

BASINGSTOKE COLLEGE OF TECHNOLOGY CORPORATION

FINANCE & RESOURCES COMMITTEE

MINUTES OF A MEETING HELD ON WEDNESDAY 8 MARCH 2023

Membership (8):	*	Mike Howe	External Member	Chair
		Anthony Bravo	Principal	
	*	Kevin Croombs	External Member	Vice Chair
	*	Adam Lupton	External Member	
	i	Arun Mummalaneni	External Member	
	*	Dave Murray	External Member	
		Barry Smith	External Member	
	*	Colin Willoughby	External Member	
Quorum:		3 required	5 present at start	Meeting quorate
In Attendance:	*	Mark Bonnett	Finance Manager (FM)	
	*	Simon Burrell	Clerk to the Corporation (Clerk)	
	*	Lorraine Heath	Deputy Principal: Curriculum, Performance and Innovation (DPCPI)	
	*	David Moir	Deputy Principal: Finance & Resources (DPFR)	
Present at Meeting:	*			
From Minute 972:	i			

PART 1 - NON-CONFIDENTIAL MINUTES

(5.08pm)		ACTION
961.	APOLOGIES FOR ABSENCE Anthony Bravo, Arun Mummalaneni (late arrival), Barry Smith.	
962.	DECLARATION OF INTERESTS The Deputy Principals and the Finance Manager declared an interest in Agenda Item 17: Pay Review.	
963.	NOTIFICATION OF ANY OTHER URGENT BUSINESS There were no items of Any Other Urgent Business notified.	
964.	MINUTES OF THE PREVIOUS MEETING The Minutes of the meeting held on 24 November 2022 were confirmed as a correct record and were signed by the Chair.	
965.	MATTERS ARISING There were no Matters Arising discussed that were not considered elsewhere at the meeting.	

<p>966. (5.11pm)</p>	<p>HR ACTIVITY REPORT</p> <p>The DPFR advised that the College was still in the process of recruiting a permanent HR Manager. A new interim HR Manager had joined the College the previous week.</p> <p>In response to a question from a Member the DPFR advised that the biggest challenge to the work of HR was related to the introduction of a new HR and payroll system. In addition, the implication of the Harper v Brazel legal case on holiday pay was waiting on the outcome of Government consultations. However, he advised that there should be virtually no impact on the College as the terms of employment for part time staff at the College already incorporated holiday pay provision.</p> <p>In response to a further question from a Member the DPFR stressed the continuing challenges faced by the College on staff recruitment.</p>	
<p>967. (5.20pm)</p>	<p>MANAGEMENT ACCOUNTS 2022/23: JANUARY 2023</p> <p>The Management Accounts to January 2023 were received and noted. The DPFR advised that the forecast had been updated (F2) to show an operating surplus (before FRS adjustments) of £135k (original budget +£115k, F1 forecast +£20k,) with cash generation of £1,478k (original budget £1,458k, F1 = £1,364k). He highlighted the changes (listed in the Management Accounts) that had resulted in the update. An unexpected bonus had also been that the College had benefited from higher interest rates generating increased interest received.</p> <p>With regards to the financial KPIs, the DPFR advised that they were all rated 'green' except for 'pay costs as a % of income – core business' that was rated 'amber'.</p> <p>Looking to the financial year 2023/24 the DPFR advised that it would be very challenging due to a reduction of £500k in 16-18 funding and increasing cost pressures. Full-time student numbers were forecast to increase by 82. Staffing shortages and hard to fill vacancies would continue to be the biggest issue affecting the College.</p> <p>With regards to WBTC, it was noted that they (WBTC) were forecasting a breakeven end of year position for 2022/23. In response to a question from the Chair, the DPFR advised that there was, currently, no specific risk of WBTC triggering the solvency clause.</p>	
<p>968. (5.26pm)</p>	<p>TREASURY MANAGEMENT POLICY REVIEW</p> <p>A written report was received and considered. The FM advised that with increasing interest rates he had undertaken a review of the College's investments and treasury management policy. He advised further that the majority of the College's investments were currently with Barclays Bank (the College's main banker), and that Barclays also offered very competitive rates at the present time. The College also had some investments with Lloyds Bank, but their interest rates were very low compared to Barclays Bank.</p> <p>The FM advised that Lloyds Bank were also looking to move their investment strategy away from sterling and he suggested the College should consider moving its investments with them to Barclays Bank.</p> <p>In response to a question from a Member the FM was asked about the levels of investment rates offered by other banks. He advised that, overall, these were mainly lower than Barclays Bank, and that the Corporation would also need to agree new mandates if it wished to open new accounts in other institutions other than Barclays and Lloyds. In response to a question from a Member the FM confirmed that the Treasury Management Policy required the College to ensure that any surplus funds were invested with secure institutions on the money market registered by or through UK based ring-fenced Banks that held at least a long-term A- rating with Standard & Poor's.</p>	

<p>968. (cont)</p>	<p>It was AGREED that the Treasury Management Policy be amended to allow for all excess funds to be initially invested primarily with Barclays Bank UK PLC, but that excess funds could be placed with other banks if Barclays Bank rates became uncompetitive.</p> <p>The FM was requested to continue to review rates available from other banks and to update the Ctte at its next meeting should there be any need to consider investing in any other banks.</p>	<p>FM</p>
<p>969. (5.38pm)</p>	<p>FINANCIAL REGULATIONS UPDATE</p> <p>A written report was received for information and noted. The FM advised that the re-classification of colleges back to the public sector could have a varying impact on operations. He had undertaken a review of a range of matters (as listed in his report) and advised that the impact of most of the potential changes were deemed to have a low risk on the College.</p> <p>However, the biggest impact of the re-designation would be on the financial year reverting back April-March (from the current August-July). The FM advised that no formal change had been agreed yet but any change was anticipated to come into operation from 2024/25.</p>	
<p>970. (5.46pm)</p>	<p>PARTNERSHIP PROVISION</p> <p>A written report was received for information and noted. The DPCPI advised that the College was currently only subcontracting with WBTC, for functional skills English qualifications. She advised further that enrolments were substantially under target and felt that it would be a challenge for WBTC to meet the income target for the year.</p> <p>The DPCPI also advised that the proposed contract approved by the Corporation in July 2022 with Learning Curve had only received ESFA approval on the previous day (7 March 2023).</p>	
<p>971. (5.48pm)</p>	<p>ESTATES UPDATE</p> <p>A written report was received for information and noted. The DPFR updated the Ctte on general progress within the Estates Dept.</p> <p>In particular, the DPFR advised that the Capital Projects Ctte (CPC) had met the previous day (7 March 2023) to considered changes to the proposals to the refurbishment of the top floor of F Block. Following a detailed review of the (then) proposed scheme, the DPFR took the CPC through the revised plan for a scaled-down project scope at a budget of no more than £150k, which was supported by the CPC.</p> <p>The DPFR advised also that the College was currently negotiating to grant an initial 20 year lease for the use of part of the lower self-contained area (between Lower Brook Street and the brook) of the North Site car park by the company installing the new high-speed broadband service in Basingstoke.</p>	
	<p><i>(Arun Mummalaneni joined the meeting)</i></p>	
<p>972. (5.58pm)</p>	<p>IT REPORT</p> <p>A written report was received for information and noted. The DPFR advised that a simulated phishing attack had still 'fooled' 43 staff into providing their usernames and passwords. As reported at the last meeting, Cyber Essentials had been achieved but since then the criteria has been strengthened and the College was working through the changes.</p>	

973.	ANY OTHER URGENT BUSINESS There were no items of Any Other Urgent Business considered.	
974.	DATES OF FUTURE MEETINGS <i>(Meetings commence at 5.00pm unless stated)</i> 2022/23 Wednesday 10 May 2023 Wednesday 21 June 2023 2023/24 Thursday 30 November 2023 Wednesday 6 March 2024 Wednesday 15 May 2024 Wednesday 19 June 2024	
(6.04pm)	Part 1 Meeting closed	

NOTE: General acronyms used in the Minutes:

AEB	Adult Education Budget	FSC	Future Skills Centre, Bordon
BDBC	Basingstoke & Deane Borough Council	KPIs	Key Performance Indicators
Ctte	Finance & Resources Ctte	HCC	Hampshire County Council
ESFA	Education & Skills Funding Agency	WBTC	West Berkshire Training Consortium