

**City College, Birmingham Corporation**  
**Finance & General Purpose Committee Meeting**  
**Monday 29<sup>th</sup> November 2010, 5.30 pm – 7.00 pm**  
**at**  
**Fordrough Campus**  
**in room S50**

**MINUTES**

**Present:** Mr Mike Crump (Chair) – Independent member  
Mr Stuart Cutforth – Principal  
Ms Liz Furey – Independent member

**In Attendance:** Ms Debbie Cole – Clerk to the Corporation  
Mr Phil Forrest – Director of Property  
Mr Anthony Gribben – Director of Planning & Information  
Ms Ranjna Parmar – Director of Human Resources

1. Declaration of Interests

233.10FG The Chair asked if anyone wished to declare an interest. The following governors declared interests in relation to the following:

Mr Crump – Birmingham City University, his employer.  
Mrs Furey – Aston University her employer.

2. Apologies

234.10FG Apologies were received from Mr Coore and Ms Jaynes.

3. Minutes of the Finance & General Purposes Committee meeting held on 4<sup>th</sup> October 2010

235.10FG The minutes were agreed as a true and accurate record of the meeting.

236.10FG **Resolution: members unanimously agreed to approve the minutes of the Finance & General Purposes Committee meeting held on 4<sup>th</sup> October 2010.**

4. Matters arising from the minutes

237.10FG There were no matters arising.

5. Finance & General Purposes Action List as at 29<sup>th</sup> November 2010

238.10FG The Clerk guided members through the action list.

239.10FG Minute No: 191.10FG – Financial Regulations Annual Review. It is intended to review the travel and subsistence policy for the college. Overseas travel will be

included within this review and the document presented for approval at the next meeting. Remove from action list. **Action – Clerk to the Corporation/Director of Finance.**

- 240.10FG Minute Numbers 200.10FG, 203.10FG and 204.10FG were all deferred to the next meeting. Retain on action list.
- 241.10FG Minute No: 209.10FG – Human Resources Update. Limits on insurance in place to be checked and reported back to members. This action was an item on the agenda and can be removed from the action list.
- 242.10FG Minute No: 225.10FG – Probationary Policy for Senior Postholders and the Clerk to the Corporation. Policy has been amended and is being presented to Corporation on 16<sup>th</sup> December 2010 for approval. Remove from action list.
- 243.10FG **Resolution: members monitored and unanimously agreed to receive the Finance and General Purposes action list as at 29<sup>th</sup> November 2010.**

## 6. Finance and Funding Report

- 244.10FG The Principal guided members through the report. He explained that Learner Responsive on page 1 shows actual figures which are slightly below target but the college is not really overly concerned. He stated that there is still an issue regarding some qualifications which means the college is not earning as much money as budgeted for. The college is still forecasting a deficit, in line with the 2010/2011 budget. He explained that the Bordesley Green campus would not be sold on the timescale predicted which was the end of December 2010. The two offers received are no longer there and the college may get a lower offer than what was budgeted for. The SFA have asked for an indication in writing that the sale is in hand going forward. The college is dependent on the sale of Bordesley Green for its cash flow position.
- 245.10FG The Principal informed members that the college and the SFA are meeting with the banks on 21<sup>st</sup> January 2011. The Director of Finance is working on 17<sup>th</sup> December to get a three year forecast out to the banks and the SFA. The College has been told by the SFA to build into the budget a 10% to 20% cut in its funding for 2011/12. This will not include the effect of losing EMA or the Learning Grants. He reminded members that the SFA are supporting the college but only on the basis that the college has its own strategic option and that this is discussed by the governors at their next meeting.
- 246.10FG The Principal stated that spending at the college is under control and compliance is now much better. For those staff that do not comply and it can be evidenced the college is taking disciplinary action to ensure compliance. He informed members that the Tribal report states that the college spends over a £1 million over and above other similar colleges on executive staffing and further reductions will be required, however there will also need to be cuts to teaching staff.
- 247.10FG Governors stated that they found the management accounts difficult to understand. The Principal explained that the Director of Finance puts a lot of effort and detail into the accounts to ensure that governors know the exact picture. Governors

stated that they fully appreciated the time and effort put in and acknowledged that the financial information was much better than previously received, however it is sometimes difficult to see what is included and what is not included. It may be helpful if the accounts had fewer summaries and included a table on risks and opportunities. The Principal explained that what governors receive now is a full narrative, which management need, but acknowledged that governors may not wish to receive too much information. The Principal said that he would talk to the Director of Finance to check whether the accounts could be amended in accordance with governors requests. **Action – Principal, Director of Finance.**

248.10FG Governors stated, with regard to debtors, that they were trying to understand what the actual debt and risks to the college are. They stated that it was getting quite tricky trying to understand what they were looking at. Governors stated that it was important for governors understand how realistic the reductions in income were and that savings are going to be made, but equally by making savings what risks the college would be taking. The Principal agreed to include governors feedback into his discussion with the Director of Finance. **Action – Principal.**

249.10FG **Resolution: members unanimously agreed to receive and note the Finance and Funding Report for the period ended 31<sup>st</sup> October 2010.**

7. Members Report and Financial Statements for year ended 31<sup>st</sup> July 2010

250.10FG The Principal guided members through the financial statements.

251.10FG Governors stated that within the OFR there are some wording and typos that need sorting out. They also commented that in terms of the number of sites the college operated out of this year, was 6, which needs to be made clear for the future. One governor was surprised regarding the wording of the disclosure to auditors on page 31. The governor felt the wording more appropriate for a letter of representation. The Letter of Representation needs to protect the organisation and members as much as possible and the wording needs to be accurate.

252.10FG Governors commented that in general it did appear that the OFR had been pulled together by several people and it did not flow. They felt that the OFR should highlight the previous year. If there was a requirement to mention the future then it should be in a separate section to ensure clarity. The Principal confirmed that a number of people had contributed to the OFR and that it would need further checking before the final presentation. **Action – Director of Finance & Principal.**

253.10FG Governors discussed the timing of the sale of Bordesley Green. The Principal informed members that interested parties had been told that the college wanted an offer in writing by close of play on 10<sup>th</sup> December 2010. Governors stated that the accounts should include the best estimate for Bordesley Green. The Director of Property informed members that six viewings had taken place last week which had produced one offer from a faith school, to include everything in the building. There is also serious interest from another faith school and a private training provider.

254.10FG Governors asked whether, in terms of write down, if the college had allowed for agents costs. The Director of Property confirmed that the agent's costs were included.

255.10FG Governors discussed the lowest acceptable offer and at what point the college would consider leasing. The Principal informed members that the SFA will support the college if the building does not sell, but the SFA will not be prepared for the college to sell the property for less than £750,000. The Director of Property informed members that the college had explored sale and lease back.

256.10FG Governors discussed what the college should expect if it was able to lease. The Director of Property confirmed that the college had looked in detail at lease options with Lambert Smith Hampton in terms of commercial rent. Governors thought it would be useful for Corporation to see the comparisons. **Action – Director of Property.**

257.10FG **Recommendation: members unanimously agreed to recommend to Corporation the draft Financial Statements pending completion of the budget review.**

#### 8. Learner Support Fund – Final Report 2009/2010

258.10FG The Principal guided members through the report, which summarised the impact of the way in which the learner support fund (LSF) was allocated in 2009/10. The final outcome was that the college had an under spend and £512,000 needed to be repaid. The report includes arrangements for managing LSF in 2010/11 and summarises the impact of other sources of funding to support students in 2009/10.

259.10FG Governors asked what area manages LSF for the college. The Principal informed members that LSF is administered by Student Support, and managed by Ian Campbell. Members discussed the systems/database used to monitor LSF. The Principal informed members that not only is the database monitored but the college also pro-actively manages the fees policy for allocation of LSF.

260.10FG **Resolution: members unanimously agreed to receive the LSF report.**

#### 9. Business Development Activities

261.10FG The Principal guided members through the report. He informed members that commercial provision is down and there is a lot of work to do in this area. The structure of the BDU has changed and the college has appointed someone to Head of Employer Services..

262.10FG Governors asked about the timeline on new staffing of BDU to turn it around. The Principal informed members that the new head starts in January 2011. Managing this kind of unit is difficult and it is a poisoned chalice. Members discussed how the unit is currently delivered and plans for future delivery.

263.10FG Governors stated that this area of activity is going to be more important for the college. The Principal stated that work is being brought in but the college is not delivering. Governors stated this area in the new year, would be a priority in terms of monitoring with an update prior to budget setting. **Action - Principal.**

264.10FG Governors asked if there were Birmingham or regional networks where employers

are going and asked if the college was part of those. The Director of Planning and Information confirmed that the college has some very strong links that it does not exploit well. The Principal stated that this unit cannot fail.

265.10FG **Resolution: members unanimously agreed to note and receive the Business Development Activities updated contained in the paper.**

#### 10. Enrolment Update

266.10FG The Director of Planning and Information apologised for the lack of papers and tabled an A3 sheet and talked members through it. He explained that the targets for this time of year are where the college would expect them to be. There are notable differences for 16-18 in academic and business team, recruitment appears to be low but the college did move some provision from that team to the health public services and sport team, and whilst there is a dip in academic studies there is a corresponding increase in health public services and sport.

267.10FG The Director of Planning and Information stated that although targets looked low for preparation for life and work, there was some movement within teams and the team are expected to reach target, which stands currently at 89%. There is a mixed picture for Adult Learner Responsive. The college is already looking at scenario planning for 2011/12 with regard to curriculum and withdrawals. He explained that for this point in the year enrolments are comparable with this time last year and do not give particular cause for concern.

268.10FG **Resolution: members unanimously agreed to receive the Enrolment Update.**

#### 11. Marketing Update

269.10FG The item was deferred until the next meeting.

#### 12. International Activities

270.10FG The item was deferred until the next meeting.

#### 13. Treasury Policy (and amendments to Financial Regulations)

271.10FG The Principal guided members through the new policy, which follows best practice and includes tracked changes to the financial regulations.

272.10FG Governors discussed the policy and also issues relating to procurement and a procurement officer.

273.10FG **Resolution: members unanimously agreed to approve the Treasury Management Policy and the amendments to the Financial Regulations contained in the paper.**

#### 14. Insurance Tender Update

274.10FG The Principal guided members through the changes to dates within the process.

- 275.10FG Governors discussed the paper and the process. The Director of Property informed members that the level of governor liability had been set the same as in previous years and anti terrorism was not included, although was available separately.
- 276.10FG Governors discussed the premiums and stated that it was very important that the college receive value for money from its insurers. They were aware that there had been some minor issues with regard to HR issues, where the insurers had stated that the college would not be insured in some instances as the college had started disciplinary procedures without consulting them first. This is not always practical and members were concerned that the college may incur additional costs to ensure that it is insured.
- 277.10FG **Resolution: members unanimously agreed to delegate the decision on the appointment of the Insurers and signatories to the Principal, Chair of Finance and Chair of Corporation or Vice Chair. Decision to be ratified by Corporation.**

15. Curriculum Approval – Birmingham Settlement (APNA Centre)

- 278.10FG The Principal guided members through the paper, which was not available for the last meeting. He explained that the slight amendment to the course profile was made to accommodate the student recruitment profile.
- 279.10FG **Resolution: members unanimously agreed to receive and note the update on Partnership Provision: Birmingham Settlement (APNA Centre).**

16. Human Resources Update

- 280.10FG The Director of Human Resources guided members through the report. She updated members with regard to the tribunal case, which is still on-going, and confirmed that the insurers have agreed to cover the college for this particular case.
- 281.10FG Governors stated that it was very important that the college receive value for money from its insurers. They stated that it does raise issues about going to DAS if the college has to insure with someone else. The Director of Human Resources informed members that the Director of Finance, who is leading on the insurance tender process, has been made aware of this issue and will be discussed as part of the tender process.
- 282.10FG The Director of Human Resources drew members' attention to the referrals to the Independent Safeguarding Authority (ISA). She also drew their attention to the Staff Performance and Development Reviews (SPDRs), which has been an issue during 2009/10 and was picked up by inspectors.
- 283.10FG Governors asked whether 65% took account of staff who left. The Director of Human Resources stated that leavers were not included. She explained that there had been a number of issues relating to the redundancy process and staff not feeling able to undertake SPDRs when they did not know at the time which staff would be leaving. Staff were given a deadline for the end of January 2011 for

2010/11 SPDRs and the Human Resources Team are monitoring returns.

284.10FG **Resolution: members unanimously agreed to note and receive the Human Resources Update.**

17. Notes of the Safety Committee meeting held on 19<sup>th</sup> October 2010

285.10FG The Director of Human Resources guided members through the notes of the meeting. She explained that there was not much to report as it was early in the term and the campus groups had not met yet. The only apparent issue is spitting. Notices have been put up at all sites and staff are challenging students who are seen spitting and disciplinary action is taken.

286.10FG **Resolution: members unanimously agreed to receive the notes of the Safety Committee held on 19<sup>th</sup> October 2010.**

18. Report from Director of Property

287.10FG The Director of Property guided members through the update on premises. He explained that the college was still attempting to work with Birmingham City Council (BCC) in relation to the Aston Campus, but progress was slow.

288.10FG Members discussed the appointment of Cadantis with regard to the review of water charges and asked if the college was aware of who has used their services and whether it would be worth undertaking a benchmarking exercise in relation to fees.

289.10FG **Resolution 1: members unanimously agreed to receive the report from the Director of Property.**

290.10FG **Recommendation 1: members unanimously agreed to recommend to Corporation the appointment of Cadantis as a consultant engaged to review water charges for all CCB sites based upon the fee proposal contained in the report.**

19. Any other business

291.10FG There was no further business.

20. Date and time of next meeting

292.10FG It was agreed that the next meeting would take place on Monday 7<sup>th</sup> February 2011, 5.30 pm.

21. Meeting Evaluation Form

293.10FG Members were asked to complete their evaluation forms and hand them to the Clerk prior to leaving the meeting.

The meeting closed at 7.10 pm.