

City College, Birmingham Corporation

**Corporation Meeting
Tuesday 31st March 2009, 5.30 pm
at
North West Skills Academy
in room 3&4**

Present:

Mr Mohammed Afzal	Ms Aishah Ahmed (Student member)
Mr Roger Buncombe	Mr Henry Coore (Chair)
Ms Liz Furey	Mr David Gibson – Interim Principal
Ms Kate Hartigan	Cllr Jon Hunt
Ms Mumtaz Hussain	Ms Lucy Jeynes
Mr Jagwant Johal	Ms Pat Lewis (Staff member)
Mr Ian Richards	Mr John Williamson (Staff member)

In Attendance:

- Mr Mick Barr – Head of Business Development Unit
- Mr Everton Burke – Vice Principal, Curriculum Development
- Mrs Debbie Cole – Clerk to the Corporation
- Mr Stuart Cutforth – Vice Principal, Curriculum Delivery
- Mrs Tracy Everett – Governance Administrator
- Mr Phil Forrest – Director of Property
- Mr Anthony Gribben – Director of Planning & Information
- Ms Tracy Kerr – Business Development Advisor
- Ms Annella Mochan – LSC Partnership Director
- Ms Ranjna Parmar – Director of Human Resources
- Mr Peter Ryley – Interim Director of Finance
- Ms Carole Tidball – Interim Vice Principal, Quality & Standards

Absent: Ms Monica Coke

Prior to the meeting there was a Core Business Skills Briefing – presented by the Vice Principal Curriculum Development and the Core Business Skills Team. A copy of the presentation is attached as Appendix A.

Governors asked if there were any particular niches the team were trying to target. The Head of Business Development informed members that the College was building on work already done in the area of laundry. The College has strong links with textiles and in the care sector. Last September the team needed to develop links and work. The team now need to further develop the links already made.

The LSC Partnership Director stated that members may be interested in the targets for Train to Gain (T2G). The Head of Business Development informed members that the targets of £940,000 for this year are quite challenging. Last year the College delivered £112,000. The targets are not just income targets but also targets for the number of employers the College works with. The College currently has links with 68 employers and these are increasing all the time.

The Interim Principal stated that an important factor for the team is not how much money the unit takes but how profitable it is to run. The Chair asked the Interim Director of Finance to comment on

costs. The Interim Director of Finance informed members that the team have made a very good start, but one thing he has been emphasising is that the College should not see this as a quick fix. He commented that the last College he was at took 18 months to get up and running. The progress made so far in the current economic climate is phenomenal but he did not think the College would be able to hit the income target for next year.

Governors asked how the training was delivered. The Business Development Adviser informed members that delivery was mainly in small groups or on a one to one basis with an assessor in companies for 4 or 5 hours. If companies can release groups, which the College encourage them to do, then training is delivered in College.

Governors asked what the average lead time on delivery was and if the team have a pipeline or order bank. The Director of Curriculum Development informed members that in terms of work with the Chamber lead time has come down to a week. Leads are being made on a daily basis. The College is working with the consortia with the Chamber.

Governors asked whether private sector organisations think the training should be cheap and try to get the costs reduced. The Head of Business Development informed members that most private sector organisations feel the training should be free.

Governors asked about the level of take up regarding the taxi drivers. The Director of Curriculum Development informed members that the College had been engaged with the taxi drivers for the last 3 months and that was the taxi drivers contacting the College. They are trying the College out to see if it can deliver. They have been to other providers who have not delivered and as the College is able to prove it can deliver, those numbers will increase. The College is now on the LSC preferred providers list for this training.

Governors stated that the College is clearly using the core skills brand. However having made a flying start there will inevitably be fluctuations in the work coming through and asked if the team have a business plan and strategy where priorities can be changed accordingly. The Director of Curriculum Development confirmed that the team has a plan and are also doing some targeted work. The College is living with T2G on a daily basis. Governors asked if the College needed to move quickly in terms of growth whether the plan allows for that. The Director of Curriculum Development confirmed that the plan does allow for the College to act quickly. For example the taxi drivers started in January, the College is now on the LSC preferred providers list and the verifier is coming in May, so the College acted quickly and adapted.

Governors asked whether the link with the Chamber was an exclusive one. The Head of Business Development informed members that it was not an exclusion link as the Chamber will have links with other providers. However our relationship has been described as unique. The College is trying to move more into a consultancy role rather than a sales role.

The Chair thanked the Head of Business Development and the Business Development Adviser for their presentation and for what the team had achieved so far. He stated that governors will be closely monitoring developments within this area.

1. Declaration of Interests

153.09C The Chair asked if anyone wished to declare an interest. The following governors declared interests in relation to the following:

The Chair – South Birmingham College (SBC), Governor
Mr Roger Buncombe – Lambert Smith-Hampton, his employer
Ms Liz Furey – Aston University, her employer
Mr Jagwant Johal – Birmingham City Council, his employer
Cllr Jon Hunt – Birmingham City Council

2. Apologies

154.09C Apologies were received and accepted from Mr Crump, Ms Harrison and Ms Quirke.

3. Minutes of the Corporation meeting held on 24th February 2009

155.09C Governors stated that minute number 110.09C should read 'The Chair of Audit stated that it is important to note that not only is the College identifying risks now in a different way but that the risk score is monitored against actions taken to mitigate the risks'.

156.09C Governors stated that minute number 143.09C should read 'The Interim Director of Finance informed members that Baker Tilly, who are currently doing work within the College, picked up on a weakness with regard to the financial regulations. Contracts for partnership and franchise work were presented to the Finance and General Purposes (F&GP) Committee and Corporation but then the Interim Director of Finance signed them all and about half of them were over his authority limit. The Interim Director of Finance requested delegated retrospective authority. Governors were happy that the signing of these contracts had been a genuine oversight. They requested that all future signings must comply with the College's Financial Regulations'. **Action point – Interim Director of Finance.**

157.09C **Resolution: with the above amendments members unanimously agreed that the minutes were an accurate record of the meeting and approved them. They also gave delegated retrospective authority to the Interim Director of Finance to sign the franchise and partnership contracts. They requested that future signings comply with the College's Financial Regulations.**

4. Matters arising from the minutes

158.09C There were no matters arising.

5. Corporation Action List as at 31st March 2009

159.09C Minute No: 652.08C – The Interim Principal informed members that the meeting with himself, the Director of Planning and Information and Councillor Hunt had not yet taken place to discuss access to deprivation measures. The Interim Principal stated that it was also important to discuss other areas of underachievement i.e. young

white British males. The Interim Principal explained that a meeting would be arranged for early May. **Action point – Interim Principal.**

160.09C The Chair asked whether these were people who were falling outside of training. The LSC Partnership Director informed members that this was a national issue but was exacerbated in Birmingham because of high deprivation factors in some wards. The Interim Principal commented that for City College it is particularly pertinent in motor vehicle. The Vice Principal Curriculum Delivery stated that it is not just young white British males that are disadvantaged it is also young white British females.

161.09C The Clerk informed members that Minute No's: 61.09C, 85.09C, 102.09C, 118.09C, 142.09C and 143.09C are either all completed or items on the agenda and can now be removed from the action list. Minute No: 123.09C – The Interim Director of Finance informed members that the Financial Regulations will be cross referenced to the Expenses and Benefits Procedure when it is next reviewed in July 2009. **Action point – Interim Director of Finance.**

162.09C **Resolution: members unanimously agreed to receive and monitor the Corporation action list as at 31st March 2009 contained in paper 2.**

6. Interim Principal's Update

163.09C The Interim Principal updated governors on what action had been taken following inspection. After inspection the Interim Vice Principal Quality and Standards handed out at the case conference a copy of the initial report minus the grades. Those attending the case conference (QIA and LSC) felt that the overall effectiveness grade would be a satisfactory or satisfactory/good taking into account the comments made. This was not the case. The College has written a complaint to Ofsted pointing out the flaws in their process. The College's response to the Ofsted report went in and on time. The College has not heard anything from anyone at Ofsted since 6th March, which contravened their own guidelines.

164.09C The Interim Principal placed his thanks on record to the members of the SMT who had been busy supporting him and preparing the evidence to support the complaint. The College knows that the complaint was received as it was tracked through Royal Mail and are now just waiting for a response, which has to be imminent otherwise they would be outside the timescales of their own process. The complaint the College prepared was linked to Ofsted's own handbook. It is theoretically possible that Ofsted could still go ahead and publish the report regardless, which could be damaging if the report is published before the outcome of the complaint. A working party consisting of the Chair, Vice Chair and members of the Board with a legal background may need to meet to discuss in depth how to progress this issue.

165.09C Governors asked if the College could not chase Ofsted for a response as it is not possible to move forward until the outcome is known. The Interim Principal informed members that the College is getting on with putting plans in place to deal with issues raised and is moving things forward despite everything. Although we do not agree with everything in the report we must look to improve.

166.09C The Student Governor asked what would happen if the College finds it has not passed the Ofsted inspection. The Interim Principal informed members that in this case the decision would be down to the Politicians and the LSC.

167.09C The LSC Partnership Director informed members that the LSC is supporting the College and will be holding a case conference with Learning and Skills Improvement Services (LSIS) to request additional support and will carry on with business as usual, as doing nothing is not an option.

7. Finance and Funding Report to 28th February 2009

168.09C The Interim Director of Finance drew members' attention to the amendment to the third paragraph on the first page of the tabled page. He stated that the College has met all the conditions detailed in the Financial Notice to Improve (FNtI). The College has requested that LSC lift the FNtI, but they cannot do that just yet as there is a process they have to go through. However FNtI are issued to Colleges on 2 bases either on improvements in control or financial health. Whilst the College has met conditions around control our financial health is still a cause for concern at LSC as well as in College. The College will therefore be receiving a new FNtI based on financial health of the College. He commented that the Interim Principal has mentioned on numerous occasions the amount of support the College has received from the LSC. The Interim Director of Finance wanted to place on record that he had also received a similar level of support from the LSC finance team in resolving the financial issues of the College. The College is now using the 3 year financial plan to monitor its progress and it is proving a very useful document.

169.09C The Interim Director of Finance drew members attention to the fact that as the College had not hit its target for adults the LSC will be holding back just under £3.3 million. LSC rules states that this money should be pulled back in two tranches during June and July which would aggravate the Colleges financial position and drive the College into overdraft. The College has requested that this be spread over a longer period in order to alleviate the financial position. The LSC finance team will be making this request to the national LSC on our behalf.

170.09C The Interim Finance Director informed members that this report is based on the College receiving £4 million for East which is not going to happen. The banks have already been approached to discuss options for the way forward.

171.09C The Interim Principal stated the sale of East was originally £5 million which was then reduced to £4 million. The Developers (MarCity) have a partner who is linked with the National Affordable Housing programme who were optimistic that they could get the College £2.5 million, which is a realistic price in the current climate.

172.09C The Interim Director of Finance informed members that this will impact on the cashflow projections. Adult funding for next year will also be reduced. The LSC have been as honest as they can be with the College so that we can look at the financial plans. It very much looks as though in total terms the College will be looking at a budget of £20 to £21 million which is a £3 or £4 million reduction overall.

173.09C The Interim Principal informed members that clearly this is a serious situation. The

College cannot complain to the LSC about the reduction in the allocation as we have had a huge amount of support from the LSC, so there is nowhere to look other than ourselves. A full day for SMT has been arranged later this week to look at the financial situation and will seek to ensure that we cut our expenditure to meet the income. There is no way we can manage that reduction without a fundamental review. We will therefore have to look at things that are not popular and may need to look at compulsory redundancies and more voluntary severance. In his view tutors are currently under the national average of taught hours and need to look at efficiency savings by increasing hours taught. Also there is an 8 month clause in the contract for notice of compulsory redundancy and in other Colleges it is more like 3 or 4 months. He stated that he had tried to warn the unions in a meeting earlier in the day. His advice to governors was that they should ask the SMT to come up with a plan of efficiency savings that ensures that the College remains open on a sound financial footing.

- 174.09C Governors asked whether the Interim Principal was happy with what Governors were expecting from the SMT meeting on Thursday. The Interim Principal confirmed that governors have asked him to go away and look at reducing costs in whatever way is necessary to ensure that the College is financially viable. He stated that when it comes to support members will have to stand firm. Unions are likely to lobby governors.
- 175.09C The Student Governor stated that the College has a number of sites that are under recruiting and asked if it was possible to sell one of the sites to get some income. The Interim Principal informed members that this was a very valid question and a possibility but if the College could hold off for a year due to the current climate it would be more beneficial. One Governor confirmed that it is the wrong time to be putting anything on the market currently. He suggested waiting for 18 months.
- 176.09C Governors asked whether a recovery plan would be presented to Corporation. The Interim Principal confirmed that the approved 3 year business plan is no longer accurate and needs to be fundamentally revised. His concern was that the College needed to move quickly and governors may want to consider whether its goes to F&GP or full Corporation.
- 177.09C One Governor stated that the College could move quickly and make decisions quickly but the impact may take much longer. The Interim Principal confirmed that obviously decisions can be made quickly but the actions will take time. For example any decisions around compulsory redundancies or voluntary severance can be made quickly but the effect will take time due to the consultation etc. Governors asked to see the level of impact and whether high or low risk in terms of the business of the College. The Interim Principal agreed and stated that high risk for the College was doing nothing.
- 178.09C The Teaching Staff Governor asked the Interim Principal to clarify his comments as these comments were not mentioned to the unions. The Interim Principal informed members that he had made the unions aware that there are serious financial difficulties which could affect the contracts. This situation is very serious and he wanted governors to be aware of just how serious it is. Nothing has been decided yet but the professional view is we cannot get out of this situation without that level of discussion. SMT will meet and come up with some proposals.

- 179.09C The Chair of Audit asked if it would be appropriate to give notice of statutory consultation so that whatever proposals are made we will have already made a start to the process.
- 180.09C The LSC Partnership Director informed members that the funding letter for the College will be received tomorrow. Nationally funding has been cut on 16-18s. In the discussions the LSC has had with the College there is an expectation that the LSC will receive a paper from the College stating where it will make those additional savings as there is no more funding available from the LSC. Therefore the LSC is asking for this information and the College must be able to show there is a significant saving to ensure that by 2010 when LSC is no longer that the College is fit, proper, viable and sustainable institution.
- 181.09C One Governor asked if funding was being cut due to falling numbers and asked for clarification around political intervention. The LSC Partnership Director stated that if a College is deemed as inadequate following an Ofsted inspection the Department for Innovation, Universities and Skills (DIUS) are informed and a Strategic Options Review is undertaken. However it was agreed that it was sensible to await the outcome of re-inspection before making a decision on the strategic options review. DIUS nor the LSC can keep bailing out a College that is not financially viable. The numbers for 16-18s is increasing but there is pressure on the LSC budget as this also has to cover schools and sixth forms as well as Colleges.
- 182.09C Governors asked if the College had discussed with the banks the possibility of the whole £11 million becoming a term loan. The Interim Director of Finance informed members that he would be considering this in a meeting later in the week.

Ms Mochan left the meeting at 7.00 pm.

- 183.09C Governors asked if the £7 million loan was secured on the Fordrough Campus. The Interim Finance Director informed members that it was a negative pledge on one of the other buildings.
- 184.09C **Resolution 1: members agreed that the SMT should look at a plan to ensure savings so that the College is on a financial footing.**
- 185.09C **Resolution 2: unanimously agreed to receive and monitor the Finance and Funding Report to 28th February 2009 contained in paper 3.**

8. Financial Regulations – Updated Section 5.1

- 186.09C The Interim Director of Finance informed members that this was a simple change as the College did not have appropriate authority limits.
- 187.09C The Chair of Audit asked what was stated in the bank mandate. The Interim Director of Finance informed members that the bank mandate merely provides for signatories, authority limits are set out in the financial regulations.
- 188.09C **Resolution: members unanimously agreed to approve the changes to the updated Financial Regulations under section 5.1 contained in paper 4.**

9. Letter of Representation & Operating and Financial Review and Financial Statements for year ended 31st July 2008

189.09C The Interim Director of Finance informed members that this was merely for ratification of the documentation that had been seen before.

190.09C The Chair of Audit queried pension payments for former employers and stated that surely the College were paying them. The Interim Director of Finance confirmed that they were being paid but not directly by the College.

191.09C **Resolution: members unanimously agreed to ratify the Letter of Representation & Operating and Financial Review and Financial Statements for year ended 31st July 2008 contained in paper 5.**

10. Anti-terrorism Insurance

192.09C The Clerk guided members through the paper which had been prepared following a request for further information from governors.

193.09C Governors asked whether the College has business interruption insurance. The Interim Director of Finance confirmed that it does. Governors stated that the insurers should be able to confirm what is covered under the College's business interruption insurance. The Interim Director of Finance informed members that he would go back to the insurers and ask them to confirm this. **Action point – Interim Director of Finance.**

194.09C There was some discussion on the government taking action in certain circumstances regarding terrorism attacks due to the seriously high premiums that are being charged, therefore Colleges could not afford to take out appropriate cover.

195.09C **Resolution: members unanimously agreed to receive the further information and asked the Interim Director of Finance to ask the direct question of the insurers as to what is covered under the business interruption insurance.**

11. College Business Plan – Update

196.09C The Vice Principal Curriculum Delivery guided members through the presentation (Appendix B). He reminded members that the plan is for 3 years.

197.09C One Governor asked if the College knew how much of the school age population were outside the Fordrough area. The Vice Principal Curriculum Delivery informed members that he did not have that data to hand but would issue for governors information. **Action point – Vice Principal Curriculum Delivery & Director of Planning and Information to supply information to the Clerk to forward.**

198.09C The Vice Principal Curriculum Delivery informed members about the work it was doing with the School Collegiates.

199.09C The Student Governor commented that the community within the Fordrough area is predominantly from a Pakistani background and they do not want their children to do

hospitality and catering. Therefore she asked why this course was being offered at Fordrough. The Vice Principal Curriculum Delivery informed members that the College has 1500 supported learning students who do want to study hospitality and catering. The Interim Principal stated that parts of the Pakistani business community are also keen on food hygiene courses. Therefore the offer at this centre will cover some of the local business needs. The Chair also confirmed that there is a market for this provision at the Fordrough.

200.09C Governors stated that the Fordrough site seems to be a very vibrant site and asked how the College would maximise usage at weekends. The Vice Principal Curriculum Delivery stated that there are initiatives to use accommodation at weekends. The Director of Planning and Information stated that during the day the centre will be filled with 14-19 students but during evenings and weekends the College can accommodate requests from local groups that may wish to use the site. Some of these areas may not be funded and the College will need to take a close look at this aspect. The Interim Director of Finance reported that some of the ideas being presented by staff means the College will have summer schools planned and taster courses.

201.09C Governors asked what guidance the College was receiving from the LSC regarding the direction the College was thinking of taking. The Interim Principal informed members that the Clerk has arranged for presentation at the residential from both the local authority and the LSC regarding the funding changes and priorities post 2010.

Jagwant Johal left the meeting at 7.43 pm.

202.09C **Resolution: members unanimously agreed to receive the presentation on the updated College Business Plan.**

John Williamson left the meeting at 7.45 pm.

12. Letter of Invitation to the Gambia Technical Training Institute and Report on the visit

203.09C The Co-ordinator International Students guided members through the report. The report also contained a letter of invitation for the Chair of City College Corporation to meet with colleagues in the Gambia. The invitation to the Chair was due to his background in youth programmes within the city.

204.09C Governors asked if there were any risks involved financially. The Co-ordinator International Students reported that there were no financial risks as it is fully funded.

205.09C **Resolution: members unanimously agreed to receive the Letter of Invitation to the Gambia Technical Training Institute for the Chair of Corporation and the report on the visit contained in paper 7.**

13. Human Resources – Update

206.09C The Director of Human Resources guided members through the report. She informed members that Grievance and Disciplinary Policies and Procedures would be presented to the next meeting but asked for members' agreement to use the current documents as working drafts. Members agreed.

207.09C Governors asked if the Director of Human Resources was disappointed with the level of response to the mini staff survey. The Director of Human Resources informed members that 52% is a good response for City College. The last major survey response was just under 50% and the normal response rate is more like 20%.

208.09C The Chair emphasised a point he had made in the past about the importance of exit monitoring. The Director of Human Resources informed members that the College does have a process in place for exit monitoring. She informed members that she would include this information in the next Annual Personnel Report later in the year.

209.09C **Resolution: members unanimously agreed to receive the Human Resources – Update contained in paper 13 and agreed that the current documents for Grievance and Conduct Policy/Procedures be approved as working drafts.**

14. Student Involvement Strategy

210.09C The Vice Principal Curriculum Delivery guided members through the report.

211.09C The Chair of Audit stated, that given the issues the College has been addressing through the Post Inspection Action Plan (PIAP), whether the strategy reflected the same emphasis. The Vice Principal Curriculum Delivery stated that it may be worth going back and cross referencing. **Action point – Vice Principal Curriculum Delivery and Head of Student Services.**

Mohammed Afzal left the meeting at 8.00pm.

212.09C **Resolution: members unanimously agreed to approve the Student Involvement Strategy and requested that it be updated in line with the Quality Improvement Plan (QIP).**

15. Enrolment Update

213.09C The Director of Planning and Information guided members through the report which included information on recruitment against targets and planned activities.

214.09C One Governor stated that from the report they were not sure if the College is where it should be. The report needs to include more information on targets. The Director of Planning and Information informed members that additional information could be built into the report for next year. He also stated that he was happy to meet members and discuss any ideas they may have for inclusion in the report. He explained that the targets regarding activities are those planned for the academic year. This year was the first year that targets were set in a different way. **Action point – Director of Planning and Information.**

215.09C **Resolution: members monitored the Enrolment Update and unanimously agreed to receive the report contained in paper 10.**

16. Search and Governance Committee – 24th March 2009

16.1 Selection Panel – Draft Terms of Reference

216.09C One Governor suggested that point 6 be amended to include ‘determining what the interview will consist of’. **Action point – Clerk to the Corporation.**

217.09C **Resolution: members unanimously agreed to approve the Selection Panel – Draft Terms of Reference with the above amendment.**

17. Finance and General Purposes Committee – 17th February 2009

17.1 International Student Fees 2009/2010

218.09C Governors asked if the international student fee covers the costs of international students. The Interim Director of Finance confirmed that they did.

219.09C **Resolution: members unanimously agreed to approve the maintenance of fees for International Students in 2009/2010 at the same values as in 2008/2009 as contained in paper 12.**

18. Minutes of Committee Meeting - F&GP Committee – 17th February 2009

220.09C One Governor asked if the papers timetable could be adjusted in line with the accounting timetable. The Clerk informed members that the amount of tabled and late papers had been due to the PIAP and inspection.

221.09C **Resolution: members unanimously agreed to note the minutes of Finance and General Purposes Committee – 17th February 2009 contained in paper 13.**

19. Notes of the NWSA Partnership Board Meetings : 4th June 2008; 1st October 2008 and 3rd December 2008

222.09C **Resolution: members unanimously agreed to note the NWSA Partnership Board minutes contained in paper 14.**

20. Any other business

20.1 Sale of Garretts Green Campus – Update

223.09C The Director of Property apologised to members for the verbal update but notes from MarCity only arrived earlier in the day. The College has already had discussions with the selling agent so £2.5 million in the current climate is about right. The College has also engaged Lambert Smith Hampton.

224.09C The Chair informed members that any issues that arise in between meetings will be picked up at F&GP and reported back.

225.09C **Resolution: members unanimously agreed to receive the verbal update.**

20.2 Appointment of 2nd Student Governor

226.09C The Clerk informed members that she had received a nomination for the second student governor from the Student's Council. Tazleem Akhtar is taking a two year course and is currently undertaking her first year. She is studying AS Level English, Law and Sociology at the Women's Academy.

227.09C **Resolution: members unanimously agreed to appoint Tazleem Akhtar as a student member of the Corporation from 1st April 2009 until 31st July 2010.**

21. Date and time of next meeting

228.09C It was agreed that the next meeting would take place on Tuesday 12th May 2009, North West Skills Academy, room 3&4.

Staff members, student members and observers left the meeting for the confidential items which are recorded separately.

26. Meeting Evaluation Form

234.09C Members completed their evaluation forms and handed them to the Clerk prior to leaving the meeting.

The meeting closed at 8.30 pm.