



**MINUTES OF THE  
STRATEGY, FINANCE & BUSINESS DEVELOPMENT COMMITTEE  
MEETING HELD IN THE MOAT HOUSE BOARDROOM,  
SUTTON CAMPUS ON THURSDAY 13<sup>TH</sup> MAY 2010 AT 8.30 AM**

**Present:**

Mr D Edmonds (Chair)  
Dr C Braddock (Principal)  
Mr T Lipscombe (TL)  
Mr S Pearce (SP)

**In Attendance:**

Mr N Davies (Executive Director Business Development (ND))  
Mr C Hill (Executive Director of Support Services) (CH)  
Dr R Minett (Executive Director of HE and International) (RM)  
Mr B Pattni (Executive Director of Finance and Data Management) (BP)  
Mr J Starmer (Director of Estates) (JS)  
Mrs C Bennett (Clerk to the Corporation) (Clerk)

**Apologies for Absence:**

Apologies were received from Mr A Burley

**Item 1\* - Minutes of the Meeting held on 4 February 2010**

The minutes of the meeting held on 4 February 2010 were approved.

**Matters Arising**

The Chair informed the Committee that ND was leaving the College shortly to take up a promotion at another College. The Chair wished ND well on behalf of the Corporation and thanked him for his contribution to the College.

**Item 2 – Harborne Hill Academy - Developments**

- 2.1 This item was led by RM. He informed the Committee that matters had moved on considerably since the last paper presented to the Committee back in February 2010. RM stated that the timescale was extremely tight with the Academy to be up and running from September 2010 and final sign-off being granted on 31 July 2010. RM directed the Committee to Appendix 1 which set out the timeline.

- 2.2 RM then led the Committee through the key issues in relation to the project which related to the timescale, a risk assessment log, the education brief, staffing issues (including the appointment of the Principal), the proposal for a Trust Company and Funding Agreement, governance and legal issues and the new building.
- 2.3 A detailed discussion then took place amongst those present in relation to the key issues. The Principal also showed the Committee the proposals for the new logo and school uniform to be agreed shortly. The Principal explained that as part of the sponsorship deal, all pupils were to be given a new uniform. Further the Principal stated that a lot of work would be going on over the summer to be on target in terms of timescale.
- 2.4 The Chair commented on how much work has been involved for management. RM stated that whilst it had taken up some time, this would be relieved with the appointment of the Principal to the Academy.

**Resolved:**

- (i) to endorse the appointment of the new Principal of the Academy;
- (ii) to endorse the proposal for Trust membership and company registration;
- (iii) to endorse the decisions made in respect of other operational matters such as consultation, education brief, staffing and building development.

**Item 3 – Presentation on Final LSC Allocations, Staffing Reductions and Reorganisation**

- 3.1 BP and CH gave a presentation on this item. BP explained that he was able to give indicative figures to the Committee back in February 2010 but final figures had now been confirmed. He went on to say that the need to make cuts was a sector wide issue and many colleges were in either the same or in a worse position than ours. BP explained that this stems from the fact that there is a need to deliver new targets in 2010-11; the College has to respond to the new funding methodology; there is a requirement to deliver more learners for the same or less funding and there is a significant reduction in ER and ALR funding.
- 3.2 BP stated that overall a budget reduction of £6.7 million must be made for 2010/11. BP then set out in more detail the specific funding cuts to specific learners and explained in detail where savings need to be made. The Committee was shown a table setting out where specific savings were being made which also showed that a significant amount of savings was required to come from salaries/job losses. CH explained that this analysis had been presented to the unions.

- 3.3 CH then provided the Committee with an update on the redundancy and reorganisation programme stating that at present, the College is going through collective consultation.
- 3.4 The Principal explained to the Committee that the College was in no worse or better position than any other 157 Group colleges with the exception of one (Stoke on Trent College – which needed to make cuts of £5 million).
- 3.5 CH stated that the s.188 notice had been issued and identified to the College that reductions in staffing had been identified in the following areas – academic, support, curriculum managers, heads, directors and the executive. CH also identified potential numbers of reductions and gave the Committee additional information on where the specific reductions had been identified (both through reduction and restructuring).
- 3.6 CH then led the Committee through the process that was being followed and provided the Committee with an update on the stages that had been completed and those that were ongoing. The conclusion was that any redundancies would take effect on 31 August 2010.
- 3.7 The Principal explained to the Committee that it had been made clear to the unions that reductions were being made to the whole of the organisation rather than focussing on one individual area. Further it was made clear that management was being hit harder than academic or support staff. The Principal went on to say that the press had suggested that the reductions were being made as a result of the merger but this was not the case and it was clear to see that the reductions were the result of funding reductions.
- 3.8 A detailed discussion then took place amongst those present about how the reductions in staff and courses were arrived at and the experience of other Colleges going through the same situation. CH and the Principal also led the Committee through the proposed new structure of the organisation going forward, a draft copy of which was provided. The Chair commented that the proposed structure looked more responsive and accountable which the Principal agreed with. The Principal stated that it will also be necessary to justify the new structure to Ofsted, showing that it has been produced methodically and through consultation.
- 3.9 The Principal added that there is an outstanding matter being clarified with the unions at present in relation to the applicable redundancy policy. CH added that the College's stance on this matter is that as long as it follows the correct process there should not be an issue.

#### **Item 4 – Key Performance Indicators and Measurements (KPIM)**

- 4.1 This item was led by ND who indicated that it was for the Committee's information and approval. ND explained to the Committee that KPIMs are key drivers to support internal control systems. He explained that they underpin the College's business planning cycle and support strategic and operational aspects of business practice. ND went on to say that Directors recently graded Directorates against set criteria and it was found that good progress was being made with Directorates on track to achieve their targets for 2009/10.
- 4.2 ND stated that KPIMs are monitored on a timely basis although a full appraisal of actual outcomes will not be completed or evidenced until the end of the academic year.
- 4.3 ND went on to say that progress to date is presented under the following headings:
- Mission – Curriculum, Culture & Values, Quality Improvement and Teaching and Learning;
  - Enabling – Infrastructure and Services, Communications, Business Development and Financial;
- and then further by Directorate – Quality Improvement and Business Planning and Efficiency and Financial.
- 4.4 ND led the Committee through the KPIM charts and explained that in the case of mission, the majority are graded green (the KPIM has been fully and successfully achieved) and there are no red grades (i.e. the KPIM may not be fully or successfully achieved). In terms of Enabling, there are no red grades and all but one is green. The only amber (i.e. the KPIM will be fully and successfully achieved) related to Employer Responsive learning but this was expected to be achieved. With regard to directorates, ND explained that grades are either green or amber and any ambers would be finalised by the end of the academic year.
- 4.5 ND stated that whilst there are business and financial risks if KPIMS are not achieved, good progress was being made, the College was on target to achieve them and the progress supports the College's strategic and business plan going forward.
- 4.6 The Principal added that this item was being presented in the midst of uncertainty in that the outcome of Item 3 of the agenda may have an impact and it will have to be revisited in the next month. Overall however, the College was pleased with progress.
- 4.7 The Committee had no further questions at this stage.

**Resolved:**

The Committee approved the report presented by ND in relation to KPIMs.

#### **Item 5 – Verbal Report on Riverside – Report from meeting with SFA**

- 5.1 This was a verbal update provided by BP and CH following a meeting with the Skills Funding Agency (SFA). BP said that the SFA had confirmed that there was no funding for capital projects. However CH added that the meeting had been useful in the sense that the SFA had stated that the authority level to the College's financial memorandum was to be changed and the approval process was to be simpler. CH added that this was good on the one hand but at the same time they were being told that the local authority did not have any funding in any event.
- 5.2 The Principal added that the purpose of the agenda item is to inform the Committee that the College is keeping the Riverside Project live and the options outlined to the Committee at the February meeting are still being pursued. SP confirmed that Andrew Burley (Chair of Riverside and Estates Committee) would confirm the same. BP added that at this time of funding cuts, it is not particularly useful to have high cash balances which is a further strategic reason to continue to pursue the Riverside project.

#### **Resolved:**

The Committee approved the ongoing pursuance of options with regard to the Riverside project.

#### **Item 6 – Summer Works Programme 2010**

- 6.1 This item was presented by JS and CH. JS stated that the purpose of this item was to confirm to the Committee the summer works programme for 2010, stating that it takes into account the College's Property Strategy 2010 – 2018 together with the benefits that refurbishment will bring to the learners, staff and the development of new courses.
- 6.2 JS went on to say that the majority of the proposed summer works centred around James Watt campus (JW) and Sutton Coldfield campus (SC). In terms of JW, due to the delay in the Riverside project and the closure of Josiah Mason campus (JM), more works were being carried out than initially envisaged in order to make JW a "third campus" which was a necessity.
- 6.3 A detailed discussion then took place between those present about the need to carry out any necessary works in order to have a fit for purpose estate so as to not jeopardise securing student numbers going forward.

- 6.4 JS then led the Committee through more specific detail of proposed works to be carried out at SC and JW. BP added that the works were subject to tender and actual costs would be brought to the next Committee meeting.
- 6.5 The Chair clarified that at present, the Committee were looking at what works need to be carried out and that more detailed costings would be provided at the next Committee meeting. JS confirmed that this was correct.

**Resolved:**

The Committee agreed to note and approve the overall strategy for summer works for 2010.

**\*Item 7 – Management Accounts up to 31 March 2010**

- 7.1 BP presented this item. BP stated that whilst this item was for note only, he led the Committee through some key parts of the accounts for the eight months to 31 March 2010.
- 7.2 BP also informed the Committee that in light of the student recruitment necessary to meet the funding targets and the potential of funding cuts widely expected in 2010-11, the College had decided to remain prudent with the allocation of pay and non-pay budgets for 2009-10 and that the College would continue to monitor its operating position moving forward.
- 7.3 SP commented on whether the College should use some of its surplus and invest. BP said that the College is strong financially but it was the management's view that this financial strength should be maintained at these uncertain times. The Principal added that this was important from a strategic point of view in terms of positioning in the 157 Group. She added that it was a fine line and the College needed to keep its options open. The Chair added that the approach being taken felt about right.

**Resolved:**

The Committee approved the accounts for the eight months up to 31 March 2010.

**Date of next meeting**

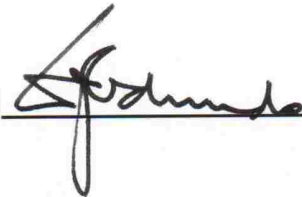
Friday 18 June 2010

**Any other business**

For information, the Principal stated that she attended a meeting of the 157 Group recently to discuss the implications of the new government. Going

forward, the issues being looked at were what Colleges are good at, diversification, possible acquisitions and levels of performance.

The meeting ended at 10.00am.

Signed  Chairman

Dated 18 June 2010