

**Minutes of the Finance Committee
held on Tuesday 9th July 2019 at 8.00am
In Room 814
at Matthew Boulton Campus**

Present:	Apologies:
Hilary Smyth – Allen (HA) – Chair	Dexter Hutt (DH)
Cliff Hall (CH) – Principal	
Veronica Docherty (VD)	
Peter Croom (Co-opted member)	
Asha Devi (AD)	
In Attendance:	
Liam Nevin (LN)	
Martin Penny (MP)	
Louise Jones (LJ)	
Steve Bengner (SB)	

Declarations of Interest

There were no declarations of interest reported at this point in addition to those recorded on the register of interests.

Matters Arising

HS welcomed AD to her first committee meeting and those present introduced themselves.

Item 1 – Minutes of Finance Committee held on 30 April 2019 and Action Log

The open and confidential minutes were agreed as a true and accurate record of the meeting and the action log was noted.

Item 2 – Management Accounts

This item is contained in a confidential minute

Item 3 – Performance Report/Business Review

LJ advised that the Recovery Plan set out the proposed KPIs that it was planned to monitor against for the next financial year and that the format of subsequent Business Review reports would therefore change.

VD asked CH to comment on the student progress indicator and CH advised the committee of the discussions that had been had concerning the 70% target and that in particular this represented a stretch target. Therefore the recorded position of 39% did not mean that 60% of students would not achieve, but that they may not achieve a stretch target grade. The KPIs had been reviewed and it was now proposed to report a broader range of both qualitative and quantitative measures with performance also analysed by College.

Accordingly it was

RESOLVED

- That the report be noted

Item 4 – Recovery Plan

LJ advised that the plan had now been subject to a review by BDO.

A reduction in costs of £3 million had been achieved and a further £1.4 million now needed to be saved. It was expected that the current redundancy programme would save £1.36 million. However, the 2018/19 pay budget had been achieved.

Thereafter LJ summarized the proposed KPIs for 2019/20.

VD welcomed the reduction in the number of measures and queried the cost of tracking the destinations of former students. LJ explained that UCAS provided data on university destinations for 16-18 students and a company was used to contact those in the cohort who were not progressing to higher education. It was acknowledged that, in common with all colleges locally, improvements on adult student destinations was needed and a project involving the local colleges, including BMet was underway.

AD asked what the target was and CH stated the College was looking to achieve a high coverage in understanding destinations.

HS stated that the cost would be an investment in the business intelligence of the College.

VD asked how many staff would be subject to compulsory redundancy through this process and LJ advised that there would be three staff, all working in support areas.

HS asked SB for his reflections on progress and SB advised that there had been significant progress with attention focused on delivery against targets with a programme management structure that was applying appropriate checks and balances. The College needed to focus on ensuring that past behaviours that allowed cost controls to be by-passed were not repeated and close control needed to be exercised over spending.

The remainder of this matter is recorded in a confidential minute.

Accordingly it was

RESOLVED

- **That the report be noted.**

Item 5 – Budget 2019/20

MP advised that on reflection he considered that there was scope for confusion around the presentation of the budget paper and the projections contained in the Recovery Plan. In respect of the latter document the tables from page 68 onwards set out the 5 year plan that had been reviewed previously by the Committee and Corporation and which was extracted from the CFADs model and subject to external review and validation by BDO through the Independent Business Review. He was therefore proposing to align the proposed budget paper to the Recovery Plan and to reissue this for the Corporation meeting.

HS noted that the Committee had not seen the IBR and therefore could not make a recommendation to the Corporation. It was therefore agreed that the proposed budget for 2019/20 be referred to the Corporation for decision with the benefit of the IBR report and MP's revised budget proposal based on the Recovery Plan.

Accordingly it was

RESOLVED

- **That the proposed budget for 2019/20 be re-presented to reflect the same format as the Recovery Plan and that the Corporation consider the**

recommendations of the Chief Finance Officer in the context of the Independent Business Review.

Item 6 – Financial Controls

MP summarized the ongoing improvements being implemented in respect of financial controls. The Committee was advised that the new finance system was being implemented on 1st August and that good progress was being made in respect of other controls as was demonstrated by the BDO follow up report.

It was acknowledged that an update to the financial regulations was necessary and these would be circulated over the summer with a view to implementation in 2019/20.

Accordingly it was

RESOLVED

- **That the report be noted**

Item 7 – Property Disposals (Verbal Update)

This item is contained in a confidential minute.

Item 8 – Institute of Technology

LJ summarized the purpose of the IoT project and the collaborative arrangements that were proposed by the local College and University partners. LN advised that as the College was proposing to take a seat on the Board of the Company it was appropriate that the Committee and the Corporation had oversight. However, the College would not be a member of the Company and would not have any capital or income risks associated with membership. Its financial obligation was limited to paying an annual fee of £25k and it had been agreed that this would be payable "in kind" for the first year.

Accordingly it was

RESOLVED

- **That the Committee recommends to the Corporation that the College enter into a Collaboration Agreement on the terms summarized in the supporting paper.**
- **That the finalization of the Collaboration Agreement in accordance with the principles set out in the paper be delegated to the Principal.**
- **That Louise Jones be nominated as the Director to be appointed by the College to the IoT Board.**

Item 9 – Supply Chain Fees and Charges Policy

MP advised that the Senior Leadership Team had considered the Policy, which contained minor updates to reflect the role of the West Midlands Combine Authority. The content had also been checked against the AoC template.

Accordingly it was

RESOLVED

- **That the Committee recommends the Policy to the Corporation**

Item 10 – Partnerships Update and Recommendations for 2019/20

MP advised that the College was proposing to work with only two AEB sub-contractors in the next financial year and four sub-contractors in relation to apprenticeships and 19+ provision.

The Committee were asked to note that all sub-contractors must now be prior approved by the WMCA in relation to their AEB funding.

Accordingly it was

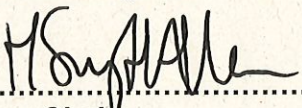
RESOLVED

- **That the Committee recommend to the Corporation the sub-contractors and maximum contract values as set out in the report**

Any Other Business

There was no other business

Date of next meeting: TBC

Signed.....
Chair

Date.....