

BASINGSTOKE COLLEGE OF TECHNOLOGY CORPORATION

FINANCE & RESOURCES COMMITTEE

MINUTES OF A MEETING HELD ON THURSDAY 30 NOVEMBER 2023

Membership (8):	*	Mike Howe	External Member	Chair
		Anthony Bravo	Principal	
	*	Kevin Croombs	External Member	Vice Chair
	*	Adam Lupton	External Member	
	*	Arun Mummalaneni	External Member	
	*	Dave Murray	External Member	
	*	Barry Smith	External Member	
		Colin Willoughby	External Member	
Quorum:		3 required	6 present at start	Meeting quorate
In Attendance:	*	Mark Bonnett	Finance Manager (FM)	
	*	Simon Burrell	Clerk to the Corporation (Clerk)	
	i	Sammy Dolan	Head of HR (HHR)	
	*	Lorraine Heath	Deputy Principal: Curriculum, Performance and Innovation (DPCPI)	
	*	David Moir	Deputy Principal: Finance & Resources (DPFR)	
	ii	Ian Ward	Director of IT (DoIT)	
Present at Meeting:	*			
To Minute 1007:	i			
To Minute 1010:	ii			

PART 1 - NON-CONFIDENTIAL MINUTES

(5.00pm)		ACTION
1002.	APOLOGIES FOR ABSENCE Anthony Bravo, Colin Willoughby.	
1003.	DECLARATION OF INTERESTS There were no declarations of interest advised.	
1004.	NOTIFICATION OF ANY OTHER URGENT BUSINESS There were no items of Any Other Urgent Business notified.	
1005.	MINUTES OF THE PREVIOUS MEETING The Minutes of the meeting held on 21 June 2023 were confirmed as a correct record and were signed by the Chair.	

<p>1006.</p>	<p>MATTERS ARISING</p> <p>There were no Matters Arising discussed that were not due to be considered elsewhere at the meeting.</p>	
<p>1007. (5.06pm)</p>	<p>HR ACTIVITIES AND PRIORITIES</p> <p>A written report was received and considered. The HHR took the Ctte through her report. In particular she advised that:</p> <ul style="list-style-type: none"> • Staff headcount was slightly lower than in 2022, • 86% of qualifying staff had had a PDR • The Staff Survey showed improvements in seven out of eight areas, but the number of overall responses had been lower than in previous years, • Payroll had passed a TPS Pension Audit with no recommendations made, • A new HR/Payroll system was currently being introduced. <p>With regards to the TPS pension audit the Chair placed on record his thanks for the work undertaken by Helen Wood, Payroll manager, for achieving such a positive outcome.</p> <p>The Ctte sought and received clarification on a number of matters raised in the report.</p> <p>(The HHR left the meeting)</p>	
<p>1008. (5.26pm)</p>	<p>MANAGEMENT ACCOUNTS: OCTOBER 2023</p> <p>The Management Accounts to October 2023 were received and noted. The DPFR advised that following the better than anticipated enrolment in September 2023 the financial forecast had been updated (to F1) for the year and showed a positive increase in cash generation (before any capital spend) of £1,010k, with a reduced budget deficit of -£609k.</p> <p>The DPFR advised further that since the extra-ordinary meeting of the Corporation held on 2 November 2023, the income shortfall in apprenticeships had been calculated at £287k (higher than expected) and adult training at £63k plus the reduced contribution after ending the Learning Curve contract of £58k. These adverse changes had been offset by an increase to interest income of £100k and reductions in a number of budget areas to bring the forecasts in line with actual costs incurred.</p> <p>It was noted that the overall forecast position was slightly better than that presented to the extraordinary meeting. Core delivery was very positive, with a notional cash generation level of £2,115k, well above the £1.4m level targeted. However, under lagged funding, the cash would not be paid until 2024/25.</p> <p>The DPFR highlighted that one area of risk was regarding the Thames Water (TW) contract. 2023/24 was the final year of the initial contract period and the College did not know whether TW would extend the contract or put it out to tender.</p> <p>With regards to the financial KPIs, the DPFR advised that four out of the six were graded 'green' and the remaining two 'amber'.</p> <p>The DPFR advised also that West Berks Training Consortium had appointed a new Managing Director and that progress looked more positive; net current assets had increased further and were above £300k.</p>	

<p>1009. (5.38pm)</p>	<p>FINANCIAL STATEMENTS AND FINANCIAL OUTTURN 2022/23</p> <p>1. BCoT Group Accounts 2022/23</p> <p>A written report was received and considered. The FM advised that the financial statements for the BCoT Group (the College, BCoT Professional Services and WBTC) had been developed in line with the requirements set-out under the Managing Public Money regulations, following the re-classification of FE colleges back to the public sector.</p> <p>The FM took the Ctte through the financial statements and confirmed that the Financial Statements Auditor (FSA) had issued a clean audit report and raised no issues. In addition the FSA had also confirmed that there were no matters highlighted under regularity. It was noted that the FSA had, in fact, been very complimentary for the support and help given during his audit of the financial statements by the Finance Manager and his staff.</p> <p>In reviewing the financial statements, it was noted that the net liability related to the Local Government Pension Scheme had improved considerably from a net deficit of £3,135k (in 2021/22) to a net liability of £0 (for 2022/23).</p> <p>It was noted that the financial statements for the outturn for the financial year 2022/23 was a surplus of £184k (BCoT Group – BCoT only = +£201k) before pension adjustments.</p> <p style="text-align: center;">It was RESOLVED to RECOMMEND to the CORPORATION that the BCoT Group Financial Statements 2022/23, based on a group surplus of £184k (before pension adjustments) be agreed.</p>	
<p>1010. (5.58pm)</p>	<p>IT STRATEGY AND PROCUREMENT</p> <p>A written report was received and considered. The DoIT gave a presentation to the Ctte regarding the current IT position. He advised that a large number of problems had been identified with trying to implement the 2019 IT Strategy, that had been devised by the previous DoIT. He advised further that in 2019 the College had spent approximately £350,000 on new servers and storage systems, and that the warranty on that equipment had either expired or was due to expire by Jan 2025. In particular:</p> <ul style="list-style-type: none"> • The storage element had been problematic since its installation but was an essential element of the College's IT Disaster Recovery plan, • The original thinking (in 2021) was that the equipment would be retained and extended warranty purchased for the equipment. The costs of these extended warranties would be much higher than that estimated in 2021, • If the equipment was all working seamlessly and the IT team were technically capable of supporting some very specialized elements within the equipment then the increased costs would be more palatable, but they were not, • Due to the amount of work involved in replacing or migrating from the storage system there was only one window of time to do the works – the summer breaks. <p>In financial terms, the DoIT advised that the additional cost to the College following the expiry of the current warranty periods was estimated at a minimum of £35k per year. He advised further that:</p> <ul style="list-style-type: none"> • The College had allowed others to steer the solutions that underpinned the IT, • In 2010 that was European Electronic via a tender process, • In 2019 that was Daisy via a tender process. This tender only allowed one option, with only one manufacturer, to delivery something that could be done in countless ways, but the specification had been determined by Daisy, 	

**1010.
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- Once the College had invested that funding that was the path that had to be followed, not just because of the investment but due to the amount of work to implement any another change,
- EMT and the Corporation had not been presented with the options that had been considered, only a single recommendation,
- The IT support team (who would be responsible for its operation) had not been involved beyond the (then) DoIT at any time previously,
- Neither the 2010 or the 2019 installations were on time, both had overrun by at least a year.

The Ctte questioned the DoIT on a range of matters as a result of his presentation, and, in particular sought his proposals for the way ahead. He advised that:

- There was a need to look properly at all options available as to how “the back room” elements of BCoT’s IT could work to deliver the same, or better, experience to the users,
- Making sure that (as an IT department) whatever was proposed was something that the department could understand and support “in house” and that, as a department, could own any issues,
- Would be able to justify with full evidence why the proposal(s) was the best way forward,
- Take on independent (nationally recognised) 3rd party expert view of all the options,
- Use the Governor expertise in both IT and finance/running a business in terms of any cloud migrations,
- If there were better (both in terms of costs and performance) solutions than just maintaining what the College currently had, that funds would be made available to implement the changes.

In summarising his presentation, the DoIT highlighted that:

- Whatever the strategy of the IT department, the hardware and associated software would be in place for a period of years – the equipment was normally depreciated over four years but could remain in use for up to seven years realistically,
- The aim was that when the current DoIT finished in August 2025 that the replacement was from within the current IT Department – to avoid no sudden changes in views about what the best way to do the infrastructure was, as they would all have agreed on the best way forward when it was implemented,
- To avoid the “rip and replace” mentality of new (external) DoIT’s – the College would have an agreed strategy and the staff of the IT Dept would be there to implement it,
- To be very clear what costs were known and those that were not, and to know the total cost of the solutions over the lifetime of the proposed strategy to the best extent possible.

In response to a Question from a Member the DoIT proposed that the external expert would be JISC, and would also be supported by representatives from the Corporation who had expertise on IT, business management and procurement processes. It was suggested that Adam Lupton, Arun Mummalaneni and Colin Willoughby be asked to offer their expert help and guidance in the process.

With regards to timescale, it was proposed that the initial investigation be undertaken and a formal report and recommendations be made to the next meeting of the Finance & Resources Ctte (6 March 2024) for approval by the Corporation at its meeting on 27 March 2024.

<p>1010. (cont)</p>	<p>It was RESOLVED that the proposal to approve the process for review of the IT strategy be AGREED, in particular noting that:</p> <ol style="list-style-type: none"> 1. Approval for expenditure and the procurement route would be required at the F&R Ctte and the Corporation in March 2024, 2. Implementation of the selected strategy would require higher than expected capital expenditure in 2024/25 and possibly in the current year depending on timing, 3. Some of the equipment purchased in the 2019 upgrade would be sold and the carrying value in the accounts would be written-off. <p>(The DoIT left the meeting)</p> <p>[JISC is the UK digital, data and technology agency focused on education, research and innovation. It is a not-for-profit organisation and believes education and research improves lives and that technology improves education and research. JISC is recognised as the leading advisor in the FE and HE sectors]</p>	
<p>1011. (6.43pm)</p>	<p>PARTNERSHIP PROVISION</p> <p>A written report was received for information and noted. The DPCPI advised that the College operated with two sub-contracting organisations: Learning Curve Group and West Berks Training Consortium.</p> <p>1. Learning Curve Group (LCG)</p> <p>It was noted that there had been a decline in the achievement rate and that it was below the contracted target of 90%. It was also below that of the College. In view of that, the College had terminated the contract in October 2023. Of the 340 enrolments, 318 had known outcomes, and the remaining 22 were due to complete imminently.</p> <p>2. West Berks Training Consortium</p> <p>There were, currently, 18 learners enrolled with more expected. Of the 18, 15 were continuing, 1 had achieved and 2 had withdrawn.</p>	
<p>1012. (6.44pm)</p>	<p>BAD DEBTS</p> <p>A written report was received for information and noted. The FM reported that three debts (totalling £533.00) had been written-off under delegated authority.</p>	
<p>1013. (6.46pm)</p>	<p>ESTATES UPDATE</p> <p>A written report was received for information. The Ctte noted that a wide range of repair, maintenance and improvement activity continued to be undertaken around the campus. However, it was noted that a number of staffing issues had been challenging to resolve.</p>	
<p>1014.</p>	<p>ANY OTHER URGENT BUSINESS</p> <p>There were no items of Any Other Urgent Business discussed.</p>	
<p>1015.</p>	<p>DATES OF FUTURE MEETINGS <i>(Meetings commence at 5.00pm unless stated)</i></p> <p>Wednesday 6 March 2024 Wednesday 15 May 2024 Wednesday 19 June 2024</p>	
<p>(6.53pm)</p>	<p>Meeting closed</p>	