

Minutes of the Finance Committee
held on Tuesday 8th March at 8:00 am
By Microsoft Teams

Present	Apologies
Hilary Smyth- Allen (H-SA)	
Sir Dexter Hutt (DH)	
Peter Croom (PCR)	
Pat Carvalho (PC)	
In Attendance	
Simon Eaton (SE)	
Fiona Yardley (FY)	
Stephen Belling (SB)	

Reference	Minute
	Welcome and Apologies
	All Committee Members were in attendance.
	Declarations of Interest
	No further declarations were made in addition to those recorded on the Register of Interests which include those of HSA in relation to the joint project with the College funded by the Community Renewal Fund.
Item 1 (i)	Minutes
	Subject to two typographical errors being corrected, the minutes of the meeting on 30 th November 2021 were accepted as a true and accurate record of the meeting. IT WAS RESOLVED THAT F21/22: 16 The minutes of the meeting on 30 th November 2021 be approved.
Item 1 (ii)	Matters arising and Action Log
	Completion of one action and ongoing progress in respect of the second action was noted.
Item 2	Management Accounts for January 2022
	SE presented the management accounts report in the committee pack which covered the 6-month period to 31 st January 2022 and emphasised the following: <ul style="list-style-type: none"> - A comprehensive reforecast of figures has been done with a specific focus on staffing and non-pay costs. - Savings have been consolidated where appropriate and projections have taken account of anticipated additional savings. - The Restructure Costs budget has been increased to take account of higher than anticipated costs associated with local government pension schemes. - Further costs may be incurred toward the end of the year as a result of small re-organisations. - The biggest challenges facing the college are achievement of the AEB allocations for both WMCA and ESFA and the achievement of the Tuition Fund allocation.

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	<ul style="list-style-type: none"> - 65 additional 16-18 learners will generate an additional £300k for the college next year. <p>Questions and Observations</p> <p>1. <i>Is more restructuring because of budget constraints or because of a strategic review? (HSA)</i></p> <p>PC advised that the restructuring was to take account of succession planning requirements and address anomalies arising out of the Ofsted inspection.</p> <p>2. <i>Consideration should be given to what capital expenditure will be incurred this year when a deficit budget has been set (PCR)</i></p> <p>3. <i>To what extent is the AEB position being experienced by other colleges? (HSA)</i></p> <p>SE advised a number of factors were at play:</p> <ul style="list-style-type: none"> - Issues were being encountered regionally and nationally. - Covid has left adults uncomfortable with attending colleges. - The Common Wealth Games initiatives had a slow start. - WMCA's approach to ESOL has reduced the college's ability to respond to demand. - DWP referrals relating to security training have not been mandatory. - The legacy with rail provision has continued. <p>PC advised:</p> <ul style="list-style-type: none"> - The college continues to promote adult provision. - Initiatives are being developed to involve programmes that can be carried into the next academic year. - Conversations with the Common Wealth Games about opportunities are ongoing. <p>4. <i>Can further income be generated by faster onboarding of apprentices? (HSA)</i></p> <p>SE advised:</p> <ul style="list-style-type: none"> - The BMet onboarding process is thorough. - Apprenticeship funding is provided when students are put on the system and given an Individual Learning Record (ILR). - The current issue is securing apprentices to take up the opportunities presented by employers in relation to administration and professions generating lower salaries. Those relating to engineering are more popular. <p>PC advised:</p> <ul style="list-style-type: none"> - The BMet apprenticeship process is one of the best experienced. - Once an apprentice candidate has been identified, the onboarding process should not take longer than 2 months. - One employer has indicated they wish to start up to 20 new apprentices in the next academic year.

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	<p>5. Should the profiling of income across the quarters be varied? (PCR)</p> <p>SE advised:</p> <ul style="list-style-type: none"> - Apprenticeship funding is greater toward the end of the academic year and allow for a good lead in to a new academic year. - The Business Development Team has performed really well, appears to be going from strength to strength and is generating high value opportunities. <p>PC advised:</p> <ul style="list-style-type: none"> - The approach used for developing our apprenticeship portfolio is being deployed to further develop the college's AEB offer. The work is going to be led by Paul McCalla who has experience of developing flexible provision. <p>6. What is the reason for the apparent increase in debtors? (PCR)</p> <p>The collection of debts has been impacted by staffing issues. This is in the process of being addressed. A payment plan has made with a large debtor and this should have a positive impact.</p> <p>IT WAS RESOLVED THAT F21/22: 17 The January 2022 Management Accounts be noted</p>
Item 2	Finance and Business Planning Update
	<p>SE gave a presentation updating the Finance Committee on current activity and the business planning process making the following key points:</p> <ul style="list-style-type: none"> - Increased funding will be received in respect of 16- 18 learners based on this year's enrolment numbers. - Natural growth is anticipated in future years in line with the increase in local demographics. - Funding for 16- 18's will be increased by 8% based on a 7% increase in the required number of learning hours (an additional 40 hours per year.) - Negotiations are ongoing with the West Midland Combined Authority (WMCA) in respect of allocations for 19+ learners. - The new subcontracting assurance framework will come into force for the new academic year. - A first draft of the 2022-2023 budget will be produced by the end of March and inform discussions with the college lenders regarding banking covenants. - Staff recruitment proposals will be assessed in relation to income generation. - The outcome of the Stage 2 Further Education Capital Transformation Fund will inform capital expenditure proposals. - T- Level funding applications are being submitted for initiatives at James Watt and Matthew Boulton.

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	<ul style="list-style-type: none"> - A restructuring programme is being proposed to address issues raised by the recent Ofsted inspection and will be resourced from the historic Deputy Principal Post. - The triennial Local Government Pension scheme revaluation will take place next year and be factored into the budget in April 2023. - Advice and support received from the FE Commissioners Team as part of the Single Improvement Plan will inform the budget planning process. - The college is engaged with the tenders using public sector frameworks in relation to: <ul style="list-style-type: none"> o The replacement of wifi routers across the college as they have come to the end of their operational life and are no longer supported. o Reprographic equipment. o Internal and external audit services. o Cleaning. o Repairs and maintenance. - An Electric Vehicle salary sacrifice scheme for staff proposal is being explored - The Oxford Branch of BMW has closed for a week because of difficulty in obtaining parts from the Ukraine. There is uncertainty about the potential ripple effects in respect of apprenticeship training. <p>Governor's Observations and Questions</p> <ol style="list-style-type: none"> 1. Early awareness of procurement activity and processes is helpful (HSA) 2. The college should maximise its ability to pursue the social value agenda in procurement processes right through from potential benefits for staff and students to gaining experience from Board membership (HSA) <p>SA advised that the social value agenda has been advanced in relation to recent technology contracts and work with Aramark who had been offering work experience for students.</p> <p>IT WAS RESOLVED THAT F21/22: 18</p> <p>The updates regarding current activity affecting finances and the business planning process be noted.</p>
Item 3 (i) and (ii)	Gender and Ethnicity Pay Gap Reports 2021
	<p>AJ and SC introduced the Gender and Ethnicity Pay Gap Reports for 2021 advising:</p> <ul style="list-style-type: none"> - At the time of reporting BMet had 791 full pay employees. - Small fluctuations in the work force can make a big difference to the statistics. - The temporary employment of staff to assist with the Covid centre has affected this years' figures.

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	<p>- The disclosure rate informing the Ethnicity Pay Gap report is 76%. The New HR Data system should help to increase the disclosure figures as it can refer to information provided at the point of employment.</p> <p>Governors' Observations and Questions</p> <p>1. Will the reports refer to the impact of temporary employees during the Covid Pandemic? (PCR)</p> <p>AJ confirmed that they would. The reports for 2022 will focus on both full time and hourly paid staff so that it is easier to determine what actions need to be taken by the college in respect of each form of employment.</p> <p>2. Will payment of the Real Living Wage have any impact on the pay gaps? (PCR)</p> <p>AJ advised that the quartile boundaries will be adjusted to take account of the Real living wage and so unlikely to have any impact.</p> <p>3. Does the college pay people doing similar jobs at a similar rate? DH</p> <p>AJ advised that the college does. The issue to work on is ensuring that there is an even distribution of gender and ethnicity across each of the pay quartiles.</p> <p>4. Are there sufficient opportunities to address any imbalances? (DH)</p> <p>AJ advised that the college is currently working with Black FE Leadership Group to see how recruitment processes could be adapted to generate increased diversity in the work force.</p> <p>PC advised that key factors to be considered are the ability to pay salaries that will attract staff to the sector and the impact of a Grade 3 Ofsted rating.</p> <p>IT WAS RESOLVED THAT F21/22: 19 The College's 2021 Gender Pay Gap Report be commended to Corporation for approval.</p> <p>IT WAS RESOLVED THAT F21/22: 20 The College's 2021 Ethnicity Pay Gap Report be commended to Corporation for approval.</p>
Item 4	Matters to report to Corporation
	<ol style="list-style-type: none"> 1. Review of the management accounts undertaken 2. Ethnicity Pay Gap report to be commended to Corporation 3. Gender Pay Gap report to be commended to Corporation
Item 5	Any Other Business
	There being no other business the meeting concluded at 9.05 am.

Signed:  _____

Chair: Hilary Smyth-Allen