



**Minutes of the Strategy, Finance & Business Development
Committee Meeting held on Friday 18th June 2010 at 8:00am
in room 814, Matthew Boulton Campus**

Present:

Mr D Edmonds (Chair)
Dr C Braddock (Principal)
Mr T Lipscombe (TL)
Mr A Burley (AB)

In Attendance:

Dr R Minett (Executive Director Academic Affairs Quality Improvement) (RM)
Mr B Pattni (Executive Director of Finance and Resources) (BP)
Mr J Starmer (Director of Estates) (JS)
Ms N Patel (Interim Clerk to the Corporation) (Clerk)

The Chair formally appointed Ms N Patel as Interim Clerk to the Corporation for this meeting in absence of Catherine Bennett who is on maternity leave.

Apologies for Absence:

Apologies were received from Mr Clive Hill

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

The minutes of the meeting held on 13 May 2010 were approved subject to the following amendment. Paragraph 7.3 should read:

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 Committee's view that this 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 confirmed that the approach being taken on cost savings was appropriate under the financial constraints.

Matters Arising

AB asked for a summer works update following the last meeting. JS informed the Committee that the return date for tenders is Monday 21st June 2010. JS then explained that a report will be completed with costs and recommendations will be formulated by 23rd June 2010. The Principal stated

that subject to the agreement of the Committee costs will be sent to AB. This was agreed.

Item 2 – Tuition Fee Policy

- 2.1 BP led on this item explaining that it was a requirement from the Skills Funding Agency (SFA) that the Committee approved the fees policy and the suggested fee rates for courses commencing in the next academic year (2010/11).
- 2.2 BP gave details of the fees that will be charged to students on 16 -18 programmes. 19+ students on a 16 -18 programmes will now be charged a course fee. The Chair stated the need for rigid validation of age clarification to be in place.
The Principal stated that the College has robust procedures in place to address this issue.
- 2.3 BP added that for international and overseas students will be charged an administrative fee of up to £500 of the course fee if they were not successful in their application.
- 2.4 The Chair asked for clarification on processes that are in place for the collection of bad debts. BP explained that there is a direct debit scheme in place and that reminder letters are sent to students on a regular basis. Only when all avenues have been explored is a situation referred to a debt collection agency. Learners are only referred to the county court as a last resort which occurred rarely.
- 2.5 The Principal explained that it was the Government policy on fees that was driving the College to charge up to 50% of the national rate which has been carried out through an incremental rise. Previously the College has maintained the 42½% required.
- 2.6 BP then went on to clarify that the quality and diversity aspect within the policy now clearly highlights student support mechanisms available.

Resolved:

- (i) To recommend the policy to the Corporation with the amendments.

Item 3 – Update on Staffing Reductions and Reorganisation (verbal update)

- 3.1 This was a verbal update provided by RM. He went into detail explaining that following the last meeting with the Unions the College had negotiated a 90 day consultation period as appose to a 30 day consultation. However the College is in dispute with the Unions with regards to the date the consultation started.

- 3.2 RM then led the Committee through the process stating that the timelines remain the same with the notices being issued mid July. He informed the Committee that as of 17th June 2010 there were 47 natural losses, this through a mixture of support and curriculum staff. The Principal added that natural leavers that are in areas not at risk will be a redeployment post. The exact number of those being made redundant has not yet being confirmed due to clarifying those who are associate lecturers.
- 3.3 The Principal reiterated to the Committee that it had been made clear to the Union that reductions were being made across the organisation with the majority of reductions being made in management and some in teaching and support staff.
- 3.4 The Principal then went on to explain in detail the Unions position and how they are pushing for the College to withdraw statutory redundancy and convert to voluntary redundancy. The Principal stated that the Union are aware that poor performers will be targeted, however the College still believes it is important to go ahead and target poor performers.
- 3.5 The Principal added that although the College is financially sound there are significant reductions on allocations for next year instigating the need to make cuts and maintain a sustainable cost base.
- 3.6 The Principal and RM explained to the Committee the criteria for selection which will be used to make redundancies including a skills audit, looking at sickness and absence, minimum levels of performance highlighting the fact that the College will no longer be funded for those courses not delivering to targets. The Principal added that the process is being conducted by an external HR specialist.
- 3.7 The Chair commented that the process is being managed well and the need to mitigate against the bad perception of the public is needed.
- 3.8 The Principal then following discussion put forward to the Committee the option to continue to endorse the strategy of statutory redundancy or convert entirely to voluntary redundancy.

Resolved:

- (i) The Committee agreed the process was to eliminate poor performing areas and agreed for the College to continue with the statutory redundancy approach in order to re-align the cost base to reduced grant income.

Item 4 – Harborne Hill Academy Developments

- 4.1 RM presented this item distributing a paper with the latest information and an update to the paper from April. He informed the Committee of the developments following the public consultation that took place on Wednesday 9th June 2010 where some issues were identified. However the majority of individuals present were supportive of the new academy in particular parents who expressed their support encouraged by the possible improvements for the future.
- 4.2 RM then led the Committee through the key points clarifying that the uniform has been approved, in relation to Governance the Heads of Terms have been received and reviewed by Eversheds and any employment issues are being addressed with staff. From September Harborne Hill staff will adopt the policies of the College
- 4.3 RM went on to explain that a revised funding agreement by the coalition government is to be published and signed off by the end of July.
- 4.4 RM informed the Committee of the planned summer works programme where there are plans to transform the entrance, decorate the classrooms and the science laboratories for the September term.
- 4.5 The Principal explained the importance of the wider strategy and how the College is hoping to sponsor more academies creating more transitions and pathways for learners. The Principal added that the College is delighted with this new academy and has the full support of Birmingham City Council.

Resolved:

- (i) The Committee noted the update and were pleased with the developments for the new Harborne Hill Academy.

Item 5 – Indicative Financial Forecasts 2010/11

- 5.1 BP presented this item with a brief power point presentation on the financial forecast and provided a comprehensive set of forecasts with sensitivity analysis for discussion.
- 5.2 BP explained that there has been little guidance on assumptions from the Skills Funding Agency (SFA)/Young Persons Learning Agency (YPLA) so figures are indicative at this stage. BP informed the Committee that an amended report may be required for September to the Committee if an update is required.

5.3 Members asked about the reduced income and the impact on the College. BP said that the approved strategy on restructuring re-aligned the College's cost base to counter the reductions in income.

5.4 The Principal also stated that as the Harborne Academy was pending legal transfer to the College these financial figures could not be included within the forecasts at this time but will be incorporated within any subsequent amendments.

Resolved:

- (i) To approve the financial forecasts with amendments and to recommend them to the Corporation.

***Item 6 – Financial monitoring report for the nine months ended 30 April 2010.**

6.1 BP presented this item. BP stated that whilst this item was for note only, the surplus reported is subject to change dependent on the outcome of the re-structuring process.


Resolved:

- (i) The Committee noted the progress against targets and were satisfied with the financial position.

Date of next meeting

To be confirmed

The meeting ended at 10.10am.

Signed (Chair) 

Date 2.12.10