

## Policy & Resources Committee

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### Approved Minutes

*Minutes of the Meeting held on 2 June 2008 at 6.00 pm.*

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

In Attendance: Mr A McGarel (Director of Finance) (Items 7 and 8)  
Mr N Davis (Director of Quality & Planning) (Item 6)  
Mr P Groome (Director of Resources) (Item 7)  
Mr Z Mockton (Project Director, Thurrock) (Item 7)  
Mr R I Millea (Clerk to the Corporation)

#### 1. Apologies for Absence

Apologies for absence were received from Mr J Bruce, Ms C Piper and Mr M Smith.

Mr S Buggle was absent.

#### 2. Urgent Business

The Principal and Chief Executive reported on the following items:

- a. The College has received notification from The Quality Assurance Agency that it will be inspected in respect of its HE provision under the title 'Integrated Quality and Enhancement Review' in autumn 2008 and summer 2010.
- b. New Campus Basildon – the partnership between Seevic College, Prospects College and this College – is to open as a temporary facility in the town centre of Basildon in September.

#### 3. Minutes of the Meeting of Monday 28 April 2008

The Minutes of the Meeting held on 28 April 2008 were **APPROVED** and **SIGNED** by the Chairman, after making the following amendment to the motion in section 11 – delete the words 'and will be 100% funded by the LSC' and replace with the words 'and will be substantially funded by the LSC and the balance by Regional Development Agencies'.

#### **4. Matters Arising from the Minutes**

Members received a copy of the draft AoC response to the Raising Expectations White Paper – consultation closes on 9 June. Members were asked to feed back any comments to the Principal and Chief Executive on this response by the end of this week.

#### **5. Strategic Developments in South Essex**

The Principal and Chief Executive provided the Committee with an update of recent developments and this was deemed to be a confidential matter and a separate minute has been prepared in connection with this issue, which is attached to these minutes. Progress with the development of the Basildon Competition delivery is noted in Urgent Matters above.

#### **6. Quality Matters (Paper PRC.08.14)**

The Director of Quality and Planning provided a report on the following matters:

##### **6.1 Ofsted Inspection (12-16 May)**

The Director of Quality & Planning provided a Power Point presentation showing the outcomes of the OfSTED inspection, a copy of which is attached to these minutes.

The outcomes of the inspection by Ofsted were very pleasing. The College was rated overall as Good with a number of Outstanding features. The College's procedures and methodology were found to be robust and, if anything, judged to be slightly higher by the inspection team than by the College itself in its self-assessment report. There was recognition that the improvements in quality had been achieved against a background of large and rapid growth in student numbers and the capital building project and relocation which the inspectors thought had both been well managed. There was praise for the very strong and visionary leadership and the College's commitment to partnership working was seen as of particular note. A number of outstanding grades were awarded, including for governance.

It was noted also that the LSC PFA auditor also carried out an inspection of Financial Management and Control at the same time and also graded the College Grade 1 Outstanding.

The Areas for Improvement were seen to be success and attendance rates on some courses, teaching of the more able and the quality of the physical learning environment in some parts of the campus.

The report will be published in approximately 6 to 7 weeks from the date of the inspection.

Staff are being paid an honorarium for their commitment to the process and the successful outcome, along with two extra days holiday (pro rata for fractional staff).

The Committee **NOTED** with great pleasure the results of the Ofsted Inspection held during the week 12 May to 16 May 2008 and congratulated the Principal and Chief Executive and her management team for an excellent outcome.

## **6.2 Learner Enrolment**

The Committee **RECEIVED** the summary report on Learner Enrolment in respect of January 2008 commencements. It was noted that enrolments were down on the same period last year, but it was noted that January starts are not so significant as they were.

It was further noted that the number of students not wishing to disclose their disability had increased from last year by 7 percentage points and the number of students not wishing to disclose their ethnic origin had increased from last year by one percentage point.

## **6.3 Retention Report (March 2008)**

The Committee **RECEIVED** a summary report on Learner Retention summarising the position as at 6 March 2008. The following points were noted:

- Rates on all courses had improved from last year, albeit marginally, except for students on long courses - year two of three
- Disability has little impact on learner retention
- Little difference exists between retention rates for white learners and learners in other ethnic groups
- Little difference in rates between male and female learners on long or short courses or for adult learners

Overall, the position is not a lot better than last year and this is slightly disappointing.

## **6.4 HE Learner Satisfaction Survey 2007/08**

The Committee **RECEIVED** the 2007/08 annual HE Learner Satisfaction Survey and noted the following points:

- As last year, the survey was based on the National Student Survey
- Improved response rate compared to last year – up from 68% to 75% (three years ago it was only 23%)
- Overall satisfaction rate similar to last year
- Learners most positive about programme content, staff enthusiasm, teacher clarity and relevance to their needs as well as location

- Learners least positive about access to specialised equipment, feedback timeliness and communication of changes to programmes or teaching

## **7. Estates Matters (Paper PRC.08.15)**

The Director of Resources, supported by the Thurrock Project Director and the Director of Finance, presented a report on current estates issues, including progress on intended capital projects.

The Committee were given a verbal update on the four areas of capital bids – interim accommodation in Southend and Thurrock and New Builds in Southend and Thurrock – to support the written report, with the financial implications.

The report included a summary of Indicative Accommodation and Capital Expenditure 2008-09 which indicated estimated capital spending of between £1.3 million and £1.5 million for the next academic year, excluding the New Capital Bids.

This programme, in part, picks up some concerns regarding accommodation identified by OfSTED during the inspection, mainly slightly cramped conditions in certain areas and issues with the ventilation system. Areas incorporated in the plan include atrium remodelling, additional cooling, reorganising teaching team rooms, partitioning and improved document storage.

A solution appears available to temporary accommodation needs in Southend – at Maitland House, in the town centre.

Members were informed that further presentations and discussions on the College's future capital works vision would take place at the Board Development Day next Monday.

The Committee **NOTED** the report on Indicative Accommodation and Capital Expenditure 2008-09, together with an update of progress in connection with the LSC Capital Bids.

## **8. College Finances (Paper PRC.08.16)**

The Director of Finance presented a report covering the College financial results for the month of April 2008 (PowerPoint presentation), the Investments Report for the year to date, the LSC 08/09 Funding Allocations for 16-18 provision and Adult provision and the Provisional College Budget for 2008-09.

### **8.1 College Finances for the Month of April 2008**

For the year to 30 April 2008, College income totalled £26,357,000 and expenditure £25,268,000, giving rise to a surplus to date of £1,089,000 compared with a budgeted surplus of £832,000.

In addition, the Director of Finance made the following points in a PowerPoint presentation, a copy of which is attached to these minutes, supporting the written report:

- Cash held in the month increased by £746K to £6,636K reflecting the increase in LSC FE Funding – this is a high point since the Luker Road campus was completed and the Committee noted that this will be used towards elements of proposed new building projects in the next few years
- No developments regarding the LENNARTZ VAT position
- Summary of performance against Mortgage Financial Covenants was given – no issues arose
- The forecast profit for South East Essex Commercial Services Limited for the year to 31 July 2008 is in the region of £90,000 (2007: £53,000) – this will eliminate losses brought forward and the Company will be in a tax paying situation – it is therefore recommended that this Committee propose to the full Board meeting on 7 July 2008 that the profits of the company be gift aided to the College to remove any liability to corporation tax on the grounds that the College funds all the central services for the Company
- Debtors are higher than expected but this is explained by project income not yet received, but agreed by the LSC
- LSC KPIs were explained and the current College position is that the three key ratios would lead the College to be on the cusp between outstanding and good under the new Framework for Excellence
- Current ration of payroll costs to turnover is 62.5%.

## **8.2 Investments Report**

The Committee **NOTED** the Investments Report for the month and the year to date – interest income of £29,000 was earned during the month bringing the total for the year to date to £255,000.

## **8.3 LSC 08/09 Funding Allocations for 16-18 and Adult**

The Director of Finance tabled a report on the LSC Indicative Allocations for next academic year, supported by the letters and email from the LSC notifying this information.

It is the view of management, which was endorsed by the Committee, that the 16-18 Funding Allocation seems fair and incorporates growth aspirations, whilst paying for the competition delivery in Thurrock. Care will be needed to make sure funding for Thurrock is not at the expense of Southend delivery in future years.

Adult provision is being cut by about 10% in cash terms according to the allocation - Essex LSC is attempting to see if further funding can be found.

Details of the LSC Allocations were provided to members through the PowerPoint presentation. It was especially noted that full-time FE learner numbers are up from 4010 to 4260, a significant increase in the current climate.

#### **8.4 Provisional Annual Budget 2008-09**

The Director of Finance presented a provisional budget for 2008-09, outlining the financial objectives and key principles, supported by a PowerPoint presentation.

The following key assumptions behind the strategy were noted and endorsed by the Committee:

- Maintain category A status
- Generate 3% surplus after depreciation
- Pay not to exceed 62.5% of turnover
- Generate positive cash flow
- Grow non LSC income

The Budget presented is a 'top down' budget, which has been prepared centrally with some input from budget holders. Due to delays caused by the academic management restructuring, OfSTED inspection and the delays in receiving indicative funding from the LSC, it has not yet been possible to produce a detailed 'bottom up' version of the budget, involving detailed input from budget holders.

This will be done now and enable a final budget on this basis to be presented to the full Board at the Corporation meeting on 7 July 2008 for approval.

It was noted that the draft 'top down' budget indicates a surplus for the year of £752,000 on income of £40,348K, which equates to 1.9% of total income. After netting off NOVA income and expenditure, the surplus equates to 2.6% of income. The Committee noted that the surplus budgeted of £752,000, is after including a contingency of £200,000.

The draft budget indicates a surplus, if the contingency is ignored, marginally above the College's own target and the current level expected by the LSC for a Grade A financial status College.

Meanwhile, the Committee **RECOMMENDED** its support in principle for the provisional College Budget 2008-09 and that it go forward with that support to the Corporation at its meeting on 7 July 2008 for formal approval, noting that any significant changes would be notified to the Corporation at that time and on the understanding that the 'bottom up' budgetary discussion process with budget holders will have been completed.

The Committee otherwise **RECEIVED** the College Financial Report.

**9. Management Matters (Paper PRC.08.17)**

The Principal and Chief Executive gave a verbal update on the Academic reorganisation and informed the Committee of the appointment of John Hayles as the new College Director of Quality Improvement, who will replace Nigel Davis who is retiring at the end of this academic year. He is currently serving as Acting Principal at Braintree College.

The appointment of external Faculty Head has not yet been filled and has been re-advertised, together with seeking agency support for this appointment. The Deputy has been appointed.

The information was **NOTED**.

**10. Forthcoming Events (Paper PRC.08.18)**

The Committee **NOTED** the events listed in the paper and specifically approved the final programme for the Board Development Day, to be held next Monday, commencing with lunch at 1.00pm.

**11. Date of Next Meeting**

Monday 8 September 2008 at 6.00 pm.

There being no further business, the meeting terminated at 7.45 pm.