

**City College Birmingham Corporation**

**Special Corporation Meeting**

**Thursday 31<sup>st</sup> January 2008, 6.30 pm held at North West Skills Academy,  
48-68 Stour Street, Ladywood, Birmingham B18 7AJ in room 4**

**Present:** Mr Mohammed Afzal – Business member      Mr Henry Coore (Chair) – Business member  
Mr Roger Buncombe – Business member      Mr Mike Crump – Business member  
Mr Peter Harwood – Acting Principal      Cllr Jon Hunt – LEA member  
Mr Jagwant Johal – Co-opted Member      Ms Pat Lewis – Staff member  
Ms Kathleen Quirke – Business member      Mr Amrik Sahota OBE – Business member

**In Attendance:** Mrs Debbie Cole – Clerk to the Corporation  
Mrs Tracy Everett – Corporation Administrator  
Mr Phil Forrest – Deputy Principal: Property Strategy & Development  
Mr Bob Hawkes – Director of Audit & Compliance  
Ms Ranjna Parmar – Deputy Principal: Personnel & Services  
Mr Pat Smith – Deputy Principal: Finance & Information

01.08C The Chair apologised to members for the short notice but it was necessary in order to expedite the sale of the Garretts Green site.

1. Declarations of Interest

02.08C The Chair asked if anyone wished to declare an interest. The Chair declared an interest as a governor of South Birmingham College (SBC). Mr Buncombe declared an interest around anything to do with Lambert Smith Hampton, his employer.

2. Apologies

03.08C Apologies were received from Mr Brown, Ms Coke, Ms Hussain, Councillor Spence and Mr Williamson.

3. Heartlands (Fordrough) Project

*i) Sale of Garretts Green*

04.08C Mr Forrest guided members through the paper. He reminded members of the progress and existing approvals related to this major project. However, following the Corporation meeting of 18<sup>th</sup> December 2007 the college experienced difficulties with the project, which centred around the sale of the Garretts Green site and Redrow Homes failure to exchange contracts on the agreed date of Wednesday 19<sup>th</sup> December 2007. Their intention was not communicated to us until that morning, and of course had serious implications for the college in terms of delaying the signing of the Development Agreement for the new build. We were however, with the approval of the LSC able to issue a substantial letter of intent which did assist the process and provide a temporary solution enabling continuation of the development.

- 05.08C The post Christmas position with Redrow is that because of the current housing market trends they came back reducing their offer from £5.1 million to £4.4 million. This placed the college in a particularly difficult position in terms of project affordability, and the LSC National office was contacted immediately advising of the updated situation and possible solution provided by MarCity Developments. In order to maintain project viability MarCity offered to under write the purchase of the Garretts Green site for £4.95 million, a reduction of £150,000. It was felt that this shortfall could be met from the main project contingency.
- 06.08C Mr Johal asked if the offer was in writing. Mr Forrest confirmed that it was.
- 07.08C Mr Sahota asked whether it was possible to get any more funds from the LSC to cover the shortfall. Mr Forrest informed members that this was not possible. The LSC are already providing an intervention rate of 44% for this project and this includes reasonable contingency.
- 08.08C Mr Crump asked what sort of impact the shortfall would have on the contingency. Mr Forrest informed members that this was not significant, but he would have preferred to spend such an amount in other ways. We will cut back on the project accordingly mainly in equipment and fit out.
- 09.08C Mr Sahota stated that the market was very versatile at the minute and asked if there were any issues that the builders may come up with. Mr Forrest informed members that there would be no issues providing we sign the development agreement quickly as costs are fixed. The only variations to costs would be at the request of the college and then there would be additional cost implications.
- 10.08C Councillor Hunt asked if the college had any contractual come back against Redrow Homes. Mr Forrest informed members that there was no contract as they had not exchanged. He reminded members that Redrow had done a considerable amount of their work all at cost to themselves. He commented that the college was contacted by Miller Homes who were interested in the land and our response was that they would need to buy based on £5.1 million the same contract as Redrow Homes and we would look to sign the contract within 7-10 days.
- 11.08C Mr Bumcombe stated that in the current market what Redrow have done is not unusual. He felt the offer from MarCity was very good in the current market especially when you consider that all the other original bidders were down quite considerably on £4.95 million.
- 12.08C Mr Afzal asked if the college had undertaken due diligence on the new developer. Mr Forrest advised that both the college and Barclays had carried out searches. We were however still in final control of the asset.

Councillor Hunt left the meeting at 6.50 pm.

- 13.08C Ms Quirke asked about the back to back exchanges for Heartlands. Mr Forrest informed members that the college has to exchange on Garretts Green before we can sign the development agreement. If this was not the case we could have explored other options, but that is an LSC requirement.

- 14.08C The Acting Principal informed members that Mr Forrest had been in quite extensive discussions with the LSC regional property adviser who had been very supportive.
- 15.08C **Resolution: members unanimously agreed that in view of the substantially reduced offer from Redrow Homes to approve the sale of the East Birmingham Campus (Garretts Green) to MarCity Developments at the current price of £4,950,000 (subject to contract and planning consent), in order to part fund the new Heartlands (Fordrough) Development.**

*ii) Confirmation of Terms and Conditions of Barclays Bank Loan*

- 16.08C Mr Smith circulated the tabled paper which needs to be approved as a result of the new arrangements for the sale of Garretts Green. He explained that there had been a change to one of the heads of terms and the bank wanted confirmation that the LSC had seen these terms and that they understand that the bank is not obliged to advance further monies to cover any shortfall in the land sale. At a meeting earlier today Barclays were informed that we have a letter from the LSC which states that we can only borrow up to a maximum of £7 million and any further borrowings would require the consent of the LSC.
- 17.08C Mr Smith asked members if they were happy with the wording of the resolution in the paper.
- 18.08C Mr Afzal asked if the college had received an acceptable legal opinion. Mr Smith informed members that this was with Wragge's, the college solicitor, but that the facilities letter was the standard letter used for FE college's and therefore we do not anticipate any issues being raised.
- 19.08C **Resolution: members unanimously agreed that:**
- **The terms and conditions of the Loan as set out in the Facility Letter are hereby approved and accepted.**
  - **The Chair and the Deputy Principal: Finance and Information are authorised to sign on behalf of the College, the copy of the said Facility Letter to indicate acceptance of the terms and conditions.**
  - **The following specified persons are authorised to execute the other Finance Documents to which it is a party on behalf of the college**  
  
**Henry Coore – Chair of the Corporation**  
**Patrick Smith – Deputy Principal: Finance & Information**  
**Diane Cleaver – Financial Accountant**

3. Update on Development Plan \*

- 20.08C The Chair asked members if they had any issues they wanted to raise regarding the report. No issues were raised.
- 21.08C **Resolution: members unanimously agreed to receive the update on the Development Plan 2007/2008 contained in paper 2.**

4. Finance and General Purposes Committee Executive Summary and Minutes of meeting held on 4<sup>th</sup> December 2007\*

22.08C The Chair asked members if they had any issues they wanted to raise regarding the report. No issues were raised.

23.08C **Resolution: members unanimously agreed to receive the Finance and General Purposes Committee Executive Summary and Minutes of the meeting held on 4<sup>th</sup> December 2007 contained in paper 3.**

5. Personnel Report\*

24.08C Ms Parmar informed members that the college had received advice from AoC and it is up to the college as to whom we CRB check depending on the nature of the job. However the AoC are lobbying that they want the same process as in schools. Until we know the outcome of the lobbying we will not be able to enhance check all staff.

25.08C **Resolution: members unanimously agreed to receive the Personnel Report contained in paper 4.**

6. Funded Projects Update\*

26.08C Mr Johal stated that NRF was finishing at the end of March and will be replaced by the Working Neighbourhood Fund. He asked if anyone at the College was engaging in that process. He suggested that the College may want to liaise with Wahid.

27.08C Mr Smith confirmed that the college would submit bids for this stream of funding as it had submitted similar bids under the Deprived Area Funding initiative which had a very similar remit, and was awaiting an outcome from these bids. The Chair requested that in future the funded projects paper include notification of the bids submitted and the outcomes of the bidding process.

28.08C Mr Johal informed members that there is a central pot of money and a constituencies pot made up of money for each ward. He suggested that the College talk to the constituency directors at Ladywood (Karen Jerwood), Edgbaston (Adnan Saif) and Perry Barr (Jan Kimber), as they have a big part to play. He informed members that the Edgbaston constituency were looking to pull in Pertemps Development to work with them on potential schemes.

29.08C The Acting Principal stated that this was particularly interesting for the North West Skills Academy.

30.08C **Resolution: members unanimously agreed to receive the Funded Projects – update contained in paper 5.**

7. Franchise & Partnerships update\*

31.08C The Acting Principal stated that although it did not relate directly to this paper, he wanted to inform members that the college were having a round of meetings with partnerships to draw to their attention that there may be a possibility that the college will not be re-

- contracting with them. This is quite a sensitive time and Corporation members may pick up some of the feedback.
- 32.08C Mr Johal stated that as long as there was a robust mechanism for doing this he had no issues. The Acting Principal informed members that the college would be applying the same criteria to partners as our own curriculum.
- 33.08C Mr Johal asked when the college would know which partnerships it would not be re-contracting with and if governors are contacted, do we pass them straight back to the college. The Acting Principal informed members that if the provision is low priority or low quality the college would know within a couple of weeks. With regard to the other partnerships the college would know by the time we submit our Post Inspection Action Plan (PIAP) in March. We are flagging this up with them now to give them as much lead time as possible.
- 34.08C **Resolution: members unanimously agreed to receive the Franchise & Partnerships – update contained in paper 6.**
8. International Travel Report 2006/7\*
- 35.08C Mr Sahota asked where the college was with regard to India and Pakistan.
- 36.08C The Chair stated that he had been asking for a review of the college's international work for quite a while.
- 37.08C Mr Sahota agreed but said it was important to know where the college is at the minute with regard to this work. Mr Smith informed members that he had taken over international students which have been dropping and we currently have 65, which makes our whole process questionable.
- 38.08C The Chair stated that he had been asking for this information for 3 years now. He felt there were some areas where the college has never stopped to evaluate the costs and implications of international work. He felt there needed to be a policy on how the college was going to tackle this.
- 39.08C Mr Johal agreed that there needed to be a review and asked what would happen to anything already timetabled.
- 40.08C The Acting Principal informed members that given our current situation international work cannot be a priority. The college cannot have staff out focussing on international work when they are needed in college to focus on the PIAP. He informed members that he had frozen international visits with the exception of one and it was too late to cancel that. We do need a proper evaluation of what the college does around international work. He felt that in the context of the PIAP it is best to do little that is at risk.
- 41.08C Mr Johal agreed that no other international visits should take place other than the one that has already been agreed. He commented that other organisations are also doing international work in the same areas. He had said it in the past that universities are working well abroad and he felt the FE sector needed to fit into what they were doing.

42.08C The Chair accepted his point and stated that the college is swimming with sharks out there. Where it is possible to work with other organisation we will. He pointed out that with regard to the review of international work the college had never looked at sources of funding. He also said it was important to look at each planned visit carefully as some are externally funded.

43.08C **Resolution: members unanimously agreed to receive the International Travel Report 2006/2007 contained in paper 7.**

9. Learner Support Fund Final Report 2006/7\*

44.08C The Chair asked members if they had any issues they wanted to raise regarding the report. No issues were raised.

Mr Johal left the meeting at 7.15 pm.

45.08C **Resolution: members unanimously agreed to receive the Learner Support Fund – Final Report 2006/2007 contained in paper 8.**

10. Risk management Report\*

46.08C The Chair asked members if they had any issues they wanted to raise regarding the report. No issues were raised.

47.08C **Resolution: members unanimously agreed to receive the Risk Management Report contained in paper 9.**

11. Estates Committee Executive Summary and Minutes of the meeting held on 27<sup>th</sup> September 2007 \*

48.08C The Chair asked members if they had any issues they wanted to raise regarding the report. No issues were raised.

49.08C **Resolution: members unanimously agreed to receive the Estates Committee Executive Summary and Minutes of the meeting held on 27<sup>th</sup> September 2007 contained in paper 10.**

12. Quality & Standards Executive Summary and Notes of the meeting held on 30<sup>th</sup> October 2007\*

50.08C The Chair asked members if they had any issues they wanted to raise regarding the report. No issues were raised.

51.08C **Resolution: members unanimously agreed to receive the Quality and Standards Executive Summary and Notes of the meeting held on 30<sup>th</sup> October 2007 contained in paper 11.**

13. Report from Deputy Principal Curriculum and Quality \*

52.08C The Chair asked members if they had any issues they wanted to raise regarding the report. No issues were raised.

53.08C **Resolution: members unanimously agreed to receive the Report from the Deputy Principal for Curriculum and Quality contained in paper 12.**

14. Report from Director of Quality and Teacher Development \*

54.08C The Chair asked members if they had any issues they wanted to raise regarding the report. No issues were raised.

55.08C **Resolution: members unanimously agreed to receive the Report from Director of Quality & Teacher Development contained in paper 13.**

16. Any other business

56.08C There was no further business.

The meeting closed at 7.20 pm.