

**Open Minutes of the meeting of the
Finance, Business & Developments Committee
held on Thursday 14th November 2013 at 8:00am
in the Boardroom, Matthew Boulton Campus**

Present:	Apologies:
Steve Brittan (Chairman)	Steve Hollis
Christine Braddock (Principal)	
Andrew Madden (AM)	
Clive Stone (CS) (p/t)	
In Attendance:	
David Beasley (Acting Clerk)	
Bob Pattni (Executive Director Finance & Resources) (BP)	
Clive Hill (Deputy Principal – Operations) (CH)	
John Starmer (Estates Director) (JS) (Item 7 only)	

Apologies for Absence

Steve Hollis had tendered his apologies.

Declarations of Interest

There were none save for those already declared in the Register of Interests.

Item 1 – Minutes of Meeting held on 27th June 2013

The Chairman led the Committee through the open and confidential minutes of the meeting held on 27th June 2013 and it was agreed that they were a true and accurate record of the meeting.

Matters Arising

Para 2.9 The Principal reported that the summer works programme had gone very well and the Hagley Road campus works were progressing.

Para 3.2 CH confirmed that he would address asset valuation under the Property Strategy agenda item.

Para 7.1 The Principal reported that the College had submitted a bid in response to Kidderminster College's invitation for expressions of interest in becoming a merger partner; the response was awaited.

[The Chairman agreed to take the agenda items out of sequence to enable CS to be present for the main items.]

Item 7 – Confidential Item

Item 6 – Confidential Item

[Clive Stone left the meeting at this point.]

Item 5 – Partnership Arrangements for SFA/EFA Delivery

- 5.1 CH presented the report updating governors on the College's latest partnership arrangements, noting the significant changes in the position since that reported at the last meeting in June 2013. Delivery had now commenced with the partners and the report confirmed the contract values to the individual partners. In percentage terms partnership values had increased over the 2012/13 BMet position due to the combination of Stourbridge delivery via partners. It was reported that the College was committed to reducing the partner delivery compared to the combined delivery of BMet and Stourbridge colleges in 2012/13.
- 5.2 the committee were referred to the current partner details set out in the report appendix. Governors asked concerning the controls that were applied to partners and how they were managed. The Principal confirmed the processes set out in the report had been reviewed in the light of those used previously by Stourbridge College and had been rationalised.

APPROVAL:

The Committee noted the report and agreed to recommend approval of the latest partner arrangements to the Corporation.

Item 2 – Management Accounts to 30th October 2013

- 2.1 BP presented the Management Accounts for the first quarter, noting that some figures were estimates because the College was waiting for the SFA data. He was confident that the operating position was on target and that there was nothing exceptional to report. He highlighted to Governors that the cash flow projection reflected a fairly steady profile.
- 2.2 Governors asked questions related to the balance sheet position, the impairments position as related to the take-on of Stourbridge College's assets, and the situation in respect of disposals, and these were all addressed. The Principal said that although the overall financial position was healthy, the College was seeing a significant drop in adult learner numbers so a number of actions were being taken internally in terms of reducing costs. The displacement of the funding of loans, a country-wide problem, has caused a significant impact. Governors said that they were content with the Management Accounts

APPROVAL:

The Committee noted the report and agreed to recommend the Management Accounts to the Corporation.

Item 3 – Draft Financial Statements 2012-13 (Stourbridge, year ending 31st May 2013)

- 3.1 BP presented the draft Financial Statements for Stourbridge College for the ten month period to 31st May 2013, prior to the merger. He said that it been challenging

to prepare the various sets of accounts (Stourbridge College, BMet, Harborne Academy and Group) and advised that the documents presented included the financial elements only. The Annual Reports would be incorporated for the Corporation meeting in December. The College was waiting for confirmed figures from the funding bodies; these were expected in early December.

- 3.2 BP took the Committee through the content of the Financial Statements, explaining that they took account of the cessation rules, the treatment of the ATC dilapidations liability and the information gained after the merger of one of Stourbridge College's contracted partners going into liquidation. BP advised that had Stourbridge College continued as a going concern the position at the year-end would have been a deficit of c.£300k.
- 3.3 Governors asked if the College was confident that the accounts covered all the items transferred as part of the merger, and BP said that he believed this to be the case and that Baker Tilly and KPMG had both reviewed the figures. Governors confirmed that they were happy with the content of the Financial Statements, noting BP's observations.

APPROVAL:

The Committee noted the draft Stourbridge College Financial Statements and agreed to recommend them to the Corporation for approval, subject to the finalisation of the figures.

Item 4 – Draft Financial Statements 2012-13 (BMet, year ending 31st July 2013)

- 4.1 BP presented the draft Financial Statements for BMet for the year to 31st July 2013, with the final two months showing the figures for the combined College. He highlighted the College and Group position for the Income & Expenditure Account, the Balance Sheet and the Cash Flow, and reported that the overall figures reflected a good performance and a healthy balance sheet and cash flow. The Committee asked for clarifications on a number of items and these were answered.

APPROVAL:

The Committee noted the draft BMet Financial Statements and agreed to recommend them to the Corporation for approval, subject to the finalisation of the figures.

Item 8 – Any Other Business

- 8.1 There were no items raised.

The meeting closed at 09:35am.

Date of Next Meeting – Thursday 27th February 2014.

Signed..........Date.....27 FEB 2014.....
Chair of the Finance, Business & Developments Committee