

# BASINGSTOKE COLLEGE OF TECHNOLOGY CORPORATION

## FINANCE & RESOURCES COMMITTEE

### MINUTES OF A MEETING HELD ON WEDNESDAY 19 JUNE 2024

<b>Membership (8):</b>	*	Kevin Croombs	External Member	Chair
	*	Anthony Bravo	Principal	
	*	Mike Howe	External Member	Vice Chair
	*	Arun Mummalaneni	External Member	
	*	Dave Murray	External Member	
		Colin Willoughby	External Member	
		Vacancy (BS)	External Member	
		Vacancy (AL)	External Member	
<b>Quorum:</b>		3 required	5 present at start	Meeting quorate
<b>In Attendance:</b>	*	Mark Bonnett	Finance Manager (FM)	
	*	Simon Burrell	Clerk to the Corporation (Clerk)	
	*	Lorraine Heath	Deputy Principal: Curriculum, Performance and Innovation (DPCPI)	
	*	David Moir	Deputy Principal: Finance & Resources (DPFR)	
<b>Present at Meeting:</b>	*			

### PART 1 - NON-CONFIDENTIAL MINUTES

(5.05pm)		ACTION
<b>1046.</b>	<b>APOLOGIES FOR ABSENCE</b>  Colin Willoughby.	
<b>1047.</b>	<b>DECLARATION OF INTERESTS</b>  There were no declarations of interest made.	
<b>1048.</b>	<b>NOTIFICATION OF ANY OTHER URGENT BUSINESS</b>  There were no items of Any Other Urgent Business notified.	
<b>1049.</b>	<b>MINUTES OF THE PREVIOUS MEETING</b>  The Minutes of the meeting held on 15 May 2024 were confirmed as a correct record and were signed by the Chair.	

<p><b>1050.</b></p>	<p><b>MATTERS ARISING</b></p> <p>There were no Matters Arising discussed that were not due to be considered elsewhere at the meeting.</p>	
<p><b>1051.</b> (5.06pm)</p>	<p><b>MANAGEMENT ACCOUNTS: MAY 2024</b></p> <p>The Management Accounts: May 2024 were received and noted. The DPFR advised that there had been minor changes made since the last update. Cash generation was forecast (F4) at £1,211k (F3 forecast £1,282k, original budget £902k). The 'bottom line' after depreciation and pension adjustments was forecast as a deficit of -£450k (original budget deficit -£708k).</p> <p>Overall, the DPFR advised that the College finances were stable and looking positive.</p>	
<p><b>1052.</b> (5.11pm)</p>	<p><b>BUDGET 2024/25</b></p> <p>A written report was received and considered. The DPFR advised that, overall, the College's financial position remained strong as a result of a combination of growth in 16-19 student numbers, and an increase in the national funding rates. However, pay costs were rising as fast as income, and with a higher than usual capital programme, the budget was cash neutral for the year, before funding the F block project.</p> <p>The College's ESFA financial health assessment (without WBTC) was 'Good' for both 2023/24 and 2024/25. However, two of the FE Commissioner's financial benchmark targets (i. pay costs as a % of income, ii. Minimum operating surplus greater than 1% of income) would not be achieved with this budget. WBTC's budget showed an improving position.</p> <p>The DPFR advised further that the proposed budget had been developed based on the curriculum plan for 2024/25. However, he stressed that current student applications were some 17% above the same period in 2023 and that if those translated into additional enrolments there would be implications of additional costs in 2024/25. Lagged-funding would, though, be received in 2025/26.</p> <p>The DPFR took the Cttee through a number of key headlines (listed in the report) that had been used in developing the proposed budget.</p> <p>With regards to capital expenditure plans, the DPFR advised that he had received a large number of requests from the departments, based on increasing student numbers. The F Block project would continue through 2024/25 and was expected to be completed by the end of September 2025. Because of the increased number of requests, and with healthy cash reserves, he proposed that the level of capital expenditure be increased in 2024/24 to £1,178k (consisting of £178k underspend in 2023/24 and £1,000k for new capital items).</p> <p>The balance sheet showed a strong liquidity and solvency position. Other than the F Block project that would transfer asset value from cash to fixed assets there were no significant changes envisaged in the balance sheet.</p> <p>Cash flow would be slightly cash negative, with cash reserves forecast to reduce from £10,711k (at 1.8.2024) to £8,097k (at 31.7.2025) and to £7,579k by 31.7.2026.</p> <p>Depreciation would increase mainly because of the F Block project.</p> <p>The DPFR also highlighted a range of risks and opportunities (listed in the report) that could have further impacts on the College finances over the next 2-3 years.</p> <p>With regards to the proposed budget for WBTC the DPFR advised that the solvency position of the company had improved steadily in 2023/24, and was now well above the critical level of £250k net current assets. WBTC was forecasting a surplus of £52k in 2024/25 and a surplus of £188k in 2025/26.</p>	

<p><b>1052.</b> <b>(cont)</b></p>	<p>Following the presentation on the proposed budget 2024/25 Members sought clarification on a number of matters raised and received assurances regarding the plans for 2024/25.</p> <p>Overall, the positive forecast over the next 2-3 years was noted, with the key improvements being rising student numbers and an increase in the revenue per student.</p> <p><b>It was RESOLVED to RECOMMEND to the CORPORATION that the College budget 2024/25, based on the following be agreed:</b></p> <table border="1" data-bbox="456 510 991 734"> <thead> <tr> <th></th> <th>£'000s</th> </tr> </thead> <tbody> <tr> <td><b>Income</b></td> <td><b>19,779</b></td> </tr> <tr> <td><b>Pay costs</b></td> <td><b>(13,832)</b></td> </tr> <tr> <td><b>Non-pay costs</b></td> <td><b>(4,789)</b></td> </tr> <tr> <td><b>Operating Surplus/ Cash Generated</b></td> <td><b>1,158</b></td> </tr> </tbody> </table>		£'000s	<b>Income</b>	<b>19,779</b>	<b>Pay costs</b>	<b>(13,832)</b>	<b>Non-pay costs</b>	<b>(4,789)</b>	<b>Operating Surplus/ Cash Generated</b>	<b>1,158</b>	
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<p><b>1053.</b> (6.08pm)</p>	<p><b>PARTNERSHIP PROVISION 2024/25</b></p> <p>A written report was received and considered. The DPCPI advised that the College was planning to continue to sub-contract with WBTC only to deliver functional skills qualifications with a maximum contract funding value of £50,000.</p> <p><b>It was RESOLVED that a contract for 2024/25 with WBTC with a maximum funding value of £50,000 be agreed.</b></p>											
<p><b>1054.</b> (6.09pm)</p>	<p><b>CASTLE FIELDS PARTIAL LAND SALE</b></p> <p>The DPFR reminded the Ctte that the Corporation had previously agreed in principle, and subject to further detailed negotiations and formal planning approval being granted, to sell a strip of land at Castle Fields to the Basingstoke Sports and Social Club (the Club) in order that they could develop their clubhouse facilities. However, that proposed development had not taken place for a number of reasons.</p> <p>The Club had now reviewed its plans and wanted to create new paddle tennis courts instead. It had made a new request to the College to sell the previously identified strip of land for that purpose. In response to a question from a Member the DPFR advised that the cost of the land would be agreed by an independent land valuer, but was considered to be valued c£10k. In addition, it was noted that the Club would meet the legal costs of the College.</p> <p>In considering the proposal, the Ctte noted that the local community would benefit from an increase in facilities available to them. In response to a question from a Member the DPFR advised that the sale would not impact on the remaining College facilities at Castle Fields and their continued use by the College.</p> <p><b>It was RESOLVED to RECOMMEND to the CORPORATION that subject to further negotiations, the receipt of planning approval and the agreement of Heads of Terms, the sale of a strip of land at Castle Fields be re-affirmed and agreed in principle, and that the Club meet all the College's legal costs.</b></p> <p><i>[In-principle approval given to the original proposal by the Corporation at its meeting on 10 October 2018, Minute 969]</i></p>											

<b>1055.</b> (6.19pm)	<b>BAD DEBT REPORT</b>  A written report was received for information and noted. It was noted that one debt to the value of £733.33 had been written-off by the Principal under delegated powers.	
<b>1056.</b>	<b>ANY OTHER URGENT BUSINESS</b>  There were no items of Any Other Urgent Business discussed.	
<b>1057.</b>	<b>DATES OF FUTURE MEETINGS</b> <i>(Meetings commence at 5.00pm unless stated)</i>  Wednesday 27 Nov 2024 (Joint meeting with Audit Ctte) Thursday 28 Nov 2024 Wednesday 19 Mar 2025 Wednesday 14 May 2025 Wednesday 18 June 2025	
(6.23pm)	Meeting closed	

NOTE: WBTC = West Berkshire Training Consortium

Confirmed as a Correct record		28 Nov 2024
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