One nomination was received.</p> <p>It was RESOLVED that Kevin Croombs be elected Vice Chair of the Finance & Resources Committee for a two-year term of office commencing 16 March 2022. (Proposed by Mike Howe, Seconded by Arun Mummalaneni)</p> | |
| | [Mike Howe took the Chair] | |
| 906. | <p>DECLARATION OF INTERESTS</p> <p>The Principal, the Staff Member, the Deputy Principal, the Head of HR and the Finance Manager declared an interest in Agenda Item 9: National Minimum Wage and Pay Proposals 2022.</p> | |
| 907. | <p>NOTIFICATION OF ANY OTHER URGENT BUSINESS</p> <p>There were no items of Any Other Urgent Business notified.</p> | |
| 908. | <p>MINUTES OF THE PREVIOUS MEETING</p> <p>The Minutes of the meeting held on 25 November 2021 were confirmed as a correct record, and were signed by the Chair.</p> | |
| 909. | <p>MATTERS ARISING</p> <p>There were no Matters Arising discussed that were not due to be considered elsewhere on the agenda.</p> | |
| 910. (5.05pm) | <p>HR ACTIVITY REPORT</p> <p>A written report was received for information and noted. The HHR took the Ctte through his report. He highlighted the main areas of interest as:</p> <ul style="list-style-type: none"> • BCoT Prof Services Ltd had been operating for four years and had 163 employees, with an estimated saving to the College of £200k in pension contributions to the Local Government Pension Scheme. • Recruitment of staff continued to be a major local and national problem. • Covid-19 related absences were still causing some disruption within the College. • Interim PDRs completed was at 75% of eligible staff. • Anti-racism training had been rolled-out to all staff. <p>In response to a question from a Member of the Ctte, the Chair of the Ctte requested that an analysis of staff turnover by department be circulated to the Members of the Ctte.</p> <p>(The HHR left the meeting)</p> | HHR |
| 911. (5.30pm) | <p>MANAGEMENT ACCOUNTS 2020/21</p> <p>The Management Accounts to February 2022 were received and noted. The DPFR advised that the operating deficit forecast (as at December 2021) was -£197k (original budget -£167k), with cash generation at £1,148k (original budget £1,246k).</p> <p>In reviewing the Accounts, the DPFR highlighted that the key issue for the College was the decline in 16-18 learner numbers in 2021/22, as, under lagged funding, the College's income would reduce in 2022/23 by c£540k. He stressed that the core</p> | |

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| <p>911. (cont)</p> | <p>operating position of the College (which did not reflect the lagged impact) was not sustainable, with forecast cash generation (at £537k) being below the normal level of annual capital spend of £700k.</p> <p>The DPFR advised further that both pay and non-pay expenditure was below budget, with the outturn expected for 2021/22 to be better than currently predicted. However, 2022/23 would be financially challenging.</p> <p>The DPFR advised that current year staff vacancies were creating an underspend in staffing costs that was in excess of the value assumed in the budget. Agency cover costs and agency recruitment costs were, though, absorbing some of that saving. National Insurance was due to increase by 1.25% in April 2022, and the National Living Wage increased by 6.6% at the same time.</p> <p>With regards to the Adult Funding contract for 2021/22, the DPFR advised that he anticipated that the College would utilise the full value of the Adult funding contract. He also anticipated that budgeted AEB income would also be achieved, but that would require a significant increase in distance learning enrolments to be achieved. Non-pay costs continued to remain below expectations and were expected to show a saving against the approved budget. However, with regards to the energy costs (gas and electricity price rises from April 2022) it was anticipated that electricity would double and gas would treble.</p> <p>The DPFR advised that six of the financial KPIs were graded 'green', but that the KPI for the surplus as a percentage of income was graded as 'amber'.</p> <p>WBTC's management accounts to 31 January 2022 were forecasting a year-end operating deficit of £88k, caused by missed income targets and higher than anticipated costs (some of which were one-offs associated with corporate issues). Potential additional restructuring costs had not been included in the figures, and these could see the deficit increase to £150k. Of this £95k was due to exceptional one-off expenditure, the remaining £55k is operational deficit that needs to be addressed.</p> | |
| <p>912. (6.07pm)</p> | <p>PARTNERSHIP PROVISION</p> <p>A written report was received and considered. The DPFR advised that at the last meeting of the F&R Ctte, and based on (then) current enrolments, the original contract value of £100k had almost been achieved. An increase of £50k had been approved by the F&R Ctte at its meeting in November 2021. However, this funding had not yet been released as the College had some concerns with achievement rates and quality matters.</p> <p>The F&R Ctte noted that the current in-year achievement rate for maths was 31% with WBTC predicting the year-end outcome to be around 41%. English was better with an in-year achievement rate of 71% and a predicted year-end outturn of 71%. Combined, these gave an overall in-year achievement rate (for WBTC learners) of 51% and a year-end predicted outturn of 58%.</p> <p>The Principal advised that increasing the proportion of learners studying English and maths would have a negative impact on the College's overall headline data. However, the extent of this was higher than had originally been anticipated due to the low achievement rate for maths. Currently, WBTC data had a 2.1%point negative impact on the College's 19+ achievement rate, and this was expected to increase to a 2.5%point negative impact by the end of the academic year (based on current enrolments).</p> <p>The Principal advised further that progress data for all learners was being closely monitored, alongside WBTC forecasting and actual completions, in order to ascertain the accuracy of WBTC's learner achievement rate predictions, before the College was able to release further funding (for English only) in the current academic year.</p> | |

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| <p>912. (cont)</p> | <p>The Principal advised further that for every additional 30 learners enrolled, based on a predicted achievement rate of 70%, there would be a further 0.2%point negative impact on the College's headline data, and requested that the F&R Ctte noted the current position with the WBTC contract.</p> <p>The report was noted.</p> | |
| <p>913. (6.13pm)</p> | <p>IT UPDATE</p> <p>A written report was received for information and noted. The DPFR took the Ctte through the report and updated it on progress. In particular, he advised that progress against the Cyber Essentials was ongoing with an assessment planned for June 2022.</p> | |
| <p>914. (6.28pm)</p> | <p>ESTATES UPDATE</p> <p>A written report was received for information and noted. The DPFR took the Ctte through the report and updated it on progress. In particular, he highlighted a number of strategic planning and building improvement activities that included:</p> <ul style="list-style-type: none"> • F Block ground floor was now planned and orders placed • A Wellbeing Centre was being established on North Site • LRC changes were planned for March 2022 • Construction staff restroom refurbishment was being programmed • A five-year Fixed Wire testing programme for South Site planned for August | |
| <p>915.</p> | <p>ANY OTHER URGENT BUSINESS</p> <p>There were no items of Any Other Urgent Business considered.</p> | |
| <p>916.</p> | <p>DATES OF FUTURE MEETINGS <i>(Meetings commence at 5.00pm unless stated)</i></p> <p>Wednesday 11 May 2022 Wednesday 22 June 2022</p> | |
| <p>(6.37pm)</p> | <p>Meeting closed</p> | |

NOTE: Acronyms used throughout the Minutes:

ESFA Education & Skills Funding Agency
WBTC West Berkshire Training Consortium