

## Policy & Resources Committee

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### Approved Minutes of the Policy & Resources Committee

*Meeting of the Meeting held on Monday 26 January 2009 at 6.00 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 and Corporate Services) (Items 7 and 8)  
Mr P Groome (Director of Resources and Planning) (item 8)  
Mr J Hayles (Director of Quality Improvement) (Item 6)  
Mr C Burrowes (Acting Clerk to the Corporation)

#### 1. Apologies for Absence

There were no Apologies for Absence all members being present.

#### 2. Urgent Business

##### **Educational Maintenance Allowance**

The Committee **NOTED** a letter received from the Department for Children, Schools and Families and Department for Innovation, Universities & Skills expressing gratitude for the sector overcoming difficulties in dealing with the problems experienced last term in dealing with the Educational Maintenance Allowance. The letter also indicated more money would be made available for colleges to assist the unemployed and those under threat of redundancy.

#### 3. Minutes of the Meeting of Monday 3 November 2008

The Minutes of the meeting held on 3 November 2008 were **APPROVED** and **SIGNED** by the Chairman.

#### 4. Matters Arising from the Minutes

##### **Financial Statements 2007-2008**

The Acting Clerk reported that the Financial Statements for 2007-2008 had been **APPROVED** at the Corporation Meeting on the Monday 1<sup>st</sup> December and signed by the Chairman and Principal and Chief Executive on 5<sup>th</sup> December prior to their submission to the LSC by McIntyre Hudson before the 31st December 2008 deadline.

## 5. **Strategic Developments in South Essex (Paper PRC.09.01)**

### 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.

## 6. **Quality Matters (Paper PRC.09.02)**

The Committee **RECEIVED** a summary of the position of Further Education Learner Retention from the Director of Quality Improvement which was based on data at 9 January 2009. The Committee were informed that the full report was available on the Corporation website.

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

The Director of Finance and Corporate Services presented a report on the College Finances for the five months to 31 December 2008 and the Investment Report for the same period.

### **(a) College Finances for the five months to 31 December 2008**

For the year to date, College income totalled £17.716 million and expenditure £17.537 million, giving rise to a surplus to date of £179k against a budgeted deficit of £102k a positive variance of £281k. The full year budget is for income of £39.9 million and a surplus of £700k.

At 31 December 2008 group net assets were £46.673 million, an improvement of £2.627 million compared to the year end position.

The Director of Finance and Corporate Services reported his initial forecast for the full year outturn indicated that due primarily to increased costs the surplus was anticipated to be in the region of £376k, a shortfall of £333k compared to the budget. Budget negotiations for 2009/10 have started with the LSC.

At 31 December the Cash position was relatively low due to expenditure on capital projects but improved by 22 January to £6.8m following receipt of capital funding from the LSC.

In addition the Director of Finance and Corporate Services reported that to the 31 December the College had easily met 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 December 2008**

The Committee **RECEIVED** the Investment Report for the five months showing interest of £157k had been earned on an average balance of £8.5 million. With the recent reduction in bank base rates the return in December at 2.57% were approx half that being earned in earlier months.

**(c) Anglo Irish Bank Deposits**

The Committee **NOTED** that the Irish Government had taken the Anglo Irish Bank, where the College has cash deposits of £2million, into public ownership. The view of our bank manager was that this move further strengthens the guarantee previously given by the Irish Government that all deposits are fully safeguarded. The deposit matures in early February and in the light of these developments the Committee **APPROVED** the college taking professional advice to determine future investment strategies to minimise risk.

**9. Estates Matters (Paper PRC.09.04)**

The Director of Resources and Planning informed the meeting that the new temporary modular Thurrock campus had opened on Monday 19 January with all areas operative. The Committee congratulated all members of the team who had contributed in achieving this excellent development in a 17 week period.

The Director of Finance and Corporate Services reported that a letter dated 16 January had been received from the Chief Executive of the LSC to inform Colleges that as a result of the economic situation they are to look at all proposals for capital schemes in the pipeline. They will work with colleges who have submitted or are working on bids and applications that were due for decision in December and which have now been deferred until March.

The Director of Planning and Resources together with the Director of Finance and Corporate Services presented their update report on Capital Projects and progress in connection with the appointment of a Project Director.

In connection with Capital Projects, the Committee received:

**(a) Thurrock Learning Campus Report**

Following the letter from the LSC there was now some uncertainty in the Sector as to the possibility of projects in the pipeline proceeding but this project remained a very high priority for the LSC nationally and is being 100% funded by them so it is unlikely that there will be any significant change to this development.

The Committee **NOTED:**

- i) That the report will continue to be updated as required for Committee meetings.

- ii) The work Hale Consulting have undertaken in preparing the Education Case and the work of the design team and GVA Grimley in developing the GLH/Space model.
- iii) The design progress made to date.
- iv) That work is progressing with the Town Planning Application which it is hoped to submit in late summer/early autumn 2009.
- v) The progress with regard to land acquisition and property issues but that the powers delegated to the Principal related to legal fees and not acquisition negotiations.
- vi) The ongoing work on the Cost Plan.
- vii) The next meeting with the LSC is expected to be in February (*since been advised this will now be March*) with an Application in Principle expected to be submitted to the LSC at the earliest in April 2009.

Copies of the Feasibility Report on this project were circulated to members.

**(b) Southend Phase Two Update Report**

The letter from the LSC reviewing capital bids means there has to be some uncertainty about as to whether or not LSC approval would eventually be received. If the College timescales were to continue to be achievable it was essential that work continued on the planning process.

Accordingly the Committee **APPROVED** expenditure of approx £200k over the period to 31 March on professional fees to progress the planning of the development while awaiting the formal announcement from the LSC concerning the future of the project.

The Committee then **NOTED:**

- i) That the report will continue to be updated as necessary for Committee meetings.
- ii) The work undertaken by Hale Consulting regarding the Education Case and the work of the design team and GVA Grimley in GLH/Space Modelling.
- iii) The appointments for Legal Services and Project Management Consultants.
- iv) The development of a building envelope that respects neighbours rights to light.
- v) Progress in achieving support for the preferred option from Planners etc.
- vi) The Planning Brief was approved by the Southend on Sea Cabinet on 13 January and copies were given to members.
- vii) The progress being made with land acquisition but that the powers delegated to the Principal related to legal fees and not acquisition negotiations.
- viii) Ongoing work on the cost plan.
- ix) That the next meeting with the LSC is expected to be in early February and the submission of the Application in Principle to the LSC is now expected in early April.
- x) Progress of the project against programme.
- xi) Project progress against Risk Management.

**(c) Appointment of Project Director**

The Committee **NOTED** that a potential candidate has been identified for the post of Project Director. The appointment will be deferred pending the outcome of the review of Capital Projects being undertaken by the LSC.

In the meantime the Directors of Planning and Resources and of Finance and Corporate Services will continue to act as Project Directors for the Thurrock and Southend Developments with ad hoc support from GVA Grimley.

**(d) Southend Hospitality Trade School**

An Offer of £240k or 50% of the cost whichever is lesser has been received from EEDA towards the cost of this Hospitality Trade School in the College Atrium at Luker Rd. The offer was subject to acceptable conditions and acceptance of the offer was **APPROVED**.

**10. Forthcoming Events (Paper PRC.09.05)**

The Committee **NOTED** the events listed in the paper and that the Guest of Honour at the HE Graduation Ceremony on the 30<sup>th</sup> September 2009 would be the Olympic Swimmer Mark Foster. In addition members were reminded that the official opening of the Thurrock Learning Campus would be on Thursday 19<sup>th</sup> March 2009 between 12.30 and 2.30pm.

**13. Date of Next Meeting**

Monday 23rd February 2009 at 6.00 pm.

There being no further business, the meeting terminated at 8.05pm.