

**Minutes of the Finance, Resources & Property
Committee
held on Thursday 7th October 2010
at 4.30 p.m. in the Boardroom, Hagley Road**

Present:

John Coyne
Lynette Cutting (Principal)
Steve Davies (Chair)
Brett O'Reilly

In attendance:

Louise Jones (Vice-Principal)
Steve Cutler (Assistant Principal)
Jeremy Mobberley (Acting Interim Clerk)

1 Apologies for absence:

Apologies were received from David Nolan and David Beasley (for whom Jeremy Mobberley deputised).

2 Declaration of interests:

None.

3 Minutes of Meeting – 30th June 2010:

These were taken as a true and correct record of the meeting.

4 Committee Terms of Reference & Annual Programme of Work:

The Terms of Reference were currently being finalised and it was agreed that these would be circulated to Committee members prior to being submitted to Corporation for approval.

The Annual Programme of Work was examined and agreed although it was recognised that this may change in the light of circumstances prevailing at the time.

5 Efficiency Improvement Plan – Progress Report:

Steve Cutler gave a presentation updating the Committee on the Efficiency Improvement Plan, starting off by explaining where we are at present:

- Total savings of £1.2m had been implemented and were incorporated into the budget;
- Leadership and management had been re-structured in order that the College can meet business needs moving forward;
- Results of the Staff Satisfaction survey were being analysed and actions developed as appropriate;

- A review of governance had resulted in a change to the committee structure, additional emphasis on the Link governor scheme and the development of a training programme for governors;
- Monthly targets were being implemented in curriculum areas;
- A benchmarking review had been undertaken and concluded.

Progress on the review of Business Systems was as follows:

- HR review underway;
- An upgrade of the finance system was taking place;
- In respect of College Information Systems (CIS) improvements were being made to online applications, enrolments and reporting;
- A linked-up Estates strategy focussing investment on where it will have the greatest impact on the learner is being developed;
- IT is being incorporated into all reviews to maximise efficiency.

Finally he explained that in order to monitor the plan, a restructure of the management accounts had been proposed to more easily identify where efficiency savings have been built into the budget and highlight specific performance in that area. A report on non-financial efficiency savings e.g. time savings through process re-engineering, would also be prepared. Louise Jones added that it was the intention to present a monitoring report to each meeting of this Committee.

Lynette Cutting commented that the latest indications are that the cuts under the spending review will be more severe than originally envisaged and could mean a significant re-structuring of the sector; she felt that it would be within curriculum delivery where major savings would have to be made.

Steve Davies asked if the sensitivity analysis covered the potential cuts and Louise Jones, in reply, said that funding cuts of around 20% had been included; anything greater than this would mean that the plan would need to be revisited.

6 Confidential Item. minuted separately

7 **Learner Support Fund 2009/2010:**

The report details the distribution of the Learner Support Fund (LSF) for 2009/2010. A total of £262k had been spent compared to an allocation of £242k, the overspend of £20k being reflected in the College accounts for the year; details of how the fund had been distributed was contained within the report.

Steve Davies was concerned that the reduction in the allocation for 2010/2011 could lead to an increase in the overspend but it was pointed out that the weaknesses highlighted by the internal audit report had now been addressed and it was felt that the spend would be contained within the allocation.

Lynette Cutting added that a significant amount from the fund had been used to provide transport to students with learning difficulties and disabilities, which should have been, and should be in the future, the responsibility of the Local Authority. They had, however, said that there was little or no funding available for this purpose and therefore the College would continue to subsidise such students in order to retain them.

The Committee resolved:

To note the report and pass to Corporation for information.

8 Confidential Item. minuted separately

9 **Health & Safety Report:**

The report provides governors annually with information regarding the provision of health and safety and related issues for the past academic year. Details of accident statistics and the impact on both learners and staff are documented within the report.

A total of 206 injuries had been recorded during the academic year, a reduction from the previous two years which had totalled 281 and 234 respectively; the injuries were sustained by 182 students, 22 staff, 1 contractor and 1 visitor. A total of 13 reportable injuries under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) were recorded and reported. The decrease in accidents was, to a large degree, due to an increase in the provision of Personal Protective Equipment, whilst the underlying cause of the majority of student injuries was due to inexperience or lack of care and attention due to immaturity.

In response to John Coyne's question it was confirmed that statistics relating to the new build at Brierley Hill would be incorporated into the report for 2010/2011.

Steve Davies asked if our results could be benchmarked against other colleges but it was felt that this could be misleading unless we could find another college with a similar mix to ourselves, which could prove difficult. Louise Jones pointed out that the LSC had, from time-to-time, carried out Health & Safety audits of colleges and the last one at Stourbridge had been graded as 'Satisfactory'.

Finally Lynette Cutting mentioned that, as Jim Conway was no longer a governor of the College following the completion of his terms of office, a governor was needed to sit on the Health & Safety Committee; Steve Davies kindly volunteered and Louise Jones, the Chair of the Committee, agreed to send him details of meeting dates etc.

The Committee resolved:

To agree the report for presentation to Corporation in October.

10 **Sub-Contract Report:**

The Skills Funding Agency (SFA) requires the Corporation to agree the College Franchise, Train to Gain and Work-Based-Learning partners, and the scope of franchise courses offered, on an annual basis.

The report detailed Franchise, Train to Gain and Work-Based-Learning partners to be approved for 2010/2011 with carry-over activity from 2009/2010; each partner was also given a risk rating of either High, Medium or Low reflecting the sensitivity of the income. The contract value for each partner was also estimated, together with the relevant expenditure against such income. The franchise provision overall is valued at £1m and, in the current economic climate, is classified as high risk provision.

Lynette Cutting pointed out that we were currently looking at alternative ways of managing the provision as potentially the current method may be restricted by the new Funding bodies; she pointed out that this may well involve some acquisitions if appropriate. Contracts with partners were normally ratified in January but these may be signed earlier this time in order to secure the income for the academic year.

Committee resolved:

To recommend that Corporation approve the partners and maximise franchise funding activity of £1m.

11 Confidential Item. minuted separately

12 Property Strategy Update:

Louise Jones updated the Committee on the progress of the new build at Brierley Hill. The Principal contractor, BAM construction, commenced mobilisation on 16 August, with site mobilisation works commencing on 23 August. The programme is currently on track for a 2 September 2011 opening.

The projected cost is significantly below the original budget and, as such, has mitigated risk regarding this aspect of the project; additionally costs have been reduced by virtue of the majority of the build costs being zero rated for VAT.

It has now been agreed that there is no longer any need for an Accounts write-off of circa £1m in respect of the land valuation and this means that the loan covenants will all be met. The College has not yet needed to draw on the loan facility with Lloyds, but dates for the drawdown have now been agreed in order to take advantage of the current advantageous interest rates.

A list of the contractors making up the professional fees budget was contained within the report.

It was agreed that it would be beneficial to give governors the opportunity to visit the site and it was therefore suggested that the next meeting of the Corporation scheduled for 21st October 2010 be held at Brierley Hill; John Coyne said that it would be possible to hold the meeting at the LIFT building on Venture Way and agreed to liaise with Jeremy Mobberley and David Beasley on the matter.

The Committee resolved:

To note the report for information.

13 Any Other Business:

No other business was raised for discussion at the meeting.

14 Dates of Future Meetings:

Thursday 18th November 2010.

Thursday 17th March 2011.

Thursday 12th May 2011.

Thursday 30th June 2011 [*post-meeting note: amended to Thursday 23rd June 2011*]

The meeting closed at 6.25 p.m.