

GOVERNING BODY OF THE BELFAST METROPOLITAN COLLEGE

**Minutes of the BMC Resources Committee meeting held on 29 May 2019
at 4.30pm in the Board Room, Titanic Quarter Campus**

The following were present at the meeting.

Governors:	Seamus Dawson (Chair), Wendy Langham, Kathleen O'Hare, Declan Crummey	
Officers:	Damian Duffy, Director of Development (DD), Elaine Hartin, Director of Corporate Services (DCS), Jonathan Heggarty, Director of Curriculum and Learner Success (DCLS), Laura Allen, Head of Finance (HoF), Siobhan Lyons, Head of Economic Development (HED), Aidan Sloane, Head of Department, Centre for Skills and Apprenticeships (HCSA)	
Clerk :	Gerry Crossan	
RC41 18/19	<p>Apologies, Quorum, Conflicts of Interest and AOB</p> <p>Apologies: Apologies were received from:</p> <ul style="list-style-type: none"> • John McGrillen • Kate Burns • Colin Daysh • Raymond DeLargey <p>Quorum: The meeting was quorate</p> <p>Conflicts of Interest: None reported</p> <p>AOB: No AOB items notified at start of meeting .</p>	
RC42 18/19	<p>Minutes of the Meeting of 4 March 2019</p> <p>The Committee approved the minutes without amendment.</p>	
RC43 18/19	<p>Matters arising from the Minutes of the Meeting of 4 March 2019</p> <p>No issues that are not on the agenda.</p>	
RC44 18/19	<p>Chair's Business</p> <p>The Chair advised that this meeting would focus on developing members' understanding of the delivery of WBL services through an update on progress against the Training Business Plan.</p>	
RC45 18/19	<p>Financial Update as at 30th April 2019</p> <ul style="list-style-type: none"> • <u>Quarter 3 2019/20 Reforecast</u> 	Chair



Management advised that key issues include

- 2 reporting cycles – now in last 4 months of College year and first 4 months of NDPB year;
- DfE approved funding approved for Lecturers' pay up to September 2018 – this expenditure has not been baselined in 2019/2, will have to be absorbed within 2019/20 budgets – Management advised that activity levels had decreased;
- Financial performance in Q3 is similar to Q2 in both income and expenditure and for the 2018/19 year is on target to be within parameters agreed with DfE, including those for overspend and cash levels;
- Forecast outturn to July 2019 being below £5m deficit approved by GB by £245k, although there is still uncertainty over student fee income;
- Shortfall of £1.8m, which equates to pay and pension pressures;
- Cost reduction measures still leave outstanding savings to find £367k

The Committee sought clarification on how the pressures identified would be funded. Management advise that they were working closely with DfE colleagues on additional funding and that the CDP 2019/20 discusses expenditure and funding scenarios in detail.

Committee asked for clarification of payments to project partners. Management advised that stringent cash management processes were in place to achieve minimum cash balances of £4.4m, excluding projects and ring fenced activities which will income from advance funding which was not included in organizational budgets.

- Budget 2019/20

Management advised that the 2019/20 budget shows a pressure against indicative allocation provided by DfE. Initial pressure has been substantially closed due to increased MASN provided by DfE and action taken by college to reduce spend – largely ceasing all non essential estate and IT activity. This leaves a gap of c£400k. Committee discussed how best to manage this and agreed to recommend budget to GB with this gap on the assumption that further college action or DfE funding would allow the gap to be managed.

The Committee enquired about the stance being taken by DfE officials.

Management advised that

- DfE position appears positive at this stage and that without funding, management will not be able to deliver policy;



- DfE have put in Monitoring bids for sector at around £10m.
- delivery is achievable with DfE support in-year, but this approach is not sustainable;
- action is currently being taken to manage lecturing capacity within budget;
- DfE and DE are taking different positions on funding of pay pressures;
- sector has lost funding through falling enrolment, College losing 29% of income through falling enrolment and applications are falling across the sector;
- the real pressure in 2018/19 was £25m – the sector and College are approaching a decision on reducing delivery and DfE are alive to this;
- Achieving 2018/19 Budget is dependent on funding of ESO provision;
- Management are using zero-based budgeting, demonstrating evidence of pressures DfE are open to the discussions providing we provide the evidence-base.

The Committee was of the view that if things are not going to improve, then potentially dramatic action must be considered in planning for next year. The Committee noted that flexibility is seriously limited and there is a risk that a restructuring programme will be required to deliver against the settlement.

Management advised that the baseline impact of the application of the Barnett Formula may not be carried forward. The whole sectoral business is being run with massive gaps in funding. Management advised that they are exploring every avenue for funding, including City Deals.

Management asked the Committee to approve the budget as it stands to enable Finance Team to upload into system to support further cost reduction support to management.

The Committee enquired about the timescale to close the gap. HoF advised that the gaps would be closed and the budgets uploaded by 1 August 2019. In achieving this, Management will actively manage the funding risk (for example, maternity cover and learning support), maintain dialogue with DfE on further monitoring rounds.

Management advised that managing the in-year pressures will impact upon provision and students.

The Committee agreed to recommend the budget to the Governing Body with the funding on the assumption that further Management action or DfE funding would address the issue.



<p>RC46 18/19</p>	<p>Non-FLU Income Report</p> <ul style="list-style-type: none"> • <u>Non FLU Q3 2018/19 update</u> <p>Management advised that key issues included:</p> <ul style="list-style-type: none"> • Non-FLU income is down against budget by almost £300k, however, the reduced income is offset by reduced expenditure resulting in an increased contribution - £500k forecast against £326k in opening budget; • Outsourcing of catering is succesful so far, although feedback from students has been critical to date, particular around lack of meal-deal offerings - Student feedback is also being picked up through the Student Voice; • Contribution improvements coming mainly from increased Assured Skills activity offset by a lower contribution from EU projects; • GenComm requires a contribution from the College. DfE has advised that they might be open to providing matched funding. <p>The Committee noted the losses associated with the Skills for Industry Programme.</p> <p>The Committee asked why Sponsorship Income was so low. Management advised that this has been historically low for the College and that the Trust had attracted some sponsorship income in the past.</p> <p>The Committee sought further information of the opportunity of providing services to Saudi Arabia. Management advised that the programme changed from being a delivery partner in Saudi Arabia to providing training Saudi Arabian trainers, at which point the nature of the opportunity changed and the Riyadh partners were reviewing what service provision they needed.</p> <ul style="list-style-type: none"> • <u>Non-FLU Budget Update.</u> <p>Management reported that the Colleges is largely on target for break-even position due to an improved forecast contribution.</p> <p>The Committee asked if the Finance Team had verified the figures and Management advised that they had.</p> <p>The Committee noted the reports.</p>	
<p>RC47 18/19</p>	<p>Belfast Metropolitan College WBL 3-Year Development Framework</p> <p>Management presented the following reports to the Committee for discussion:</p> <ul style="list-style-type: none"> • WBL Development Framework (update April 2019); 	<p>Chair</p>



- WBL Development Framework and Finance Model – including an update on financial performance against the WBL Business Plan and 2018/19 reforecast; and,
- WBL Skills and Apprenticeships paper.

Management updated on the progress to date and the wider market in relation to WBL offering provided by the College:

- the College adhering to the path set out in November 2017
- ETI Inspection report provided an overall rating of “Very Good” for ‘Outcomes for Learners’ ‘Quality of Provision’ and ‘Leadership and Management’; and recognised management action in improving the performance and efficiency of WBL
- ETI advised that the College needed to increase the number of apprentices and Higher Level apprenticeships
- End stage of Training for Success programme – we will be recruiting up to 2020, therefore programme will last another two years after that
- Higher level offerings will continue in line with DfE policy and Skills to Succeed strategy
- Apprenticeships at Level 2 & Level 3 have been expanded and growth achieved
- Higher Level Apprenticeships at Level 5 have been expanded and growth achieved
- A range of additional programmes to address long-term unemployment and economic inactivity have been developed and implemented.

The Committee

- welcomed the positive ETI outcome
- welcomed the improved commercial and financial position
- noted that actual occupancy on WBL provision was overall aligned to the WBL Business plan
- noted that the new Trainer Assessor Model was in place in line with plan

The Committee commended management on work done to date and thorough update provided with request made to have regular updates on progress including monitoring activity levels and financials against WBL Business Plan targets going forward.

The Committee recognised the level of work that management had put in so far and congratulated all relevant staff. The Committee agreed that

- it was satisfied with the information presented and the discussion informed by it



	<ul style="list-style-type: none"> management had provided a sound basis for the Committee to understand the information that has been and will be provided in relation to this area of the business. 	
RC48 18/19	<p>IT Report (Written report table)</p> <p>Management advised the Committee on the key issues in the report, including those associated with recruitment/retention and the restructuring of the team.</p> <p>The Committee noted the IT report.</p>	
RC49 18/19	<p>Estates and Facilities Management Report</p> <p>Management advised the Committee on</p> <ul style="list-style-type: none"> significant successes in Estates Management; and, the correspondence and current position with the PCD Business Case, including the Accounting Officer risks and issues around health and safety. <p>The Committee noted that the PFI is complete and that the next stage is a review by the NIAO.</p> <p>Management advised that they have received independent advice on accounting treatment. The Committee asked that the settlement of TQ legacy issues, including any final audited position, be advised to the TQ Group at a final meeting of that group to be held in November 2019.</p> <p>The Committee noted the Estates and Facilities Management Report.</p>	
RC50 18/19	<p>AOB</p> <p>The Committee noted that DfE had taken action to address the extension of Governor contracts in the past few days.</p>	
RC51 18/19	<p>Close of meeting evaluation</p>	
RC52 18/19	<p>Date of next meeting</p> <p>The next meeting will held at 4.30pm on 3 October 2019 at TQ04.004 (Level 4 Meeting Room).</p>	

Chair of Resources Committee

Seamus Dawson

Signature

Date

3/10/19