

## Policy & Resources Committee

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### Approved Minutes of the Policy & Resources Committee

*Meeting of the Meeting held on Monday 23 February 2009 at 6.00 pm.*

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

In Attendance: Mr A McGarel (Director of Finance and Corporate Services)  
(Items 7&8)  
Mr P Groome (Director of Resources and Planning) (Item 8)  
Mrs S Murray (Director of Higher Education & Operations)  
(Item 6)  
Mr C Burrowes (Acting Clerk to the Corporation)

#### 1. Apologies for Absence

Apologies for Absence were received from Mr Michael Baker.

#### 2. Urgent Business

The Chairman reported that he had good news regarding Mr Rob Millea who was absent due to illness. The treatment to date had proved very effective and the clinicians were considering the next step to be taken.

The Chairman then congratulated Mrs Hodges on her appointment as a Magistrate of the South East Essex Bench.

The Acting Clerk circulated an AOC document providing an update on the "Machinery of Government" changes.

#### 3. Minutes of the Meeting of Monday 26 January 2009

The Minutes of the Meeting held on 26 January 2009 were **APPROVED** and **SIGNED** by the Chairman.

#### 4. Matters Arising from the Minutes

There were no matters arising from the previous Minutes.

## 5. Strategic Developments in South Essex

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.

## 6. Quality Matters (Paper PRC.09.07)

### a) Annual Health and Safety Report 2008

The Committee **RECEIVED** the Annual Health and Safety Report summarising the management of Health and Safety and the business of the Health and Safety Committee during 2008.

### b) Integrated Quality and Enhancement Review (IQER) Developmental Engagement Inspection – Final Report

The Director of Higher Education and Operations presented and the Committee **RECEIVED** and **DISCUSSED** the Final Report from the Quality Assurance Agency (QAA) on the developmental engagement in assessment of the Higher Education programmes delivered by the College. The QAA identified seven areas of good practice and three desirable recommendations for improvement and further development. The three areas for improvement were being addressed in the Action Plan.

The next stage in the IQER process would be to assess the management of all HE provision within the College and it was expected this would take place in around 18 months time.

## 7. College Finances (Paper PRC.09.03)

The Director of Finance and Corporate Services presented a report on the College Finances for the six months to 31 January 2009 and the Investment Report for the same period together with Reports of the Forecast outturn 2008-09, Projected FE Income Outturn 2008-09, Funding Bid 2009-10 and Planning and Funding 2009-10.

### (a) College Finances for the six months to 31 January 2009

For the year to date, consolidated College income totalled £20.378 million and expenditure £20.900 million, giving rise to a deficit to date of £522k against a budgeted deficit of £749k a positive variance of £227k. The full year budget is for income of £39.9 million and a surplus of £709k.

At 31 January 2009 group net assets were £46.299 million compared to £44.247million at the previous year end.

At 31 January the Cash & short term investments totalled £4397k.

The updated forecast outturn for the year indicated an anticipated surplus in the region of £376k, a shortfall of £333k compared to the budget due primarily to increased exceptional costs in connection with the establishment of the Thurrock Learning Campus, the merger proposal and the College's two Capital Projects.

In addition the Director of Finance and Corporate Services reported that to the 31 January the College had continued to meet all the obligations imposed by the Mortgage Covenants.

The Committee **RECEIVED** the Report and **NOTED** the current financial position of the College.

**(b) Investment Report for the Period to 31 January 2009**

The Committee **RECEIVED** the Investment Report for the six months showing interest of £164k had been earned on an average balance of £7.8 million. The Director Finance and Corporate Services advised the Committee he was seeking ways of maximising returns while minimising risk and taking advice from a number of sources to determine where future investments should be made. Barclays and HSBC would be meeting the College shortly to discuss matters and it was hoped to provide more information at the next meeting of the Committee.

**(c) Projected FE Income Outturn 2008-09 and Funding Bid 2009-10**

The Committee **NOTED** that the FE Income outturn for 2008-09 was forecast to be in the range of £17.1 to £17.6 million a contract value of £17,496,502.

**(d) Planning and Funding 2009-10**

The provisional funding statement for 2009-10 from the LSC showed an indicative allocation of £15,635,650 some £1.7million less than the current year. This is due to an unexplained change in programme weighting and the omission of some of the 300 contracted learners at Thurrock. The provisional allocation is subject to review at meetings with the LSC prior to the final allocation being announced on the 29<sup>th</sup> May.

The budget planning process for 2009-10 commenced in January and is expected to conclude to allow the budget to go forward for approval at the meeting of the Policy and Resources Committee on 1<sup>st</sup> June.

The Committee **NOTED** the report.

## **8. Estates Matters (Paper PRC.09.09)**

The Principal and Chief Executive reported that it appeared that the LSC review of Capital Projects appears to be giving priority to the impact of such projects on regeneration. Both of the College projects have high regeneration criteria and in particular Thurrock which is an LSC national priority being 100% funded by them. The Government has ordered another review led by Sir Andrew Foster to determine how the LSC got into its present difficulties with its capital obligations and what lessons can be learned for the future.

### **(a) Capital Projects update**

The Director of Planning and Resources together with the Director of Finance and Corporate Services presented their update report on Capital Projects.

In connection with Capital Projects, the Committee **RECEIVED:**

#### **(1) Thurrock Learning Campus Report**

The Committee **NOTED:**

- i) That the report continues to be updated as required for Committee meetings but that in view of the LSC review progress is limited.
- ii) The LSC review process has enabled additional time to determine the likely future curriculum offer which can now be taken into account in the design process.
- iii) The progress with the Town Planning Application and the feedback on design from the planning Authorities and that a separate Environmental Impact Assessment will not be required.
- iv) The ongoing progress with regard to land acquisition.
- v) The ongoing work on the Cost Plan and the potential for a reduced project budget.
- vi) The next meeting with the LSC was to be 25<sup>th</sup> February but will now probably be March with an Application in Principle hoped to be submitted to the LSC in late April 2009.

#### **(2) Southend Phase Two Update Report**

The Committee **NOTED:**

- i) That the report continues to be updated as necessary for Committee meetings but in view of the LSC review little progress has been made.
- ii) The development of the Education Case as a result of the additional time arising from the LSC review which has enabled the future curriculum offer to be more fully explored and incorporated in the design process.

- iii) Issues in relation to the Planning Brief and the request to SoSBC for a screening opinion to determine whether the proposals constitute an Environmental Impact Assessment.
- iv) The progress being made with land acquisition.
- v) Ongoing work on the cost plan.
- vi) That the next meeting with the LSC due on 25<sup>th</sup> February will now probably take place in March with the submission of the Application in Principle now expected to follow the Thurrock Learning Campus application.
- vii) Progress of the project against programme and Site Investigation and Noise appointments.
- viii) Project progress against Risk Management.

**(b) Current Estate Issues**

The Director of Resources and Planning presented a report of the Atrium Project This project will provide a training kitchen, servery, reception area, travel agency, information and advice and guidance and with the college shop relocating in the Atrium and the badminton court being resurfaced. The projected total cost is £600k of which EEDA would fund £240k and the LSC £40k with the balance of £320k coming from College funds. Completion of the project is expected by 24th April.

The Committee **NOTED** the report.

**9. Collaborative Provision 2008-09 (PRC Paper.09.10)**

The Committee **RECEIVED** a report on Collaborative Provision 2008/09 and **APPROVED** the programme for generating circa £12million in 2008-09 from collaborative provision within the previously approved budget.

**10. Management Matters (PRC Paper.09.11)**

The Committee **NOTED** the report of the Directorate Development Day held on 25<sup>th</sup> November 2008

**11. Forthcoming Events (Paper PRC.09.12)**

The Committee **NOTED** the events listed in the paper and agreed to recommend to the Corporation the suggested programme for the Board Development Day on 8 June 2008.

**12. Date of Next Meeting**

Monday 27<sup>th</sup> April 2009 at 6.00 pm.

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