

**City College, Birmingham Corporation**

**Finance & General Purpose Committee Meeting  
Tuesday 23<sup>rd</sup> June 2009, 5.30 pm**

**at**

**North West Skills Academy  
in room 3&4**

**Present:** Mr Roger Buncombe – Independent member  
Mr Henry Coore – Independent member  
Mr Mike Crump (Chair) – Independent member  
Mr David Gibson – Interim Principal  
Ms Lucy Jaynes – Independent member

**In Attendance:** Ms Julie Alder – Head of Student Services  
Mr Everton Burke – Vice Principal, Curriculum Development  
Mrs Debbie Cole – Clerk to the Corporation  
Mrs Tracy Everett – Governance Administrator  
Mr Phil Forrest – Director of Property  
Mr Anthony Gribben – Director of Planning & Information  
Ms Ranjna Parmar – Director of Human Resources  
Mr Peter Ryley – Interim Director of Finance  
Ms Carole Tidball – Interim Vice Principal, Quality & Standards

1. Declaration of Interests

146.09FG The Chair asked if anyone wished to declare an interest. The following governors declared interests in relation to the following:

Mr Buncombe – Lambert Smith Hampton, his employer,  
Mr Coore – South Birmingham College (SBC), Governor,  
Mr Crump – Birmingham City University, his employer.

2. Apologies

147.09FG Apologies were received from Ms Furey, Ms Quirke and Mr Brammall.

3. Minutes of the Finance & General Purposes Committee meeting held on 5<sup>th</sup> May 2009

148.09FG The minutes were agreed as a true and accurate record of the meeting.

149.09FG **Resolution: members unanimously agreed to approve the minutes of the Finance & General Purposes Committee meeting held on 5<sup>th</sup> May 2009 contained in paper 1.**

4. Matters arising from the minutes

150.09FG Minute No: 90.09FGP – The Chair pointed out that the only late paper members had agreed to accept was the Finance Report. Unfortunately for this meeting it

had not been possible to adhere to this decision due to the nature of the reports, timing of the budget and tender returns. However he wanted to keep on track for future meetings and stated that late or tabled papers must be the exception and not the norm.

5. Finance & General Purposes Action List as at 23<sup>rd</sup> June 2009

- 151.09FG Minute No: 287.08FG/10.09FG/89.09FG – The Clerk informed members that the comparisons with other colleges around the fee policy was on-going and would be presented to a future meeting as soon as the information was available. **Action point – Director of Planning and Information.**
- 152.09FG Minute No: 20.09FG - The Clerk informed members that benchmarks will be included in future International Students Fees papers. This item is scheduled for completion in February 2010. **Action point – Vice Principal Curriculum Development/International Student Co-ordinator.**
- 153.09FG The Interim Director of Finance informed members that he had been requested by the International Student Co-ordinator to request that members look at International Students Fees for 2010 earlier than usual. Members agreed to include this on the agenda for the next meeting in October 2009. **Action point – Clerk to the Corporation.**
- 154.09FG Minute No: 41.09FG - The Clerk informed members that accident statistics benchmark data will now form part of the Health and Safety Managers Report. This item can now be removed from the action list.
- 155.09FG Minute No: 104.09FG - The Clerk informed members that the Final Draft Fee Tariff was an agenda item and could now be removed from the action list.
- 156.09FG Minute No: 107.09FG - The Interim Director of Finance stated that SMT have been receiving regular reports on applications for enrolments and the College has about 1,000 more applications than at the same point last year. The Interim Principal informed members that he would ensure that this information is sent out to members. **Action point – Interim Principal/SMT.**
- 157.09FG Minute No: 110.09FG – The Interim Principal asked the Vice Principal Curriculum Development to ensure that the Clerk receives the information on the circulation and readership of the papers the College is advertising in. She will then disseminate this information to members. **Action point – Vice Principal Curriculum Development.**
- 158.09FG Minute No: 115.09FG – The Clerk informed members she had emailed the Lambert Smith Hampton Report to members and can now be removed from the action list.
- 159.09FG Minute No: 121.09FG – The Director of Property informed members that a further due diligence exercise on MarCity had not been conducted yet. **Action point – Director of Property.**
- 160.09FG Minute No: 127.09FG – The Clerk informed members that future Teaching Staff

Deployment updates within the Human Resources Report would include percentage deployment of teaching staff for each term. **Action point – Vice Principal Curriculum Delivery.**

161.09FG Minute No: 142.09FG – The Interim Director of Finance informed members that a new 3 year financial plan would be presented to Corporation in July but he would ensure that it is sent out to F&GP members prior to that for their feedback. This item can now be removed from the action list.

162.09FG **Resolution: members monitored the action list and unanimously agreed to receive the Finance & General Purposes Committee action list as at 23<sup>rd</sup> June 2009 contained in paper 2.**

## **Finance**

### 6. Finance and Funding Report

163.09FG The Interim Director of Finance informed members that the College is still on track for a break even operating result for 2008/9. The two major concerns are the cash position and the College's cost base for next year, which has to be reduced as income is being reduced drastically. He explained that he had been in discussions with the banks who had been very supportive of the College, although nothing is finalised yet. He will be attending a meeting tomorrow with LSC Regional Finance and would need to ensure that they give their consent to the proposed bank operations.

164.09FG The Interim Principal stated that the College still does not know its final budget. Information regarding the budget had been received earlier in the day at 11.30 am regarding Train to Gain and Employer Engagement funds.

165.09FG Governors asked whether that meant that the nature of the report has changed or does it still remain high risk. The Interim Principal and Interim Director of Finance confirmed that the budget is high risk and would remain so until all information relating to it was received and included.

166.09FG **Resolution: members monitored the financial situation and unanimously agreed to receive the Finance and Funding Report contained in paper 3.**

### 7. Draft Revenue, Capital Budget & Financial Forecast 2009/2010

167.09FG The Interim Director of Finance apologised for the lateness of this paper, which is only a summary budget. This is due to the various activities going on in college regarding voluntary severance and redundancies. He informed members that he had tried to set an operating budget for next year based on what the College knows and has good confidence in. He stated that it looked like the College would receive in the region of £19.5 million from the LSC. All told the College is looking at £24 to £25 million total income for next year. He informed members that he felt that the College should aim for a reasonable profit figure of £500,000. This would leave some contingency within the budget. He reminded members that if the historical loss of the College falls into a loss again this year then the College is in breach of bank covenants and can use this as a trigger to re-negotiate all the

terms and conditions of the loan. The paper shows that the College should not be in that position this year. He asked that members accept this paper in principle as a summary budget. It was hoped that by the Corporation meeting in July that the 3 year plan figures can be presented.

168.09FG **Resolution: members unanimously agreed to accept in principle the summary budget with the 3 year plan figures being presented to Corporation in July 2009 for approval.**

8. Franchise & Partnership Contracts for 2009/2010

169.09FG The Interim Director of Finance guided members through the report. He reminded members that the LSC have asked the College to keep partnership provision to within 10% of the College's overall provision.

170.09FG Governors asked why the College were no longer working with certain partners. The Interim Director of Finance informed members that this was due to quality issues or the partners had not delivered its targets.

171.09FG Governors asked whether there was any danger that the College withdrawing from these partnerships, it would be badly perceived by the community organisations. The Interim Director of Finance informed members that the College has been in discussions with the partners and they are all aware of the situation. The College is also talking to them about other types of relationships.

172.09FG **Recommendation: members unanimously agreed to recommend to Corporation approval of the contracts for 2009/2010 with partners and franchisees within the overall limit in this report of £1,932,000.**

9. Catering and Vending Contracts

173.09FG The Interim Director of Finance informed members that catering currently costs the College £250,000 a year. The College has been investigating alternative suppliers and alternative services by existing suppliers. The College may be in a position where some of the smaller centres only have vending machines and no counter service. He hoped that by the next F&GP meeting he would be able to come forward with firm recommendations. **Action point – Interim Director of Finance.**

174.09FG Governors stated that the Head of Student Services was involved in the process last time and requested that this should continue. The Head of Student Services informed members that at the student conference students were asking for more healthy choices of food even in the vending machines. **Action point – Interim Director of Finance.**

10. Pay Award 2008/2009

175.09FG Members agreed that they would like to go into a closed session therefore this item should be taken at the end of the meeting and reporting staff would be asked to leave.

11. Draft Fee Tariff 2009/2010 – Final

176.09FG The Director of Planning and Information guided members through the paper which contains the final fee tariff for 2009/2010. He drew members' attention to the changes in red.

177.09FG The Interim Principal pointed out that the College has to put in a proposal to HEFCE for HE funding. These fees have also been increased as the College was so much below other colleges.

178.09FG The Chair asked how managers felt the College fees measured up to its competitors. The Director of Planning and Information informed members that the College fees are average. There are some big competitors who are offering lower fees and some that are advertising a higher fee.

Ms Jeyes arrived at 6.00 pm.

179.09FG **Recommendation: members unanimously agreed to recommend to Corporation approval of the Fee Tariff for 2009/2010 for publication and in setting charges to students.**

12. Photocopying Contract

180.09FG The Director of Planning and Information informed members that he would have expected to complete the tender process by now, but with everything else that has been going on in College it has not been possible. The paper asks for a short extension to the existing contract to allow the College to undertake a full tendering process.

181.09FG Governors asked how many times the contract can be extended and whether it was of benefit to the company or the College to extend the contract. The Director of Planning and Information explained that it was within college policy. The Director of Property confirmed that it was to the benefit of the College.

182.09FG Governors discussed the value of the contract and EU regulations. The Director of Property assured members that by extending the contract the College would not be outside EU regulations.

183.09FG **Recommendation 1: members unanimously agreed to recommend to Corporation for approval that the tender process for photocopying will now be completed during July and August.**

184.09FG **Recommendation 2: members unanimously agreed to recommend to Corporation for approval that the current contract with Konica Minolta is extended for a short time, up to a maximum of 3 months, to allow time for F&GP to review and make recommendation to Corporation.**

13. Learner Support Fund – Interim Report 2008/2009

185.09FG The Head of Student Services guided members through the report. She explained that the majority of the data relates to April. The College's original allocation from LSC for 2008/2009 was £1,288,198. The College had two further allocations of £30,000 for child care and £73,537 for ESOL tuition. The College anticipates a managed overspend of £10,000. She informed members that 63% of those receiving LSF are women. The retention rate of students in receipt of EMA is 91%. In the future it will not be possible to vire money between the age groups. Next year there will also be a ceiling of 20% which can be spent on fees.

186.09FG Governors asked to be kept updated on changes taking place regarding LSF.  
**Action point – Vice Principal Curriculum Delivery/Head of Student Services.**

187.09FG **Resolution: members unanimously agreed to receive the Learner Support Fund – Interim Report 2008/2009 contained in paper 9.**

**Estates**

14. Report from the Director of Property

188.09FG The Director of Property updated members. He reported that that post contract works at Fordrough were continuing. The sale of East Campus is moving forward slowly. The College has received a letter and draft heads of terms which need a little more work. Birmingham City Council Planning Department have been very positive and they are very keen on supporting the proposals for social housing.

The Head of Student Services left at 6.15 pm.

189.09FG The Interim Principal informed members that it was hoped to have a paper on the sale of the East Campus at the July Corporation meeting. **Action point – Director of Property.**

190.09FG Governors discussed the heads of terms and the College's requirements. The Director of Property stated that he felt that there would have to be a compromise on the heads of terms by both parties. He believed that MarCity now have a good scheme with social housing.

191.09FG Governors questioned the local authority rates increase of 144% in the budget. The Director of Property explained that £35,000 of that came back in as income so it does bring it down to what it should be.

192.09FG Governors also questioned the heat and plant figures. The Director of Property explained that this was a coding error and should have been assigned to long term planned maintenance.

193.09FG **Resolution: members unanimously agreed to receive the report from the Director of Property contained in paper 10.**

15. Student Catering Facility Fordrough – Tenders

194.09FG The Director of Property apologised that his paper had to be tabled. He guided members through the report. Tenders were returned on 19<sup>th</sup> June and they were reviewed. The architect then called in the lowest three returns for post tender evaluation.

195.09FG **Resolution: members unanimously agreed to approve the award of the contract to Newey Ceilings in the sum of £146,111.00 plus VAT. The decision to be ratified at the July Corporation meeting.**

16. Health & Safety Manager's Report

196.09FG The Director of Human Resources informed members that some benchmarking statistics were included in the report and these will also appear in future reports. She explained that when Health and Safety was audited by LSC the College was given a satisfactory grade, but they stated that if they were provided with further evidence then they would reconsider. She explained that the College had sent out guidance to all staff regarding Swine flu and was doing everything it could. The Handsworth Campus is just around the corner from two of the schools that have been closed due to Swine flu.

197.09FG One Governor commented that on the ROSPA website they are doing pilots in Birmingham, teaching young drivers between the ages of 17-24 to drive properly, due to the amount of accidents within this age group and suggested that it may be of interest to some of the students. The Interim Principal thanked the governor for this information which would be forwarded to the Head of Student Services and Vice Principal Curriculum Development to investigate further. **Action point – Vice Principal Curriculum Development & Head of Student Services.**

198.09FG **Resolution: members unanimously agreed to receive the Health & Safety Manager's Report contained in paper 12.**

17. Minutes of the Safety Committee meeting held on 11<sup>th</sup> May 2009

199.09FG The Interim Principal guided members through the minutes. He explained that the College had installed anti-bacterial hand gel dispensers in all its centres in an attempt to reduce the risks of Swine flu. He explained that some of the Muslim students think the gel contains alcohol so they will not use it. The College are now looking into this matter for an alternative.

200.09FG **Resolution: members unanimously agreed to note the minutes of the Safety Committee meeting held on 11<sup>th</sup> May 2009 contained in paper 13.**

**Personnel**

18. Human Resources Report – Update

201.09FG The Director of Human Resources apologised for not sending out the attachment

to her report, which had been emailed earlier in the day. She explained that the staff survey had been completed and the College has had a good response. However it has not been possible to look at the results in detail yet.

- 202.09FG She informed members that in relation to the misappropriation of funds, she had been talking to the Chair, who had suggested that the College may wish to claim the money back from the individual via the pension fund.
- 203.09FG She updated members with regard to voluntary severance. Following this process there are now 19 jobs at risk of being made compulsory redundant. It is hoped with re-deployment to be down to single figures. She did not feel that the College could manage the process without any compulsory redundancies.
- 204.09FG The Interim Principal paid tribute to the work the Director of Human Resources had done and the time she had given to this process.
- 205.09FG The Director of Human Resources informed members that a new draft contract had been issued to all staff for consultation. She had received some comments and the main areas of concern for teaching staff were the increase in teaching hours and the redundancy notice period. The main areas of concern for support staff were the redundancy notice period and annual leave. The College hopes to introduce new contracts on 1<sup>st</sup> August 2009. This will not be an easy process and not everyone will sign up to new contracts. Apart from a couple of very local colleges City College is very much out of sync. The College's legal advisers view is that the College needs to offer a decent incentive to encourage staff to sign up.
- 206.09FG Governors asked how much the legal advisers were suggesting. The Interim Principal informed members that they had stated 'as much as the College can afford'. The main question for this committee is whether to make a pay award for this year or whether to make an incentive one off payment to staff to change contracts.
- 207.09FG The Interim Principal informed members that the aim is to get the changes to contracts through so they are in place for 1<sup>st</sup> August 2009 which gives managers the opportunity to plan properly.
- 208.09FG **Resolution: members unanimously agreed to receive the Human Resources Report – Update contained in paper 14.**

At this point the committee went into a closed session and the minutes are recorded separately. Staff attendees were asked to leave the meeting. The Interim Vice Principal Quality& Standards

#### 19. Equal Opportunities Policy

- 216.09FG The Director of Human Resources informed members that the policy had been reviewed and had been amended slightly.
- 217.09FG **Recommendation: members unanimously agreed to recommend to Corporation approval of the Equal Opportunities Policy contained in paper 15.**

## Item for Committee Approval

20. Review of Finance & General Purposes Committee Terms of Reference/  
Committee Self-Assessment

218.09FG Members reviewed their terms of reference and self assessed against them. They agreed that the terms of reference should remain the same with an attendance figure of 80% for 2009/2010.

219.09FG **Resolution: members reviewed their terms of reference and self assessed against them. They agreed that the terms of reference should remain the same with an attendance figure of 80% for 2009/2010.**

21. Any other business

220.09FG The Chair reminded members that this would be Mr Buncombe's last F&GP meeting before his term of office ends in July 2009. Members thanked Mr Buncombe for his efforts and support as a governor of the College especially over the last few challenging years. Mr Buncombe thanked members and wished the College well for the future.

22. Date and time of next meeting

221.09FG Members agreed that the next meeting would take place on Tuesday 6<sup>th</sup> October 2009, 5.30 pm, Fordrough Campus, conference room

23. Meeting Evaluation Form

222.09FG Members were asked to complete their evaluation forms and hand them to the Clerk prior to leaving the meeting.

The meeting closed at 7.15 pm.