

**Minutes of the Meeting of the Finance, Business and Development Committee  
held on Thursday 19 June 2014 at 8.00am  
in Room 814 at Matthew Boulton Campus**

<b>Present:</b>	<b>Apologies:</b>
Steve Brittan (Chairman)	Steve Hollis (SH)
Andrew Cleaves (Principal) (AC)	
Clive Stone (CS)	
Andrew Madden (AM)	
<b>In Attendance:</b>	
Bob Pattni (Chief Operating Officer of Business Planning, Finance & Governance) (BP)	
Louise Jones (Chief Operating Officer of Organisational Support) (LJ)	
Stephen Manners (SM) - Item 2 only	
Nishma Patel (Interim Clerk)	
Philip Heath (Acting Clerk)	

### **Apologies**

Apologies had been received from Steve Hollis.

### **Declarations of Interest**

There were no declarations of interest save for those already declared in the Register of Interests.

### **Item 1 – Minutes of the Meeting held on 27 February 2014**

The Chairman led the Committee through the minutes of the meeting held on 27 February 2014 and it was agreed they were a true and accurate record of the meeting. Andrew Madden pointed out that he was in attendance at the last meeting.

### **Matters Arising**

CS raised concerns regarding the volume of information Governors are being asked to review and recommend to the Board in a short amount of time. CS stated at the last meeting there was a strong concern over Riverside and he would have liked to have the data before hand to enable an informative discussion at the meeting. CS explained that he had IT access issues in respect of his iPad and the committee papers received via Dropbox could not be easily accessed.

AC responded to the comments and shared the same frustrations and therefore stated that management data is being looked at and important underlying trends need to be outlined. AC also informed the committee of the reduction in funding for the College which will mean a struggle for this year and the need to bridge the gap.

## **Item 2 – Estates Update**

Stephen Manners presented this item in the absence of John Starmer.

### **(i) Property Strategy**

SM provided members with an update on the various capital developments following the approval of the Property Strategy in December 2013 and asked the committee to note the sale of the Whitehouse, 46 Health Lane and approve the contract for the sale of the walled garden at Leasowes Park.

SM also briefly outlined the work ongoing in terms of OJEU for the CEAC development and the disposal of the Design Centre.

### **(ii) Harborne Academy**

SM reported that the Harborne Academy project is now complete and the final cost summary report will need to go to the Harborne Academy Full Governing Body for review and approval.

### **(iii) SLDD Building Brierley Hill (ADC)**

SM informed the Committee that the College was successful in obtaining a Demographic Growth Capital Grant from Dudley MBC for the development of a new independent living unit for SLDD students. SM stated that this proposal will be 100% funded and asked the committee to follow the recommendations in the procurement report.

### **(iv) Erdington Skills Centre**

SM provided an update for the Erdington Skills Centre for information stating that the proposal is to redevelop the Centre to ensure it is fit for purpose. SM stated that the project has a tight timescale of March 2015 and the planning application has been submitted to committee for 26<sup>th</sup> June and Speller Metcalfe have been appointed as the principal contractor. SM informed the committee of a funding forecast overspend but stated should get back to budget figure working up the design with the contractor.

### **(v) James Watt Phase 2**

SM provided an overview on James Watt Phase 2 with the proposal to build including a new Sustainable Energies Centre, refurbishment of 3<sup>rd</sup> floor Aldridge Block, new cladding to the Blackstone building, back work to the Aldridge Block, new landscaping, new café behind the reception area and a new LRC. CS stated that the committee has been effectively briefed throughout this project.

The Chair raised for future consideration a public transport plan for James Watt Campus to alleviate issues of parking. The Chair also asked about IT and any improvements. AC responded and stated that underlying investment is required for IT to allow systems to be harmonised and staff to carry out their work successfully. A detailed discussion followed on IT.

### **(vi) Stourbridge Capital Development**

SM led committee members through Phase 2 of the work being carried out at the Hagley Road Campus and stated that the total build cost is £5m with the SFA capital grant also included of £2.5m. SM stated that currently the site falls within building

category C/D standard (per SFA criteria) and requires some significant investment to ensure it remains fit for purpose and therefore the College has committed to returning all accommodation up to A and B standard.

SM reported that the College was successful in the bid for the SFA Condition of Use Fund for smaller capital improvement works at Hagley Road. SM stated that this will include the introduction of Engineering, Block C and A classrooms to be upgraded, refurbishment of WC's in reception, refectory with decking and new science labs. BP informed the Committee that this was capital funds that were available to the sector and therefore a project that was brought forward and enhanced.

**Approval:**

The Committee noted the report and approved the smaller works.

**(vii) Proposed disposal of land know as Riverside**

SM provided background information on the proposed disposal and the work being carried out by the Estates team. A detailed discussion followed on the options outlined.

A report on the potential for disposal of the site was reported however, AC asked that the report be withdrawn in order for a further detailed discussion and a clear proposal and more advice to be obtained on the options for the site.

The Chair thanked SM for the update and the committee then recommended the following:

- Formally noted and approved the sale of the Whitehouse – 46 Heath Lane
- Approved the sale of the walled garden at Leasowes Park
- Riverside to be discussed further with a clear proposal and further clarification on options

**Item 3 – Finance**

**(i) Management Accounts to 31 May 2014**

BP presented this item and provided the Committee with an overview of the Management Accounts to 31 May 2014. BP stated that going forward there are going to be some difficult funding challenges and therefore the College is taking appropriate action in terms of revised business plan targets with directorate managers.

BP presented a consolidated position for the BMET Group which includes Harborne Academy and led the committee through the College forecast surplus figures, the reliance on SFA and EFA funding and the decline in classroom based learning as well as the difficulty in hitting target for employer responsive funding. BP stated however, the College is confident that we can deliver the forecast surplus of £172,000 by the year end. This is subject to the delivery of EFA/SFA pipeline activity.

BP led members through the outturn for year end and discussed in detail the financial statements. AC stated that the biggest necessary savings have been made in teaching staff and this should not be the focus as front line delivery staff are needed. AC also informed the committee that in addition to this AL figures are too high.

BP then went through non-pay and stated concern that savings include teaching directorates and the College seem to be overspending in support and central services and as a result the College will be looking at reversing this.

**ACTION:** CS requested data on average student numbers to lecturers against other colleges.

BP presented the balance sheet for the College and went through the balances in detail with the committee. BP stated that the difficulty facing the College is a reflection of the problems in the sector.

**(ii) Final Funding Allocations for 2014/15 and Implications**

BP reported on the potential reduction in EFA/SFA funding for the College and stated that there are going to be significant constraints on the FE Sector going forward.

BP led members through the funding comparison of EFA/SFA income for 13/14 and 14/15 and as a result of funding changes and lagged learner numbers the College is showing a decline. BP stated however, there are opportunities to displace some of the income through the implementation of new income streams, such as traineeship programmes.

BP then led the committee through 16-18 EFA and 19+ Adult SFA figures and positioning for the College and stated that the College must bring forward synergy savings and recognise additional income streams.

**(iii) Indicative Financial Forecasts**

BP gave a presentation on the Indicative Financial Forecasts for 14/15 to 15/16 covering deficit reduction and the impact on funding. BP provided detail on mitigations and opportunities to counter funding changes.

**Item 4 – Partnerships 2013/14 update and proposed strategy for Partnerships 2014/15**

This item was noted.

**Any other Business**

There was no other business.

**Date of Next Meeting: to be arranged**

Signed.....

Date.....29/11/14.....