

Minutes of the Finance Committee
held on Tuesday 26th September 2023 at 8.00am
By Microsoft Teams

Present	Apologies
Peter Croom (PCR)	
Sir Dexter Hutt (DH)	
Hilary Smyth- Allen (HSA)	
Gary Turton (GT)	
Pat Carvalho (PC)	
In Attendance	
Simon Eaton (SE)	
Fiona Yardley (FY) (Part)	
Anna Jackson (AJA)	
Andrew Crowter (AC) (For Agenda Item 4)	
Stephen Belling (SB)	

Reference	Minute
	Welcome and Apologies.
	Declarations of Interest
	No further declarations were made in addition to those recorded on the Register of Interests.
Item 1 (i)	Minutes.
	The minutes of the meeting on 20 th June were accepted as a true and accurate record of the meeting. IT WAS RESOLVED THAT F23/24: 1 The minutes of the meeting on 20 th June 2023 be approved.
Item 1 (ii)	Matters arising and Action Log.
	No Matters arising. No Actions for Review.
Item 2	Management Accounts for August 2023.
	FY summarised the headline points from the August Management Report in the committee pack and emphasised the following: <ul style="list-style-type: none"> • income streams for the new academic year would remain fluid during the first term and need to be reviewed at the end of Quarter 1. • There is a favourable variance in pay because of some unfilled vacancies and a lower level of associate employment during the August period. • DLSF assessments are ongoing. • 5015 “16-18“ learners have attended college against an allocation target of 4859. Key will be the level of remaining students, 42 days after the start of learner programmes.

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	<ul style="list-style-type: none"> • The Education and Skills Funding Agency have awarded an additional £1.5 million which is to be used to support a pay award. A pay award proposal will be submitted to Corporation for consideration as part of the Quarter 1 review process. • The Cash flow position is currently good after receipt of FECTF grant funding which has resulted in £2.5 million being placed on deposits to generate investment income. • Risks in relation to the following are being monitored: <ul style="list-style-type: none"> ○ Levels of AEB income ○ Levels of HE income ○ The likelihood of clawback in relation to T- level funding if a 20% tolerance level is exceeded. The budget planned for 80 learners; there is a possibility of just 50 learners being secured. Committee noted however this is a comparatively good performance compared with national and regional take up of the T- level offer. Current assessments are that sufficient market interest has not been generated nationally. <p>Governors' Observations and Questions</p> <p>1. <i>When will the new Finance Director take up is post? (PCR)</i></p> <p>FY advised the newly appointed Finance Director will take up post in November. He is part qualified and BMet will support completion of his qualifications. A data sharing agreement is also being put in place to enable some preparation work to be undertaken before his start date. A new operations manager has also been appointed and started in his new role. One apprenticeship role is in the process of being recruited.</p> <p>IT WAS RESOLVED THAT F23/24: 2 The August Management Accounts be noted.</p>
Item 3	Financial Update
	<p>SE presented the Finance Update report in the Committee back and emphasised the following:</p> <p>Regarding Enrolment</p> <ul style="list-style-type: none"> • 16- 18 enrolment is on track to achieve target. • Clawback may be required in relation to T level funding but the exact clawback amount will be dependent on recruitment levels and funding associated with a particular T- level. • 19 Plus recruitment is currently 112% against target. • The number of apprenticeships is currently behind target but financial impact will be dependent on levels of funding associated with different apprenticeship programmes within the overall mix. • HE recruitment levels are behind budget target but is improved on the last academic year; The budget was higher than last year and the shortfall is expected to decrease as

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	<p>recruitment will be ongoing throughout the academic year as new courses gain validation and come on stream.</p> <ul style="list-style-type: none"> • Adult Learner Loans are 75% of target but alternative income is anticipated as a result of WMCA funding being provided for potential learners currently in employment. <p>Regarding Year End</p> <ul style="list-style-type: none"> • Year-end position is on track to be better than forecast. • The college's financial health score will now be classified as good based on the performance last year. • Pension provision revaluation means that the pension deficit will now be completely wiped out and will show as a nil value in the accounts. <p>Regarding new ESFA Finance Agreement</p> <ul style="list-style-type: none"> • The ESFA had to pause processing of the legal charge against the Erdington Skills Centre due to an internal legal budget having been exceeded. BMet's request for 180 days to process the charge was reduced to 90 days. BMet will seek redress if the delay causes a covenant in the new loan agreement to be breached. • It is likely that the Corporation will now be asked to approve the charge at the December meeting instead of the October meeting as originally planned. <p>IT WAS RESOLVED THAT F23/24: 3 The content of the September Financial Update be noted.</p>
Item 4	FECTF Project
	<p>AC presented the report in the Committee Pack and emphasised the following: -</p> <ul style="list-style-type: none"> • The works programme was designed with reference to a DfE survey undertaken in 2019. • The total value of the work programme is circa £9m. • 50% of work on each site has been completed. • Completion of works has to be by March 2025 and is scheduled to be completed in November 2024. • Significant work was done during the summer period and as designed, a reduced work plan will take place during term time. • Contractors have performed well and snagging items have been dealt with positively. • Key matters arising so far include the discovery of asbestos at Sutton, boiler failure and additional roof leaks. The work programme has been varied to accommodate these matters which have a total value of £400k. • There is a projected overspend on works undertaken on the Sutton site. An application has been made to the Department of Education to vary the funding allocated between the three college sites to allow all required works to be undertaken.

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	<ul style="list-style-type: none"> The impact of works on the college is being managed as well as possible by the Estates Team working collaboratively with curriculum staff and the contractors. <p>IT WAS RESOLVED THAT F23/24: 4 The content of the FECTF project report and progress made with implementing the contracts be noted.</p>																				
Item 5	Subcontracting Update																				
	<p>SB advised that following a full procurement exercise the college wished to award contracts to three organisations in accordance with the table below. As only one submission had been received in relation to each invitation to tender, it was necessary to obtain Corporation Approval to contracts awarded in excess of £100k.</p> <table border="1"> <thead> <tr> <th></th> <th></th> <th>2023- 2024 value</th> <th>Potential Contract Life</th> <th>Full Contract life value</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>The Albion Foundation</td> <td>£22,000</td> <td>5</td> <td>£110,000</td> </tr> <tr> <td>2</td> <td>Aston Villa Women's Football Club Limited</td> <td>£42,000</td> <td>5</td> <td>£210,000</td> </tr> <tr> <td>3</td> <td>City of Birmingham Rockets Basketball Club CIC</td> <td>£87,590</td> <td>5</td> <td>£621,250</td> </tr> </tbody> </table> <p>IT WAS RESOLVED THAT F23/24: 5</p> <p>Subject to satisfactory performance and receipt of funding, Corporation be invited to approve the award of contracts to the following organisations for a period of up to 5 years up to full contract values set out below:</p> <ul style="list-style-type: none"> The Albion Foundation – up to £110K Aston Villa Women's Football Club Limited up to £210 K City of Birmingham Rockets Basketball Club CIC up to £621,250K 			2023- 2024 value	Potential Contract Life	Full Contract life value	1	The Albion Foundation	£22,000	5	£110,000	2	Aston Villa Women's Football Club Limited	£42,000	5	£210,000	3	City of Birmingham Rockets Basketball Club CIC	£87,590	5	£621,250
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Item 6	Finance Regulations Update																				
	<p>SE advised that the inclusion of a Value for Money Statement in the Financial Regulations had been identified as an action point from the internal audit of the Higher Education provision.</p> <p>IT WAS RESOLVED THAT F23/24: 6 A recommendation be made to Corporation to include a value for money statement in the College's Financial regulations.</p>																				
Item 7	Managing Public Money (“MPM”)Review																				
	<p>SE advised that no transactions considered in this committee meeting required reporting under the MPM regulations.</p>																				

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Item 8	Matters to report to Corporation
	<ol style="list-style-type: none"> 1. Consideration of the August Management Accounts. 2. Review of progress made in relation to the FETF Project. 3. Proposals regard award of three subcontracts to <ol style="list-style-type: none"> a. The Albion Foundation b. Aston Villa Women’s Football club Limited c. City of Birmingham Rockets Basketball club 4. Amendment to the Financial Regulations to include a value for money statement.
Item 9	Any Other Business
	There being no other business the meeting concluded at 9.15 am

Signed: Peter Croom