

Minutes of the meeting of the **Finance Committee**
held on **Tuesday 03 December 2019 at 08.00 am**
in **Room 814** on the **8th floor of the Matthew Boulton Campus**
Birmingham Metropolitan College

Members are reminded of the requirement that they disclose any interest they may have in matters to be considered at the meeting. Guidance may be obtained from the Clerk.

MINUTES

Present:		Apologies:	
Cliff Hall (Principal) (CH)		Sir Dexter Hutt	
Hilary Smyth-Allen (Chair of the Committee) (HSA)			
Peter Croom (PC)			
Asha Devi (AD)			
Veronica Docherty (VD)			
In Attendance:			
Louise Jones (LJ)			
Martin Penny (MP)			
Fiona Yardley (FY)			
Hilary Barber (HB)			
Apologies for absence Apologies were received from Sir Dexter Hutt.			
Declarations of Interest There were no declarations of interest reported in addition to those recorded on the register of interests.			
Item 1	<p>(i) Open and Confidential Minutes of Finance Committee held on 24 September 2019</p> <p>The minutes of the last meeting were accepted as a true and accurate record subject to an amendment to Item 3 to note that Kidderminster Academy comes within Wyre Forest and not Dudley Council.</p> <p>RESOLVED: That the minutes should be approved.</p> <p>(ii) Matters arising and Action Log All actions have been completed.</p>		
Item 2	<p>Financial Statements</p> <p>This discussion is recorded in confidential minutes.</p>		
Item 3	(i) Management Accounts for October 2019		

	<p>This discussion is recorded in confidential minutes.</p> <p>(ii) Extension to Capita Contract</p> <p>This discussion is recorded in confidential minutes.</p>
<p>Item 4</p>	<p>LGPS Tri-annual Valuation Outcome</p> <p>MP explained that currently the college are paying £1.2m annually to address the LGPS deficit as well as the employer's contribution rate. The current valuation raises the employer's contribution rate by around 2.2% which results in an additional c. £150k of increased costs, netted to £50k when the reduced deficit payment is taken into account.</p> <p>The valuation appears to be similar to that of other establishments. It enables three-year planning and it was noted that the cost of instigating an independent valuation would not be cost effective.</p> <p>RESOLVED: That the LGPS Valuation should be approved.</p>
<p>Item 5</p>	<p>Recovery Plan Progress Report</p> <p>LJ presented the report highlighting the following:</p> <ul style="list-style-type: none"> ▪ KPI 1 is amber: attrition rates are 9.7% against a target of 7.5%, however retention is 99.6% against a target of 99%. ▪ KPI 2 is green: this is based on the proportion of learning walks considered to have observed a good standard of lesson and the progress students are making towards their target grade. However, it was noted that Attendance is 5% below target. This has been discussed at both C&Q and ASQD meetings and is a college focus to avoid further drifts through the year. ▪ KP3 is amber: LJ noted that any delay in apprenticeship sign ups being converted to enrolments will have a negative impact on income and cashflow. ▪ KP4 green. ▪ KP5: full reporting on this will be available later in the month. ▪ KP6 is amber: recording work experience on a new system is causing delays. <p>RESOLVED: That the Recovery Plan should be noted.</p>
<p>Item 6</p>	<p>Updated Financial Regulations</p> <p>MP presented the updated Financial Regulations which are compiled in line with best practice in the sector and include all feedback from previous audits.</p> <p>Discussion followed about the expense claims and monitoring of budgets – particularly in relation to aggregation of costs – and MP explained the protocols in place to ensure that budgets are not exceeded. He stated that authority levels are benchmarked against other colleges of a similar size emphasising that the systems in place were there to support rather than restrict the college's operations.</p> <p>RESOLVED:</p>

	That the Financial Regulations should be recommended to the full Corporation subject to a review by the Chair of Audit.
Item 7	<p>ESFA Financial Health Letter and Dashboard</p> <p>The letter to the Principal confirming that the college remains “inadequate” for the purpose of its financial health was noted.</p> <p>Governors commented that the tables appended to the letter were very useful in enabling benchmarking to other colleges.</p> <p>RESOLVED: That the Financial Health Letter and Dashboard should be noted.</p>
Item 8	<p>Financial Controls</p> <p>MP noted that the college had now completed an annual cycle and that all updates contained in the July Financial Plan have been completed and implemented. Consequently, MP recommended that the controls need not be brought to each Finance committee meeting.</p> <p>RESOLVED: That the Financial Controls should be noted and would not be automatically tabled as an agenda item for future Finance Committees.</p>
Item 9	<p>Property Disposals Update</p> <p>This discussion is recorded in confidential minutes.</p>
Item 10	<p>Pay Award 2019/2020 (verbal)</p> <p>MP confirmed that whilst incremental rises were provided for in the budget, the Executive was not recommending any cost of living rise for 2019/20 at this point.</p> <p>RESOLVED: That the Pay Award report should be noted.</p>
Item 11	<p>IoT Legal Agreements</p> <p>LJ introduced the report and highlighted the following:</p> <ul style="list-style-type: none"> ▪ As a partner of the IoT the college is required to sign the Collaboration Agreement and a Sub-Licence. ▪ There is no financial contribution to the IoT; the cost is “in kind”, i.e. LJ’s time ▪ The Collaboration agreement sets out the protocols for how the IoT works <p>Discussion raised a query about the nature of the proposed Cyber Physical Factory. It will be based at Aston University and its facilities will be open to all institutions. AD raised a concern about the Industry Level proposed and following the meeting, LJ provided the following note from Patrick Geary (AP James Watt) which refers to clarification from John</p>

	<p>Duffy (Director for Engineering)</p> <p><i>John has provided a further update. The original plans were to be based on industry 4.0- we're not sure if these have changed.</i></p> <p><i>Industry 4.0 covers topics like digitalisation, internet of things and cyber physical systems- effectively linking robotics with the internet for high level data analysis.</i></p> <p><i>Industry 5.0 is less well defined- link provided below- it's basically the above plus virtual reality, things like blockchain and machine learning. Worth noting that some companies are not yet ready for 4.0 let alone 5.0.</i></p> <p>https://www.raconteur.net/technology/manufacturing-gets-personal-industry-5-0</p> <p>AD questioned what the college's exposure would be as a member should the project not be successful, and LJ confirmed that the legal documents will be scrutinised by the new Company Secretary once he takes up post.</p> <p>RESOLVED: That the IOT Collaboration Agreement and Sub Licence be recommended to Corporation.</p>
<p>Item 12</p>	<p>Subcontracting Controls</p> <p>LJ introduced the letter from Eileen Milner, Chief Executive of the ESFA regarding strengthening of oversight in relation to Subcontracting.</p> <p>HS asked if monitoring of Subcontracting is part of the remit of the ASQD committee and VD agreed this was the case.</p> <p>RESOLVED: That the Subcontracting Controls should be approved.</p>
<p>HS thanked everyone for attending and the meeting concluded at 10.05 am.</p>	
<p>Date of next meeting: Tuesday 25 February 2020 at 8.00 am</p>	

Hilary Smyth-Allen
Hilary Smyth-Allen (Jul 24, 2020 16:41 GMT+1)

Signed.....

Chair: Hilary Smyth-Allen






BMet Finance Minutes (3rd Dec 2019) for signing

Final Audit Report

2020-07-24

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