

Policy & Resources Committee

Approved Minutes

Minutes of the Meeting held on Monday 28 April 2008 at 6.10 pm.

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

In Attendance: Mr A McGarel (Director of Finance) (Items 6, 7 and 11)
Mrs S Coole (Director of Student & Community Services) (Item 8)
Mr P Groome (Director of Resources) (Item 11)
Mr Z Mockton (Project Director, Thurrock) (Item 11)
Mr R I Millea (Clerk to the Corporation)

1. Apologies for Absence

Mr Buggle was not present.

2. Urgent Business

- a. The Principal and Chief Executive advised the Committee that the College had submitted a formal objection against a planning application from Hooters in connection with premises adjacent to the College's Hair and Beauty studio in Queens Road due to the inappropriate nature of the proposed business. Members of the Corporation had been informed by email of this objection and had supported it. However, the planning application was approved by the Borough Council, despite the College's objection.
- b. The Principal and Chief Executive advised the Committee that the College will undergo an OfSTED inspection during the week beginning 12 May 2008 comprising 14 inspectors, details of whom were provided to members. In addition, a PFA provider assurance review of financial management and governance will take place on 15 May 2008. Members of the full Board have all been notified.

Inspectors will wish to meet with a group of Governors on Tuesday 13 May at 9.30am, with the Chairman of the Board alone at 8.45am on that morning and the Clerk alone at 10.15 am. Full details, including a briefing pack, will be sent to the relevant Board members in due course. The Clerk and the Principal and Chief Executive will give a briefing to participating Board members on the day at 9.00am.

The inspection is focused on six curriculum areas, covering a spread of areas from our SAR report which the College has graded 1 to 3. Their brief is to test out the validity of the College's SAR report. Verbal feedback will be given on the last day of the inspection by the Lead Inspector.

3. Minutes of the Meeting of Monday 28 January 2008

The Minutes of the meeting held on 28 January 2008 were **APPROVED** and **SIGNED** by the Chairman.

4. Matters Arising from the Minutes

There were no matters arising from the minutes of the previous meeting.

5. Strategic Development 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.

The Basildon Competition is proceeding well – rented premises have been secured and provision should commence in September 2008. This College is a partner in this enterprise with SEEVIC as the lead partner. The new provision will be under the banner of 'New Campus Basildon' .

6. Renaissance Southend Limited – Regeneration Framework 2007/2021 (Paper PRC.08.06)

The Committee received and **NOTED** a document published by Renaissance Southend Limited on the Regeneration Framework 2007/2021 for the Borough, which the Board had previously seen in draft. The Director of Finance has replaced the Principal and Chief Executive as the College's representative on the Board of the Company. There are some reasonable and effective references to the College in the document, which is encouraging. It was observed that it is now time for this company to begin to deliver on the regeneration agenda.

7. College Finances (Paper PRC.08.07)

The Director of Finance presented a report covering the College financial results for the months of February and March 2008, the Investments Report for those two months and the year to date, the annual Expenses Report for Members of the Corporation. He also updated the Committee regarding changes to the Essex County Council pension scheme and in connection with the College procurement review.

Normally, this meeting would have considered an indicative allocation of 16-18 funding for 2008-09 but no information has yet been received from the LSC in this regard and it is not expected until late next month. The hope is that this matter can be discussed at the next meeting of this Committee but that depends on the LSC producing the indicative information. This makes the College's ability to construct a preliminary budget for 2008-09 very, very difficult. All this is complicated by the LSC introducing a new funding mechanism for next year.

(a) College Finances for the months of February and March 2008

For the year to 31 March 2008, College income totalled £22,946,000 and expenditure £21,879,000, giving rise to a surplus to date of £1,067,000 compared with a budgeted surplus of £624,000. The improved position relates substantially to the effects of the improved variation to the LSC FE Contract for 2007/08 reported at the last meeting.

In addition, the Director of Finance made the following points:

- Additional income from successful project applications compared to budget
- Efficiency savings in various cost areas
- Reduced premises costs due negotiations which have resulted in lower costs for gas and a refund for rates and gas. Maintenance costs are also lower than expected
- WBL funding lower than expected due to disappointing recruitment to date for 19+ apprenticeships but the overall expectation is that the original budget for the year will be achieved
- Payroll costs about 1% under budget for the year to date
- Balance sheet remains very sound with cash levels of around £6 million and the various accounting ratios are very healthy
- The LENNARTZ VAT position is being monitored

Members asked if the effects of the improved FE Contract for 2007/08, both additional income and the added costs of delivering provision to those additional students, could be quantified.

(b) Investments Report

The Committee **NOTED** the Investments Report for the eight months ended 31 March 2008 which showed that interest of £226,000 has been earned during this period against a budget of £173,000 on average cash balances of approximately £6.1 million.

(c) ECC pension changes

Most support staff belong to this scheme. The agenda papers include a PowerPoint presentation given to participating staff by the College's HR Department. There is a considerable potential cost to the College of the higher rates proposed and necessary deficit funding required for existing members which could amount to £200,000 per annum.

(d) College Procurement Review

The Director of Finance provided the Committee with a verbal update on progress. The procurement card system has been implemented amongst about 15 staff and has been well received.

The Committee otherwise **NOTED** the current financial position of the College, the Expenses Report for members, the ECC pension changes, the Investments Report and the College procurement update.

8. Equality Scheme (Paper PRC.08.08)

The Director of Student and Community Services presented a report on the College's Disability and Equality Scheme, comprising a summary of the scheme and how it operates in practice, together with a copy of the scheme itself. The Committee **NOTED** this report.

The Committee acknowledged its responsibilities under the Disability Discrimination Act to ensure that the College has a Disability and Equality Scheme in place and to monitor its operation and effectiveness.

Members enquired as to the percentage of staff who are classified as having a disability (1%) and whether that was low. Consultants have suggested that the real figure may be nearer 4% and that staff should be encouraged to declare that they have a disability, where relevant, and that the data collection thereof be improved. It is acknowledged that historically this may not have been the case.

The Director of Student & Community Services assured the Committee that every opportunity is given to staff to disclose a disability which might affect their working life, but that it is a matter for the individual to declare.

9. LSC Matters (Paper PRC.08.09)

The Committee considered the consultation document 'Raising Expectations: Enabling the System to Deliver' issued by Government which reflects the proposed Machinery of Government changes announced in outline last June. It was noted that a copy of this document has been forwarded to all members of the Corporation for their perusal and comment.

The Committee also received a summary of the changes proposed issued by the Association of Colleges.

The Committee noted the planned transfer of funding and planning responsibilities for FE 16-19 year olds from the LSC to Local Authorities working through sub-regional partnerships and further proposals for reforming the post 19 skills landscape via a new body, the Skills Funding Agency. If Local Authorities cannot manage FE College commissioning, then the Young People's Learning Agency will handle this.

The Principal and Chief Executive commented that the College will await the comments on the consultation from the AoC and the College would not intend to respond specifically to the consultation on the Government's proposals which have to be made by 9 June 2008, unless there were any glaring gaps in the AoC response.

The Committee **NOTED** the consultation document. Members were asked to provide any specific observations on the document to the Principal and Chief Executive,

The Committee agreed that the Board should consider inviting Paul Greenhalgh, Director of Children's Services of Southend-on-Sea Borough Council to the November Board Development Day to discuss the implications of the Machinery of Government changes locally.

10. Management Matters (Paper PRC.08.10)

- a. The Principal and Chief Executive gave a verbal update on the Thurrock Campus project. The Project Director has been appointed (Zak Mockton) and taken up his post. He will also work on the Southend accommodation strategy, splitting his time between the two initiatives. He joined the meeting for item 11 following.
- b. The Principal and Chief Executive gave an update on the College academic re-organisation proposals. She reported that this has gone well. Eight curriculum areas have been reorganised into four new Faculties. Only one Faculty Head and Deputy have to be externally recruited, all other appointments having already been made internally. Redundancies proved not to be necessary. It is hoped this new tighter management will help to further improve and sustain quality improvement. The cost has been modest and the proposals have generally been well received.

The Committee **NOTED** these two updates.

11. Estates Matters (Paper PRC.08.11)

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

He introduced the proposals being considered for capital expenditure for the 2008/09 financial year including, inter alia, development of the atrium, including café facilities, cooling and ventilation for some 'hotspot' teaching areas and redesign of teaching team rooms to improve the working environment. There will additionally be replacement of some aged IT equipment, including hardware.

In response to a member's question, the Director of Resources confirmed that issues previously raised by students as to IT usage have been addressed and resolved.

In particular, he reported on progress with regard to interim accommodation in Thurrock to support the LSC Competition, which was won by the College, to commence delivering provision by 1 January 2009. Formal approval will be sought from the LSC locally during May so it can be fast tracked through to the National Capital Committee of the LSC.

The Committee was asked for its permission for the Principal and Chief Executive to submit a funding application for this interim build, the cost of which will not exceed £5million and will be 100% funded by the LSC. A planning application for the interim build is to be submitted by 12 May. Accordingly, the following motion was proposed and passed by the Committee:

MOTION

To authorise the Principal and Chief Executive to submit a funding application in connection with the Interim Accommodation required in Thurrock to support the LSC Competition in that location, noting that the cost will not exceed £5million and will be 100% funded by the LSC.

It was agreed that members of the Committee be provided with a copy of the development plan prepared by Thurrock Council to see their view of education in the future in the authority.

The Committee otherwise **NOTED** the Estates Report.

12. Forthcoming Events (Paper PRC.08.12)

The Committee **NOTED** the events listed in the paper. In particular, the Principal and Chief Executive reported that Digby Fairweather, a local well-known jazz musician, has accepted our invitation to act as Guest of Honour at the College's HE Graduation ceremony at the Cliffs Pavilion on 3 October 2008.

13. Date of Next Meeting

Monday 2 June 2008 at 6.00pm.

There being no further business, the meeting terminated at 8.10pm.