

## Policy & Resources Committee

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### Approved Minutes

*Meeting of the Meeting held on Monday 3 November 2008 at 6.00 pm.*

Present: Mr P Pickford (Chairman)  
Mr M Baker  
Mr J Bruce  
Dr R Gray  
Mrs J Hodges  
Ms C Piper

In Attendance: Mr A McGarel (Director of Finance and Corporate Services)  
(Items 6, 7, 8 and 9)  
Mr P Groome (Director of Resources and Planning) (item 9)  
Mr J Hayles (Director of Quality Improvement) (Item 10)  
Mr C Burrowes (Acting Clerk to the Corporation)

#### 1. Apologies for Absence

Apologies for absence were received from Mr M Smith and due to illness, Robert Millea (Clerk to the Corporation). Mr C Burrowes from Chaplin Frobisher Welling Limited was thanked for deputising as Clerk at this meeting.

It was noted that Mr S Buggle has expressed the wish to cease as a member of this Committee due to business commitments and he was thanked for his long and distinguished service to this committee. It was noted that a vacancy now exists on this committee but it is not intended to fill that vacancy at the present time.

#### 2. Urgent Business

There were no items of urgent business.

#### 3. Minutes of the Meeting of Monday 8 September 2008

The Minutes of the held on 8 September 2008 were **APPROVED** and **SIGNED** by the Chairman.

#### 4. Matters Arising from the Minutes

##### (a) NOVA and Train to Gain Consortia Inspection

Members received a report on the OfSTED inspection recently successfully completed and which had been reported in detail to the last Board meeting.

- (b) Final Report on Initial Teacher Training OfSTED inspection

Members each received a copy of this final report, carried out recently.

## 5. Strategic Developments in South Essex (Paper PRC.08.25)

- (a) Merger Update

The Principal and Chief Executive provided the Committee with an update of recent progress in connection with the proposed merger with Thurrock & Basildon College. This was deemed to be a confidential matter under the Instrument & Articles and a separate minute has been prepared in connection with this issue, which is attached to these minutes.

- (b) The Principal and Chief Executive provided an update on the LSC Competitions in Thurrock and Basildon. In this regard, the new build aspect of the Thurrock Competition is addressed in item 9 of this agenda.

## 6. College Finances (Paper PRC.08.26)

The Director of Finance and Corporate Services presented a report on the College Finances for the months of August and September 2008, the draft Financial Statements for the College for 2007-08 and for South East Essex Commercial Services Limited for that year and tabled a paper on the economic crisis and its possible implications and threats to the College.

- (a) **College Finances for the months of August and September 2008**

For the year to date, College income totalled £6.119 million and expenditure £5.903 million, giving rise to a surplus to date of £216k against a budgeted surplus of £64k. The full year budget is for income of £39.9 million and a surplus of £700k.

The Director of Finance observed that full year trends were not yet able to be drawn but the position so far looks sound with a strong cash position.

The Committee received the Investments Report for two months, showing interest of £73K had been earned on an average cash balance of £8.7 million.

The Committee **NOTED** the current financial position of the College.

**(b) Draft Financial Statements 2007-08 – College and South East Essex Commercial Services Limited**

Members received a copy of the draft financial statements for the College and the College Company (South East Essex Commercial Services Limited) for the year ended 31 July 2008. The Director of Finance reported that the financial statements are not yet finalised but the external audit has been carried out and is substantially concluded. An unqualified report is expected.

The Director of Finance and Corporate Services gave a short presentation explaining the key elements of the accounts for the 2007-08 year, The consolidated operating profit before FRS 17 adjustments amounted to £1,319 million. FRS17 adjustments reduced this profit to £974k, broadly in line with expectations. The consolidated balance sheet remains very strong with net assets in excess of £44.2 million.

He also brought the external auditor's management letter items to the Committee's attention, none of which were significant. He further reported that a final check of the financial statements has identified some minor further and final, mainly textual, adjustments and these, together with any observations arising from the Audit Committee who are considering the accounts this coming Friday, will be effected before the accounts are presented to the Corporation meeting on 1 December 2008.

The College Company had a successful year, returning a surplus of £129K, which has been gift aided to the College.

The Committee **DISCUSSED** the 2007-08 financial performance of the College and the College Company and recommended no amendments to the draft financial statements in each case.

- (c)** The Committee **RECEIVED** a Briefing Paper from the Director of Finance and Corporate Services and **NOTED** the possible effects of the current economic downturn on the fortunes of the College.

**7. Collaborative Provision 2008-09 (Paper PRC.08.27)**

The Committee **APPROVED** the programme of collaborative provision for 2008-09, within the previously approved budget, noting that it was within the 5% guideline set by the LSC at approximately £1million.

**8. Risk Management Policy (Paper PRC.08.28)**

The Committee **DISCUSSED** and **APPROVED** the updated Risk Management Policy presented by the Director of Finance and Corporate Services.

## 9. Estates Matters (Paper PRC.08.29)

The Principal and Chief Executive announced that it had been decided to take advantage of a break clause in his contract to terminate the employment of Mr Zak Monkton, the Capital Projects Director.

The Committee then received reports from the Director of Resources and Planning and the Director of Finance and Corporate services on Capital Projects and progress in that connection and a summary report of current estates issues.

In connection with Capital Projects, the Committee received:

### (a) Southend Phase Two Update Report

The Committee **APPROVED**:

- i) The Revised Format of the Committee Report and
- ii) That the Principal and Chief Executive be authorised to award a Contract for legal services in respect of this project for a sum expected to exceed £100,000 but limited to a maximum of £250,000 without further authority.

And then **NOTED**:

- i) That the report will be updated as necessary for Committee meetings.
- ii) The work undertaken by the College and GVA Grimley in GLH/Space Modelling.
- lii) The appointment of a Rights of Light Expert is urgently required if delays to the project are to be avoided.
- iii) Progress to date with town planning and land acquisition.
- iv) The ongoing work in developing the cost plan
- v) That the next meeting with the national LSC is scheduled for 28<sup>th</sup> November 2008.
- vi) Progress of the project against programme

### (b) Grays Temporary Campus Report

The Committee **APPROVED** the Revised Format of the Report.

### (c) Thurrock Learning Campus Report

The Committee **APPROVED**:

- i) The Revised Format of the Report
- ii) That the Principal and Chief Executive be authorised to award a Contract for legal services in respect of this project for a sum expected to exceed £100,000 but limited to a maximum of £250,000 without further authority.
- iii) That the Principal and Chief Executive be authorised to appoint the Environmental Impact Assessment Consultant following the tender process.

And then **NOTED**:

- i) That the report will be updated as required for Committee meetings.
- ii) That the GLH/Space model development is critical to the design and project programme.
- iii) Right of Light and input to design appointments are urgent if project programme is to be achieved.
- iv) That the development of the Environmental Impact Assessment may give rise to protracted timescales although allowance has been made for this study in the current programme.
- v) The meetings held with the Councils with reference to land acquisition and property issues.
- vi) The ongoing work on the Cost Plan.
- vii) The next meeting with the LSC will be on the 28<sup>th</sup> November 2008.
- viii) The potential delays to the programme.

The Committee then **RECEIVED** and **NOTED** the report on estates matters.

#### **10. Quality Matters (Paper PRC.08.30)**

- (a) The Committee **RECEIVED** the summary of the outcomes of the Learner Destinations Report (FE Learners) 2007-08 from the Director of Quality Improvement, who informed members that the full report was available on the Corporation website.
- (b) The Committee **NOTED** the Staff Development Strategy 2008-09 but also suggested that in future reports an attempt should be made to review the results achieved by the strategy in the previous period to determine the effectiveness of the programme.
- (c) The Committee **APPROVED** a motion revising the composition of the Academic Board, to reflect changes in staff organisation resulting from the adoption of the Faculty model.

#### **11. Management Matters (Paper PRC.08.31)**

The Committee **NOTED** the outcomes of the 2008 salary review, as set out in the paper tabled. Overall, the salary review process gave rise to pay increases amounting to £378,785 in August 2008, which represented increases on average of 3.5% to staff, although there were individual variations within that overall total.

The Committee also **NOTED** the report on the meetings of the Joint Staff and Senior Management Group 2007-08.

#### **12. Forthcoming Events (Paper PRC.08.31)**

The Committee **NOTED** the events listed in the paper.

#### **13. Date of Next Meeting**

Monday 26 January 2009 at 6.00 pm.

There being no further business, the meeting terminated at 8.20pm.