

**Minutes of the Estates and Finance Committee meeting held on Monday 10 May 2010
at 5:30pm in Conference Room 1, the Astral Centre**

Members Present:

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| Ken Applegate | : | Corporation Member |
| Kevin Howes | : | Corporation Member |
| Bob Mee | : | Corporation Member |
| Richard Perkins | : | Chair/Corporation Member |
| Alistair King | : | Corporation Member |

In Attendance:

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| Teresa Miller | : | Acting Principal |
| Julie Roper | : | Head of Finance |
| Charles Reynolds | : | Clerk to the Corporation |

Before the meeting commenced members received a short presentation by the representative from dovejefferyhomes on their plans for redeveloping the Compass Street site and the possible provision of student halls of residence for Lowestoft College. Slides used for this presentation can be found with the meeting papers.

Members did however understand the need for Corporation to have guidance from the committee. To this end, and once the representatives from dovejefferyhomes had left they discussed the proposed development, its relevance to meeting College need and in a very limited way, due to lack of information, the financial risks inherent in such developments.

Whilst considerable work would need to be done in terms of due diligence checks on the Developer and just as importantly on financial planning and risk analysis it was noted that Corporation had already identified that the lack of suitable student residential accommodation was holding back HE and full cost course development. It was noted that at this early stage the developers were simply seeking an agreement in principle to being involved in the development. Were it to do so the College would not incur any risks, financial or otherwise, and would be an encouragement to develop or to pursue the matter further.

To this end it was proposed by Kevin Howes and seconded by the Chair that the Estates and Finance Committee recommends Corporation confirm its agreement in principle to the proposed development.

Members voted unanimously in favour.

Apologies for absence:

Apologies for absence had been received from Gwen Parsons

| Agenda Item | Notes | Action |
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| 1. | Disclosures of Interest | |
| 2. | <p>Minutes of the previous meeting.</p> <p>2.1) 18 January 2010</p> <p>The Minutes of the meeting held on the 18th January 2010 were agreed to be a correct record and signed by the Chair subject to the following amendments.</p> <p>2.1a) Page 4, fourth para and line 4. To change “Chick” to read “J P Chick and Partners”.</p> <p>2.1b) Page 4, sixth para and line 1. To change “Carter” to read “R.G. Carter”.</p> <p>2.2) 15 March 2010</p> <p>The minutes of the meeting held on 15 March 2010 were agreed to be a correct record and were signed by the Chair subject to the following amendments.</p> <p>2.2a) Page 3 and agenda item 7, Estates Report. Fifth line to state “from UCS”.</p> <p>2.2b) Agenda item 7, Estates Report. Fourth para and second line, “OJEV” to be changed to “OJEU”.</p> | |
| 3. | <p>Matters arising from the minutes and not agenda items</p> <p>3.1) Tuition Fees (previous agenda item 6) It was confirmed by Teresa Miller that the requested change to the administration charge had been made. The Tuition Fees Policy as amended to be presented to the corporation for approval on 17 May 2010.</p> <p>3.2) Estates Report (previous agenda item 7) Teresa Miller advised that contact had been made with the Carbon Trust regarding support for a new build. The Trust had suggested possible ways that support could be provided and had agreed to provide the College with a formal response as soon as possible.</p> <p>Suffolk County Council had also been contacted by the Principal and whilst expressing understanding at the situation faced by the College, at this stage could not offer anything more than that.</p> <p>The Chair confirmed that he had spoken with R G Carter. He reported that they were very willing to work in partnership with the College were it possible to come up with a viable project.</p> | |

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| <p>4.</p> | <p>Correspondence</p> <p>There had been no correspondence relevant to the committee.</p> | |
| <p>5.</p> | <p>Management Accounts to the end of November 2009.</p> <p>Julie Roper presented the detailed management accounts covering the period to the end of March 2010 to members. Referring specifically to the executive summary which accompanied the accounts, details were provided of the key variances in income and expenditure.</p> <p>With respect to income variances specific reference was made to a positive variance of £55,075 in LSC Employer Responsive Funding and a negative variance of £260,474 which related to Tuition Fees and Charges. In both cases detailed explanations and, where necessary, information on actions being taken, were provided.</p> <p>Turning to expenditure budgets Julie Roper was pleased to report there were no areas of concern with either staffing or non pay budgets. It was hoped that savings in the order of £250,000 would be made over the year in salary costs. Regarding non pay costs additional controls had been introduced as was normal at this time to ensure all spend was necessary. It was also reported that there were no areas of big expenditure planned.</p> <p>Having reviewed the key variances members were then taken through the key sections of the Management Accounts. These were the Balance Sheet, Income and Expenditure Account, Cash flow which indicated a healthy position although it was noted that the costs associated with developing the LRC and refectory would impact, Debtors Report, Capital Expenditure, Sensitivity Analysis and Performance Indicators.</p> <p>Finally members were provided with Income and Staff costs profiles enabling year on year comparisons.</p> <p>Having thoroughly reviewed the Management Accounts, Ken Applegate felt it appropriate to record the congratulations of the Committee to Julie Roper and all involved in ensuring the College had such a healthy financial base. Members agreed and thanked Julie Roper for her positive report.</p> | |

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| <p>6.</p> | <p>FE Financial Statements Benchmarking 2008/2009 – KPMG</p> <p>Introduced by Teresa Miller who advised that the data had been collated by KPMG and was based on their national FE client list. Some Colleges that had provided data had requested anonymity which was why some data sources were missing. Lowestoft College data had been included in the survey.</p> <p>Members reviewed the report finding it most informative on highlighting where the College appeared to be performing in line with other similar sized Colleges and where it did not. It was noted that Colleges that had made surpluses were those that had not had capital projects, successful or otherwise.</p> <p>Members were also interested to note the income profiles and how Lowestoft College compared to other Colleges in the sector. With regard to Staff costs it was also clear that they were not so far out of line either. There was however significant concern with respect to the Local Government Pension Scheme data and specifically the Suffolk Scheme. In discussion members were of the view that information was needed on what, if any action could be taken and the implications associated with any actions. To this end Teresa Miller and Julie Roper were asked to look into the matter and report back.</p> <p>In summary members agreed that they had found the report most informative.</p> | <p>TM/JR</p> |
| <p>7.</p> | <p>Strategic Monitoring Report – Second Term</p> <p>Again presented by Teresa Miller who took members through the detailed meeting paper and accompanying annex.</p> <p>Each Key Performance Target that the Committee was responsible to Corporation for monitoring performance was reviewed.</p> <p>With reference to KPT2 (LSC & UCS Funded Provision) a detailed numerical breakdown was provided regarding recruitment against target for all categories. It was noted that KPT6 (Financial Surplus) had been the subject of significant scrutiny earlier in the meeting when the Management Accounts had been reviewed.</p> <p>The third KPT related to the transition from LSC and members were updated on negotiations currently taking place with successor bodies and their implications to the College. Teresa Miller was however pleased to advise a really positive working relationship with Lucy Walker from the Skills Funding Agency.</p> <p>Finally members reviewed the situation regarding KPT9 (Capital Plan).</p> <p>Bob Mee stressed the importance of seeing this target in terms of the successful production of a plan that was right for the college. It was not about how quickly the plan could be delivered. This point was noted.</p> <p>Members thanked Teresa Miller for her report.</p> | |

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| | At this point Alastair King apologised and left the meeting. | |
| 8. | Estates Update (Exception Report) Teresa Miller advised members that the only thing to report was that the roof on the Motor Vehicle workshop was being replaced. This was noted. | |
| 9. | Health & Safety Update (Exception Report) Teresa Miller advised that the Health & Safety Manager had only just returned to work following a period of illness. In order to enable to Health & Safety Manager to complete his review of the Health & Safety Policy it was agreed that the existing policy should be reviewed by Corporation at its next meeting to ensure compliance. Any amendments that were to be made to be implemented thereafter. On a separate matter Teresa Miller advised members of the impact on the College of two recent day time power cuts and specifically the lessons learned and actions being implemented. | |
| 10. | Any Other Business 10.1) In response to query from the Chair regarding the Agreement to Lease and the fact that contractors had started on site, Teresa Miller, Bob Mee and the Clerk provided members with an update on the significant work put in to ensure Corporations interests were protected whilst at the same time being supportive of the project. It was however confirmed that in the event of there being any breach on the part the Sixth Form regarding the conditions set out, the local authority were solely responsible for returning the site to its original condition. There was no liability on the Corporation. | |
| 11. | Date and Time of Next Meeting The next Estates and Finance Committee meeting will take place on 28 June 2010 commencing at 6.00 pm. The venue to be conference room 1 in the Astral Centre. | |