

Minutes of the Finance Committee

held on Tuesday 28th November 2023 at 8.00am

By Microsoft Teams

Present	Apologies
Peter Croom (PCR)	Hilary Smyth- Allen (HSA)
Gary Turton (GT)	Sir Dexter Hutt (DH)
Pat Carvalho (PC)	
In Attendance	
Simon Eaton (SE)	
Fiona Yardley (FY) (Part)	
Anna Jackson (AJA)	
Sam Cole (SC) (For Agenda item 4)	
Andrew Crowter (AC) (For Agenda Item 5)	
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.
	<p>The minutes of the meeting on 26th September were accepted as a true and accurate record of the meeting.</p> <p>IT WAS RESOLVED THAT F23/24: 7 Subject to one typographical error the minutes of the meeting on 26th September 2023 be approved.</p>
Item 1 (ii)	Matters arising and Action Log.
	No Matters arising. No Actions for Review.
Item 2	Management Accounts for October 2023.
	<p>FY summarised the headline points from the October Management Accounts Report in the committee pack and emphasised the following:</p> <ul style="list-style-type: none"> • Income 162K adverse to budget due to under delivery in respect of the Tuition fund. • Teaching and other support costs are favourable to budget mainly due to reduced Discretionary Learner Support, Free Meals and IT and Data expenditure. • Meetings are taking place with budget holders to monitor and push delivery where required.

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	<ul style="list-style-type: none"> • The additional pay costs arising from the proposed January pay awards have been built into the budget. • Quarter 1 figures have taken account of 6-19 funding and T level clawback. • Apprenticeship income has been reduced by 92K to take account of changes to start dates. • WMCA income has been increased by 267K to take account of the contract value that was not known at the time of setting the budget. • Higher Education income is expected to rise as enrolment is ongoing. • Savings continue to be made from staff turnover and effective challenges of staff utilisation. • Non pay increased by – centralised pot of out of area AEB • There has been a £36 K increase in engineering partnerships expenditure. • The IT budget has been increased by £50k. • EBITDA is currently ahead of budget but there is a need to continue income growth and ensure effective cost management. Key watch points are apprenticeship delivery and the ESFA AEB allocation. <p>Governors' Observations and Questions</p> <p>1. <i>Have the risks relating to T- levels been factored into the re forecast? (PCR)</i></p> <p>FY confirmed that risk relating to T- levels had been factored into the reforecast.</p> <p>PC advised that risk of 16- 19 withdrawals might need to be considered further depending on the level of enrolments achieved in January.</p> <p>IT WAS RESOLVED THAT F23/24: 8 The October Management Accounts be noted.</p>
Item 3	Pay Award
	<p>FY advised: -</p> <p>PCR, FY confirmed people get a minimum of 6.5 either RLW or rate increase.</p> <p>Governors' Observations and Questions</p> <p>1. <i>Will ESFA funding be given every year? (PCR)</i></p> <p>SE advised:</p> <ul style="list-style-type: none"> • There was an expectation that the changes agreed this year by the ESFA would be baked into the funding rate offered by them in future years.

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	<ul style="list-style-type: none"> • A risk to be considered is a reduction in student numbers which would effect income levels. <p>PC advised that an additional risk to be noted is the potential impact of curriculum reforms and the possible defunding of some elements of existing provision.</p> <p>2. Will the pay award be from January 2024? (PCR)</p> <p>PC confirmed that the pay award would be from January 2024.</p> <p>3. It is good that an award can be made in accordance with sector norms. (GT)</p> <p>IT WAS RESOLVED THAT F23/24: 9</p> <p>A pay award of either Real Living Wage or 6.5% from January 2024 be commended to Corporation for approval.</p>
Item 4	Pay Gap Reports
	<p>SC introduced the 2023 Gender and Ethnicity Pay Gap reports and advised: -</p> <ul style="list-style-type: none"> • The reports will be formatted once text approved in principle. <p><i>In relation to the gender pay gap:</i></p> <ul style="list-style-type: none"> • The pay gap is 4.4% • The median pay gap is 7.7 % which is the most positive return since reporting began in 2017. • The median rate is the one widely considered to be the most used indicator for comparison purposes. • The improved percentage gap is attributed to a decrease in the proportion of women employed in middle and lower quartile roles. • The ongoing gap continue is attributed to a higher proportion of women employed in support roles. • The median gap in relation to the non-consolidated pay award given during the academic year is attributed to the award being based on an employee's actual salary and there are more females working in part time roles. <p><i>In relation to the ethnicity pay gap:</i></p> <ul style="list-style-type: none"> • The media pay gap is 9.3% • The gap aligns to the position in the West Midlands rate and is behind the national position. • The gap has widened and is attributed to an increase in the proportion of BAME staff employed in lower quartile roles and decrease in the number employed in upper and middle quartile roles. In addition, the amount of data

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	<p>informing this assessment has increased with data now being collected from 91% of staff; an increase of 6%/</p> <ul style="list-style-type: none"> Alongside this, the level of representation of BAME staff in the workforce is increasing and currently comprise 30 % of the BMet work force and 18% at management level. <p>Governors' Observations and Questions</p> <p>1. Are the metrics used to assess the pay gaps the same for both gender and ethnicity? (PCR)</p> <p>SC advised that the metrics used to assess pay gaps were the same for gender and ethnicity.</p> <p>2. What is driving the change noted in the gender pay gap report in relation to the lower and medium bandings? (PCR)</p> <p>SC advise that more men were taking up support roles.</p> <p>PC advised that a lot of time had been invested to increase the number of declarations above 90%</p> <p>A report on the impact of changes to the recruitment process would be produced later in the year for review by the Board.</p> <p>3. What impact might implementation of the Real Living Wage increase have on the pay gap? (PCR)</p> <p>SC expressed the view that it would reduce the mean and median gap further.</p> <p>IT WAS RESOLVED THAT F23/24:10</p> <p>Commended to corporation for approval.</p>
Item 5	FECTF Project
	<p>AC presented the report in the Committee Pack and emphasised the following: -</p> <ul style="list-style-type: none"> The Department for Education (DfE)has approved the college's application to realign the grant funding. Work at the Matthew Boulton campus us nearing completion. The majority of works on the Sutton campus have been completed. The remaining work on window replacement will be done in June 2024 as it cannot be done during term time. Works at the James Watt campus have begun. The first major task is to change the heat distribution pipe work.

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	<ul style="list-style-type: none"> • The college continues to engage regularly with the DfE and has agreed to trial a new costs-tracking portal. • An additional £417 K has been allocated to address condition improvement and the report contained a list of proposed expenditure works. <p>Governors' Observations and Questions</p> <p>1. How easy was it to gain DfE approval for the realignment of funding? (PCR)</p> <p>AC advised that the application had been accepted as submitted and processed quickly.</p> <p>2. Has the additional £417 K been received? (PCR)</p> <p>FY and AC confirmed that the additional funding had been received.</p> <p>IT WAS RESOLVED THAT F23/24: 11</p> <p>The content of the FECTF project report and progress made with implementing the contracts be noted.</p> <p>FY 23/24:12</p> <p>The proposed schedule of works for the use of £417 K additional funding be approved.</p>
Item 6	KPI Report
	<p>FY introduced the KPI report in the Committee pack and emphasises the following:</p> <ul style="list-style-type: none"> • The WMCA Funding allocation (<i>KPI 1.4</i>) is below target because of lower levels of additional support delivery. The position is being monitored. • The ESFA- AEB (<i>KPI 1.5</i>) allocation is below target because an element of out of area provision is not yet in place. Work is being done to address this shortfall. • KPI 2.3 concerning 16- 18 Progression levels is being reviewed to determine whether it is a helpful indicator. • KPI 3.3 (Apprenticeship new starts) does not reach target because the process of entering details on the ILR a number of apprentices is not yet complete. • Consideration is being given to an additional post to focus on tracking the progression of learners into employment to address the shortfall in KPI 3.6 (Leavers into Employment.) • Work is being done to understand in more detail the staff utilisation figures and what actions can be taken to address the target shortfall. • The financial health score should be achieved during the year (KPI 5.6) Key to achieving this will be the maximisation of income.

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	<p>Questions</p> <p>1. How can the Financial Health Score be improved? (PCR)</p> <p>FY advised improvement was expected to be achieved through savings in utility costs and actions taken to increase the financial outturn.</p> <p>2. What would generate an additional 10 toward the 170 target? (PCR)</p> <p>FY advised that options were being modelled.</p> <p>3. What is understood to be the reason for the shortfall in utilisation? (GT)</p> <p>FY advised that the shortfall was understood to arise from a combination of sickness and an underutilisation of hours. Work is being done to quantify the extent to which underutilisation is caused by sickness.</p> <p>4. When does the change in contract hours come into effect? (GT)</p> <p>PC advised the change in hours was effective from September 2023</p> <p>IT WAS RESOLVED THAT F23/24: 13 The content of the KPI report be noted and commended to Corporation for approval.</p>
Item 7	Managing Public Money (“MPM”) Review
	SE advised that no transactions considered in this committee meeting required reporting under the MPM regulations.
Item 8	Matters to report to Corporation
	<ol style="list-style-type: none"> 1. Acceptability of the October Management Accounts. 2. Proposed Pay Award. 3. Proposal to accept the draft Gender Pay Gap Report. 4. Proposal to accept the draft Ethnicity Pay Gap Report.
Item 9	Any Other Business
	There being no other business the meeting concluded at 9.30am

Signed: Peter Croom