

Minutes of the Finance Committee

held on Wednesday 19th March 2025

Held by Microsoft Teams

Present	Apologies
Peter Croom (PCR)	
Gary Turton (GT)	
Simon Harris (SH)	
Pat Carvalho (PC)	
In Attendance	
Hilary Smyth Allen (HSA)	
Fiona Yardley (FY)	
Anna Jackson (AJ)	
Andrew Crowter (AC) (For Agenda Item 4)	
Stephen Belling (SB)	
Shameem Shamas (SS)	
Robin Newton- Sims (RNS)	

	Welcome and Apologies
	<p>All Committee members were present.</p> <p>PC welcomed RNS to the meeting</p> <p>RNS advised that:</p> <ul style="list-style-type: none">• He was undertaking the external governance review.• He had undertaken the previous external governance review in 2020.• This review presented an opportunity to:-<ul style="list-style-type: none">○ consider the journey travelled since the last review;○ highlight best practice; and○ consider opportunities to for further development which would support rather than constrain delivery. <p>FY introduced SS to the meeting as the interim Finance Director.</p>
	Declarations of Interest
	<p>No declarations were made in addition to those recorded on the Conflicts Register</p>
1(i)	Minutes
	<p>The minutes of the meeting on 3rd December 2024 were reviewed.</p> <p>IT WAS RESOLVED THAT F24/25:23</p> <p>The minutes of the meeting on 3rd December 2024 be approved.</p>

1(ii)	Matters Arising
	There were no matters arising to report.
2	January Management Accounts and Quarter 2 Reforecast Report
	<p>FY presented the January Management Accounts and Quarter 2 Reforecast Report in the Committee Pack and emphasised the following:</p> <ul style="list-style-type: none"> • The Management Accounts take account of the Quarter 2 reforecast. • Income is £380k favourable to budget including variances relating to apprenticeship income, Adult Skills Funding and other income. This helps to offset the shortfall in Higher Education Income. • Pay costs are £164k favourable to budget but there is a strain on the sickness budget as a result of higher sickness levels than in previous years. • Non pay costs are favourable to budget due to unutilised centralised contingency costs. • Exam costs are in line with the Quarter 1 reforecast. • WMCA ASF is currently over planned by £946k. WMCA have invited the college to submit a business case to support over delivery in relation to the FCFJ element. • Out of area delivery is expected to achieve full delivery targets. • Quarter 2 outturn adjustments relate to: <ul style="list-style-type: none"> ○ Adjustments to anticipated Higher Education income taking into account some students withdrawals. ○ Uncertainty as to the levels of support for in year growth and rise in National Insurance costs. • The trading position for the Quarter 2 outturn has increased to £4.4 million. • The application to open an HSBC bank account is in progress. • The ESFA Funding Audit commenced on 3rd March and due to complete on the 31st of March. Any clawback arising from the audit will need to be paid during the current financial year. • Capital spending has significantly reduced with completion of the Further Education Capital Transformation Fund Projects. • The procurement of IT equipment which is self-funded has commenced. • Sarah Howard has been appointed as the new Finance Director and is due start in June 2025 <p>Governors' Observations and Questions</p>

1. Has the £65K fixed asset adjustment been the result of a write off or disposal? (GJT)

FY advised that is a write off following a review of the Fixed Asset Register , as recommended by the external auditors following completion of the Further Education Capital Transformation programme.

2. Is the lesser than expected HE enrolment because of the impact of reduced international student intake by universities ? (HSA)

AJ advised that as result of reduced numbers of international students, universities are seeking to increase their share of the domestic market by lowering their entry requirements.

3. How is the BMet strategy being reviewed in response to this? (HSA)

AJ advised: -

- Whilst enrolment numbers were less that targeted, they were in fact higher than the previous year.
- There is a greater focus on exploring progression opportunities for existing students and how the additional support provided by BMet can make the college's offer more attractive.
- The Newcastle Group's model of conversion to Higher Education Programmes is being reviewed.
- Growth aspirations are modest and take account of market conditions.

4. How will the £200K shortfall in apprenticeship income be addressed? (HSA)

FY advised it was anticipated the shortfall would be addressed by the anticipated planned start date of 50 new starts between now and July.

5. The financial position appears to solid: what are the watch points to be noted? (HSA)

PC advised: -

A 2% cut in adult funding which needs to be addressed by seeking an increase in the number of adult learners.

6. What is the impact of not filling critical impact roles? (GT)

FY advised that staffing costs were increased because of the need to appoint agency staff on an interim basis.

7. What strategies are deployed to address employment gaps? (SH)

	<p>PC advised that the position was constantly under review and took account of the range of factors giving rise to the gaps.</p> <p>The gap in engineering would be met by a new appointment due to commence in April.</p> <p>A business-critical gap has arisen in the business development department because four members of the staff are currently out of the business. Each of those absences are being managed proactively in a different way based on the circumstances of each absence.</p> <p>8. What level of in year growth funding is expected? (GT)</p> <p>FY advised that @ £300k is anticipated for growth and noting to support the rise in National Insurance contributions.</p> <p>9. How is the ESFA audit progressing? (PCR)</p> <p>FY advised that no major issues have been identified to date but a contingency of £100K clawback has been put in place.</p> <p>PC advised:</p> <ul style="list-style-type: none"> • An audit was due: the previous audit was 7.5 years ago. • Anything less than a £100K clawback would be a good result; • There would be learning points in respect of data returns. <p>10. Is the monitoring of debtors and bad debt provision sufficient? (GT)</p> <p>FY advised that the monitoring did seem to be sufficient. BMW payments had now been paid and the focus on debtors has resulted in notable improvements in February and Marc.</p> <p>11. How stable is the Financial health score? (PCR)</p> <p>FY advised that the financial head room has grown to £700k which is in the second zone of the good profile.</p> <p>12. Is there a fixed period for the Capital Grant spend (SH)</p> <p>FY advised it is anticipated spend will need to be achieved by March 2026</p> <p>PC advised that future capital grant funding is likely to be formula driven and is expected to relate to the number of 16-18 students. Further details are expected sometime between May and July.</p> <p>IT WAS RESOLVED F24/25: 24 The content of the January Management Accounts and Quarter 2 Reforecast be noted.</p>
3	KPI Report
	<p>FY presented the KPI Update report in the Committee Pack and emphasised the following: -</p> <p>Regarding 1.4: Achieving HE Funding:</p>

- The indication will not change during the year because no further recruitment will take place.
- Income has been reduced by a further £76k to take account of student withdrawals.
- Contingency funding has been released to accommodate the shortfall.

Regarding 2.2 : Student Attendance

- The position was reviewed across the college in February.
- 1-1 meetings with students were held before the half term break.
- Whilst attendance has been lower than desired ,attendance at examinations has been higher than in previous years.
- Wrap around support and breakfast have been provided to support with exam attendance.

Regarding 3.3 Apprenticeship new starts

- The current variance equates to £152k of apprenticeship income.
- A reduction in variance is expected as the year progresses.
- It is believed the post autumn budget has had an effect on employer's willingness to take on apprentices.

Regarding 3.4 SWAPS and Gateways

- The major reason for the variance is the decision by Sigma to take work in house and cuts made by Birmingham City Council
- Work is being done with UHB to increase the current levels of collaboration.
- Business development activity is being undertaken to look for new collaboration opportunities.
- The current position is being discussed with WMCA to ensure expectations are managed effectively.

Regarding 3.6 : Leavers in to employment.

- Information is being collected using new technology provided by Purlos.
- The position is expected to improve during the year.

Regarding 4.4 Lost time Percentage

- The variance is due to levels of sickness leave.
- To monitor and manage the position:
 - Managers are having to report on their return-to-work meetings with staff after every absence.
 - A People and Culture Dashboard is being developed with the Management Information Systems team.
 - The Bradford factors are being used.
 - Long Term sick cases are being reviewed by the Executive Team on a monthly basis.
- Mental health related absences are being supported with: -
 - work place stress assessments,
 - wellbeing action plans
 - Occupational Health assessments
 - Keeping In Touch calls and

	<ul style="list-style-type: none"> ○ Deployment of an Employer Assist Programme. <p>Governors Observations and Questions</p> <p>1. <i>How does the lost time percentage compare with the last academic year ? (SH)</i></p> <p>PC advised that the percentage is similar to previous years in relation to short term sickness and for the same reasons.</p> <p>FY then shared a graph to illustrate this point.</p> <p>2. <i>What is the basis of measurement for Progression ? (PCR)</i></p> <p>PC advised:</p> <ul style="list-style-type: none"> • The basis is the start of a new programme or starting work. • Contact is made at the end of a programme. • Historically contact would be made 6 months after completion of a programme. • WMCA have set a target of 65% of leavers going into employment. <p>3. <i>It is good to see a smaller number of KPI's appearing in red. (GJ)</i></p> <p>IT WAS RESOLVED F24/25:25 The content of the KPI Report be noted.</p>
4	FECTF Project Update
	<p>AC presented the FECTF Update report in the Committee Pack and emphasised the following:</p> <ul style="list-style-type: none"> • Practical completion has taken place ahead of the March 2025 deadline. • The last project has been received. • The Financial end statement remains as expected. • Completion certificates have been issued and final invoices received. • The only outstanding matters relate to retentions which will be managed in accordance with contractual requirements. • All reports have been submitted to the Department for Education as required. • Operation and maintenance manuals have been provided and uploaded into estate management systems. • A lessons learnt review has been undertaken with the consultant project managers which highlighted the value of: <ul style="list-style-type: none"> ○ Early-stage briefings to allow more time to appoint contractors. ○ Maintaining up to date site plans to avoid initial irritations and frustrations.

	<ul style="list-style-type: none"> ○ Factor in individual site completions on multi- site contracts. ○ Strong social value requirements in the tender documentation <p>Governors Observations and Questions</p> <p>1. <i>The contract appears to have run really well: What actual improvements could have been achieved if site plans had been more up to date at the start of the contract ? (HSA)</i></p> <p>AC advised that stress levels would have been lower and the amount of energy required to establish good working relationships would have been less.</p> <p>2. <i>What could the college do to be ready to take up future funding opportunities? (HSA)</i></p> <p>AC advised that the form and content of the new Estates Policy will help improve the college's ability to respond to opportunities as they arise.</p> <p>3. <i>How are lessons learnt being cascaded throughout the organisation? (PCR)</i></p> <p>AC advised that a lessons learnt session took place with the Estates Team during the last staff CPD and evidenced that much more had been learnt through this experience than could have been achieved through the formal education process.</p> <p>PC advised that work on social value has been developing over the last 18 months alongside FECTF project.</p> <p>FY advised that new financial templates had been set up for tracking multi-site projects.</p> <p>4. <i>What part did good communications play during the project? (GT)</i></p> <p>AC advised that good ongoing communications were essential to success of the project. Regular updates to the Senior Leadership Team which were then cascaded to departments were key to success. Information and notices on doors was also key to success.</p> <p>PCR asked for Governors thanks and appreciation to be formally conveyed to staff for their work on this project.</p> <p>AC asked that the support provided by Exec, SLT and Governors also be formally acknowledged as it had been significant for those managing the project.</p> <p>IT WAS RESOLVED F24/25 26 The content of the FECTF Report be noted.</p>
5	Inclusive Sports Centre Update
	<p>AJ advised:</p> <ul style="list-style-type: none"> • The planning application is likely to incur a cost of £150k.

	<ul style="list-style-type: none"> • Advice has been received that the application should not be made until funding offers have been secured. • Advice has also been received that a specialist funding consultant would be better than a generic fund raiser. • BCU have introduced the college to a specialist funding consultancy. • A further update will be given to Corporation after a meeting with the specialist fund raiser. <p>Governors Questions and Observations</p> <p>1. The approach seems eminently sensible (HSA)</p> <p>IT WAS RESOLVED F24/25 27</p>
6	Anti Bribery Policy
	<p>FY advised that amendments to the Anti Bribery Policy were being proposed to regularise college wide interpretation of zero tolerance and change references to the departmental name changes.</p> <p>IT WAS RESOLVED THAT F24/25: 28 Subject to the change of one typographical error, Finance Committee support the commendation of the amended Anti Bribery Policy to Corporation for approval.</p>
7	Managing Public Money
	<p>FY advised that the ESFA had been briefed on proposals relating to the Inclusive Sports Centre and the college was awaiting a response.</p>
8	Any Other Business
	<p>RNS noted: -</p> <ul style="list-style-type: none"> • The lessons learnt from the FECTF project provided an example of good practice. • Discussions were open, candid and constructive. • The KPI dashboard was a good governance tool and the level of questioning provided evidence of good meeting preparation. <p>There being no other business the meeting was closed at 9:30 am</p>

Signed: Peter Croom

Signature:

