



FINANCE & GENERAL PURPOSES COMMITTEE

MINUTES OF THE MEETING HELD ON THURSDAY 17 MARCH 2011 AT 5.15PM

Members: Mr M Parkinson
Mr D Fussell (Chairman)
Mr D Gratton
Ms M Hall (Chief Executive)
Mr P Jolly
Mr H Jones Owen
Lady Salisbury

Present: Dr S R Dowbiggin OBE, Principal Designate
Mr N Evans, Director of Estates and Buildings
Mr D Fallon, Director of Finance
Mr S O'Hear, Director of Human Resources
Mr D Triggs, Clerk to the Governing Body

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Lady Salisbury and Mary Prince.

2. DECLARATIONS OF INTEREST

- Ms M Hall declared an interest as Director of Capel Manor Limited, as a Fellow of the Institute of Horticulture and as a member of the Livery of the Worshipful Company of Gardeners.
- Mr M Parkinson declared an interest as a member of the Livery of the Worshipful Company of Gardeners;
- Dr S R Dowbiggin declared an interest as Managing Director of Capel Manor Limited and in his capacity as a Fellow and Trustee of the Institute of Horticulture. He also declared an interest as Master of the Worshipful Company of Gardeners and as a member of the Council of the City and Guilds;
- Mr N Evans declared an interest as a Director of Capel Manor Limited, as a Fellow of the Institute of Horticulture, as a member of the Court of the Worshipful Company of Gardeners and of their Livery.
- Mr D Fallon declared an interest as Company Secretary of Capel Manor Limited and as a Director of Forty Hall Community Vineyard Limited.
- Mr Simon O'Hear declared an interest as a Director of Capel Manor Ltd

3. MINUTES OF THE FINANCE & GENERAL PURPOSES MEETINGS HELD ON 24 NOVEMBER 2010 AND 15 DECEMBER 2010

RESOLVED: That the minutes of the meetings of the Committee held on 24 November and 15 December 2010 be approved as a correct record and signed by the Chair.

4. MATTERS ARISING FROM THE MINUTES OF THE MEETINGS OF 24 NOVEMBER AND 15 DECEMBER 2010

The Committee RECEIVED paper 4, the summary of matters arising from the minutes of previous meetings.

NOTED:

- i That under minute 7.7 of the meeting on 24 November governors agreed to defer the review of the Financial Regulations to the committee meeting scheduled for June 2011.

5. VARIATION TO THE FINANCIAL MEMORANDUM

The Committee RECEIVED paper 5, the report of the Clerk, for information.

NOTED: The variations to the Financial Memorandum Part 2 reference number GL 12008034 as notified by the SFA and the increase in Additional Learning Support Allocation for 2010/2011 as notified by the YPLA.

6. REPORT OF THE CHIEF EXECUTIVE

The Committee RECEIVED paper 6, the report of the Chief Executive, for decision

NOTED:

- i following the four year Comprehensive Spending Review plan outlined in October 2010 the funding allocations are better for Capel Manor College than had been anticipated;
- ii a reminder of the College Strategy which included:
 - maintenance of London-wide regional access;
 - responsiveness to government initiatives:
 - o increase and improve provision for 16-18 year olds;
 - o introduction of the 14-19 Environment and Landbased Diploma;
 - o focus 19+ training on activity with measurable benefit to the economy;
 - o expand employer services, including apprenticeship training;
 - o retrain unemployed people for sustainable work opportunities;
 - o increase sponsorship and income for other courses;
 - increase income from full-cost courses;
 - develop Higher Education and other partnerships.
- iii details of progress towards this Strategy including
 - extending capacity at Crystal Palace Park and, on a more modest scale, at Gunnersbury Park. In addition, provision at Barking and Dagenham College had effectively grown as Capel staff now support the Floristry provision offered by our host college in east London. Other developments included the HEART of Thameside project which could open new opportunities for potential centres of excellence in east London;
 - as reported at the last meeting, the College has met its target of aligning the great majority of qualifications offered in 2010-2011 with governmental funding priorities;
 - the College's 19+ training is now wholly focused on provision recognised by awarding bodies and endorsed by Sector Skills Councils;
- iv the College's Foundation Degree in Garden Design offered in partnership with Birkbeck, University of London will not recruit a new intake from September 2011. However, the College will explore possible full cost, BTEC or CGLI validated provision as a suitable replacement;

- v priority investment is proceeding as planned with building refurbishment at Crystal Palace Park, refreshed and extended IT capacity across all centres, modest new building in the Animal stock yard in preparation for the 2011-2012 teaching year and sustained refurbishment at Forty Hall Farm;
- vi 19+ recruitment had not reached funding targets for 2010-2011; if the funding target is not achieved, funds will be subject to an end of year claw back. However, the College plans to make good use of capacity - through early start level 2 programmes - so claw back is not anticipated;
- vii an outline of plans to mitigate the potential shrinkage in adult student recruitment following changes in entitlement to full funding support is referred to in paper 15 to this meeting;
- viii College curriculum managers' have responded to the challenge with Horticulture and Floristry in particular being thanked for having grasped the implications of a funding threat and turning this into an opportunity;
- ix this year's capital investment of £110,000 in IT is more than twice the College's normal annual investment. The Chief Executive thanked Paul Jolly for his advice and involvement in this project. Governors noted the concerns expressed during the earlier Curriculum and Quality Committee of intermittent wi-fi service around the campus. The reasons for the problems are being investigated;
- x as agreed by governors the College honoured the AOC recommended inflationary award of 0.2% for 2010-2011 which was included in pay slips for February 2011 back dated to 1 January;
- xi on 8 March 2011 the College received a welcome letter from the Skills Funding Agency offering an immediate allocation of capital funds. Two hundred and thirty nine colleges received a similar letter with awards ranging from £40,000 to £200,000 based in a pro rata share calculated from 2009-2010 public funding for each beneficiary institution. Capel Manor's allocation is £42,256. Matched funding was required and the Chief Executive requested approval for up to £85,000 being allocated from the 2011/2012 capital reserve but hoped that in discussions with SFA officials she would be able to negotiate a lower ratio for the College to fund (the SFA offer requires the College to spend £2 for every £1 from the SFA);
- xii a small project had been identified for the funding, i.e. replacing a temporary structure currently accommodating 14-16 year olds pupils as a base room subject to agreement with planning officers. Replacement of the building is certainly a high priority.

RECOMMENDED TO THE GOVERNING BODY:

- i That up to £85k be allocated from the 2011/2012 capital allocation to fund this project;**
- ii that the College confirm a commitment to undertake and complete the work by the end of March 2012;**
- iii that the Chief Executive be instructed to negotiate with the SFA with the view to reducing the College's contribution to the project;**
- iv that the project identified for the funding be agreed as replacement of the temporary structure currently accommodating 14-16 year olds pupils as a base room.**

7. REPORT OF THE DIRECTOR OF HUMAN RESOURCES

The Committee RECEIVED paper 7, the report of the Director of Human Resources, for information.

NOTED:

- i as agreed at the last meeting "Manor Matters" is included in part 2 of the agenda;
- ii a detailed progress report concerning implementation of the new HR and Payroll

- System. This involved a number of training sessions for managers during March with an employee guide being made available for other staff;
- iii that a satisfaction survey of staff would be undertaken towards the end of 2011 with subsequent surveys planned every two years;
- iv duties under the Equality Act 2010 came into force on 1 April 2011. A new Single Equality Scheme and a new Diversity and Equality Policy will be presented to the Finance and General Purposes Committee at its meeting in June 2011;
- v an annual review of the Two Ticks (Positive About Disabled People) award has been carried out by Jobcentre plus and the College was waiting to hear it had been successful and could continue to use the Disability symbol;
- vi further to a successful pilot a review of the new probationary and appraisal process has been instigated;
- vii a progress report on the first four cross-college staff development days for 2010/2011 along with plans for a spring staff conference on 3 May.

8. EQUAL OPPORTUNITIES REVIEW

The Committee RECEIVED paper 8, the report of the Director of Human Resources, for information.

NOTED:

- i The Equality Impact Assessment process has been embedded into College following the establishment of an Equality Impact Assessment Team (EIAT) in 2008. This team was tasked with leading the College's initiative to ensure that Equality Impact Assessments of all policies and procedures were conducted and become a routine part of the operation and management review and planning process;
- ii the key development for 2011 is to ensure that EIA is embedded into every new development of policy, procedure, practice and plan;
- iii the College HR team has developed an equality and diversity awareness course for all staff and this has successfully delivered to the majority of staff over the past 14 months;
- iv progress with the Equality and Diversity Group sub groups working on development of the Single Equality Scheme;
- v a breakdown of the 47 established staff vacancies managed during 2010;
- vi a detailed breakdown of staff retention including length of service;
- vii a breakdown of the ethnicity of job applications to the College, of appointments made during the past five years along with the ethnic profile of current staff;
- viii applicants and appointments by age, gender and disability alongside current staff by age, gender and disability.

9. REPORT OF THE DIRECTOR OF FINANCE

The Committee RECEIVED paper 9, the report of the Director of Finance, for decision.

NOTED:

- i guidance is still awaited from the Government for the Skills Funding Agency (SFA) to be registered with the Charity Commission as the Principal Regulator for further education colleges in England;
- ii the College is adapting its systems to use BACs payments as the primary payment process. The College's Financial Regulations will be adapted as necessary and the same level of checks and balances to approve payment will continue to be applied. This will improve the speed of the payment process and help to minimise fraud;
- iii the process of switching bankers has been started and will complete over a two month period. Governors agreed that services should only be transferred where Lloyds has preferential terms to those offered by Bank of Scotland;

- iv the SFA has required the College to submit a revised three year plan by 11 March 2011. The plan will not replace the three year plan approved by governors at its meeting in July 2010. The submitted plan was intended to provide the SFA with more realistic data with which they can have a dialogue with Government ministers;
- v the Director of Finance is currently undertaking a review of the Financial Regulations and will report the outcome to the next meeting of the Committee.

RESOLVED: that the action taken by management in submitting the revised three year financial forecasts to the SFA be approved.

10. FRANCHISING ACTIVITY AND PARTNERSHIPS

The Committee RECEIVED paper 10, the report of the Vice-Principal, for information.

NOTED:

- i no new or renewed contracts for franchising activity have been approved since 2006;
- ii governors received an update regarding the following partnership agreements:
 - The Royal Parks statement of intent signed in 2005 - recent developments meant there was a potential takeover of The Royal Parks by the Mayor's Office. Licences for the lease of accommodation in Regent's Park are due for renewal in August 2011;
 - Birkbeck, University of London offers a Foundation Degree in Garden Design (FDSc) and a Foundation Degree (through work-based learning) in Horticulture. Birkbeck have recently advised the College that, due to a funding deficit, they can no longer support continuation of this programme. The College is exploring other options, including offering the programme as full cost provision;
 - Barking and Dagenham College – this has been further developed and the College is contracted to deliver specialist Floristry provision at the Rush Green centre until July 2011. Barking and Dagenham College is also a partner in the Heart of Thameside FE Efficiency Innovation Fund Project;
 - Southgate College for the provision at Edmonton Green Colleges Centre in 2010/2011;
- iii the College continues to explore other partnership opportunities for delivery of the 14-19 Environment and Landbased Diplomas despite the financial challenges within local authorities making this far more difficult;
- iv the College is exploring new partnership proposals for delivery from Shaw Trust and Cultivate London and will proactively seek new partners for appropriate and mutually beneficial future opportunities.

11 UPDATE ON PROJECTS

The Committee RECEIVED paper 11, the report of the Vice Principal for information.

NOTED:

- i additional funded project work in 2010/2011

• Six month offer for unemployed – Heartbeat (SFA and JCP)	£160,000
• 14-19 Enfield Project – The Real World	£20,000
• Heart of Thameside (College income)	£79,500
• 14-19 Diploma Lead for Learning	£13,000
• 14-19 Diploma Development (Sutton)	£1,000
• 14-19 Diploma Development (Croydon)	£10,000
- ii updates on each of the above projects;

- iii the London Borough of Enfield conducted a review of the 14-19 project, was very impressed with progress and noted that the College was the only provider delivering successfully. The College has subsequently been invited to participate in an ESF bid by the Borough;
- iii the Heart of Thameside – FE Efficiency Innovation Funding: of the £100,000 funding, £79,500 would be income for the College;
- iv Enfield Local Food Get up and Grow: The College was unsuccessful with the Enfield local food Get up and Grow Project Bid (led by Tottenham Hotspur Academy);
- v ESF NEETs Application: Three applications were submitted via the bravo solutions tendering web portal on 15 February 2011 for young people vulnerable to becoming NEETs (Not in Employment, Education or Training). The applications were broadly similar but focused on specifications from three groupings of boroughs: west, north and south London. Although these are strong bids the Chief Executive reported that success was unlikely as the specification did not allow for specialist bids. The purpose of the bids was to raise the profile of Capel's provision in three regions, giving a foundation for a future commissioned project pan-London.

12 MANAGEMENT ACCOUNTS FOR THE SIX MONTHS TO 31 JANUARY 2011

The Committee RECEIVED paper 12, the report of the Director of Finance, for decision.

NOTED:

- i the management accounts for the six months to 31 January 2011 included the commentary to the accounts, the Key Performance Indicators, the Income and Expenditure Account showing out-turn against the last approved budget and the Balance Sheet;
- ii although costs have increased compared to last year this is to fund an increased level of activity; they remain within the budgeted spending profile;
- iii income is currently £44k ahead of budget. With expenditure £70k below budget this produces a surplus of £115k as at 31 January 2011.

RESOLVED: That, the Management Accounts for the six months to 31 January 2011 be approved and be distributed to the Governing Body.

13 REVISED BUDGET AND CASH FLOW FOR 2010/2011

The Committee RECEIVED paper 13, the report of the Director of Finance, for decision

NOTED:

- i the revised Income & Expenditure budget, Cash Flow Forecast and Balance Sheets for 2010/2011 as set out in Appendices 1, 2 and 3 of the report of the Director of Finance;
- ii the College is now projecting an operating surplus of £42k;
- iii the net effect to the bottom line is an improvement of £32k;
- iv the end of year cash balance is forecast at £2.2m which is equivalent to 85 cash days in hand;
- v the explanation of changes in the current forecast.

RECOMMENDED TO THE GOVERNING BODY:

- i) **that the revised budget for 2010/2011 as detailed in Appendix 1 of the report of the Director of Finance, be approved;**
- ii) **that the revised cash flow forecast as detailed in Appendix 2 of the report of the Director of Finance, be approved;**
- iii) **that the revised revenue budget which results in a small improvement in the planned surplus of £32k be noted;**

- iv) **that the revised revenue budget and the increase in surplus (a movement in excess of £50,000), be approved.**

14 RISK MANAGEMENT REVIEW

The Committee RECEIVED paper 14, the report of the Chief Executive, for decision.

NOTED:

- i the areas of risk reviewed by the Committee;
- ii a number of changes requiring updates in the action plan summary under the headings of Corporate and Strategic, Management Information Systems and Commercial Risks.

RESOLVED:

- i the updates to risk review action plan summaries be adopted;**
- ii amendments incorporated into the annual risk review schedule be considered by the Committee during the June/July meeting cycle prior to presentation to the full Governing Body.**

15 UPDATE ON NEGOTIATIONS WITH FUNDING AGENCIES RE 2011/2012 AND SUBSEQUENT YEARS

The Committee RECEIVED paper 15, the report of the Chief Executive, for information.

NOTED:

- i the funding allocations for Capel Manor in 2011/2012 have so far been very positive despite the cuts in funded entitlement;
- ii 16-18 recruitment in 2010-2011 has exceeded target providing an excellent foundation for further growth;
- iii 19+ recruitment has not yet reached funding targets for 2010-2011 and would continue to be difficult despite initiatives i.e. launching four term level 2 courses in Floristry and in Horticulture at all centres;
- iv the 16-18 Allocations from the YPLA amounts to a £190,799 increase in funding for 2011-2012;
- v the total amount for the Adult Allocations, including adult apprenticeships, is £88,000 less than the allocation for 2010-2011. The balance would need to be found from other sources, including individual and employer contributions, if the volume of training offered is not to shrink;
- vi the shrinkage, some of which arises from changes to entitlement to full funding support, will discourage some applicants and present significant financial challenges to individual and family budgets, particularly for the working poor;
- vii employer responsive funding is incorporated within the single Adult Budget for 2010-2011. There is great interest in the College Horticulture and Arboriculture apprenticeship schemes and potential expansion into other areas – Countryside and Environment, Animal Care and Floristry were being explored.

16 REPORT OF THE CHAIR OF THE OLD MANOR HOUSE GARDEN COMMITTEE

The Committee RECEIVED paper 16, the report of the Chair of the Old Manor House Garden Committee for information.

NOTED:

- i the next meeting of the committee is scheduled to take place on 30 March 2011;
- ii photographs and plans showing latest developments;
- iii a financial report will be made to the next Committee meeting, but as well as extensive support in kind, £5,000 has been received from The Drapers Company

- and the second £20,000 donation from RSA Trust with further funding being sought;
- iv at its next meeting, the Committee will consider plans to open the garden on the 21 June as part of the College's planned Sponsors and Press Day;
 - v Lady Stuttard has arranged sponsorship for a re-print of Madam Susanna Avery's book to raise funds for the project;
 - vi the Garden continues to attract interest and was recently featured in The Sunday Telegraph gardening feature;
 - vii the project continues to progress well and offer significant opportunities to students and for income generation in the longer term. Thanks were recorded to Tim Redwood, the Gardens team and other staff involved for their enthusiasm and wider congratulations were expressed to Lady Salisbury and the Committee for the success of this project.

17 REPORT OF THE DIRECTOR OF ESTATES AND BUILDINGS

The Committee RECEIVED paper 17, the report of the Director of Estates and Buildings, for decision.

17.1 Forty Hall Farm Site

NOTED:

- i the appointed contractors, Bowie & Lockwood, have completed demolition work of the concrete Atcost barn and former workshop destroyed by the fire;
- ii the removal of the Atcost barn, which has also discharged one of the planning conditions, imposed when approval was granted for the new barn;
- iii a formal tender exercise for the reinstatement of the two fire damaged agricultural workshop barns was carried out by the College's conservation architect Barry Stow and the tender representing best value was from R D Bull at a cost of £43,351.20 inclusive of VAT. This is within the overall budget profile agreed with the NFU loss adjustor.

RECOMMENDED TO THE GOVERNING BODY: that the appointment of R. D. Bull to carry out the work to reinstate fire damaged buildings at Forty Hall Farm be approved as its tender valued at £43,351.20 inclusive of VAT @ 20% represents the best value.

17.2 New Barn Planning Conditions

NOTED:

- i following the imposition of a number of planning conditions as reported at the last meeting it had been agreed that the Chair of this Committee could release an additional £10,000 from reserves to offset any additional costs;
- ii the conditions were:
 - changes to material appearance, roof sheeting and gutters;
 - Archaeological Watching Brief;
 - mitigation and licence for newt habitat adjacent to construction site;

RESOLVED:

- i **that £4,340 inclusive of VAT be released from the agreed contingency to fund the material changes to the barn, the Archaeological Watching Brief and Licence Application;**
- ii **that the remainder of the contingency continue to be held for use on the project subject to the approval of the Chair of the Committee.**

17.3 Forty Hall Rangers' Building

NOTED: Robyland Ltd has completed the refurbishments work to the former Rangers' Building within the contracted period and within the tender price of £31,471.00 inclusive of VAT.

17.4 Estates Transport Fleet

NOTED:

- i as part of the Mayor's ongoing strategy to improve air quality in the Greater London Area, the scope of the previously established Low Emission Zone (LEZ) has been widened and from January 2012 will impose more stringent control measures on vehicles over 1.25 tonnes;
- ii the scheme run by Transport for London (TfL) will require vehicles such as minibuses, vans and lorries to comply with tighter Euro IV vehicle emission measures. Although the Bullsmoor Lane campus is not in the LEZ area, Whitewebbs Lane and Forty Hall are within the zone;
- iii these changes will impact on some of the current mini buses, van fleet and other specialist vehicles such as the Landrover and Horse Box;
- iv with effect from 1 January 2012 those vehicles listed on Appendix 1 will no longer be compliant and if they enter the LEZ area the College will be fined;
- v Vehicles can be converted at a cost of £2,400 each inclusive of VAT. However most of the College vehicles as listed in the Appendix are between 12 and 18 years old with a high mileage and are unlikely to merit the capital investment involved in the conversion process;
- vi in line with previous College policy to purchase pre-owned low mileage vehicles, the current five mini buses could be replaced with newer vehicles meeting Euro IV emission standards;
- vii subject to vehicle type, research indicates current pre-owned mini buses with 40/50k average mileage would cost from £5k - £6k each to replace with similar commercial vehicles;
- viii the replacement of the Landrover extensively used by the Arboriculture Department for woodland work or a similar 4 x 4 would range from £8k - £12k inclusive of VAT;
- ix the horse box, which is nearly 25 years old is not extensively used. Currently it provides transport for occasional local shows, transport between sites of the heavy horses and in case of emergencies to take stock to the vet college. Further discussions will be undertaken with the School of Animal Care over its future transport needs for large stock. A similar replacement vehicle would cost in excess of £20k.

RECOMMENDED TO THE GOVERNING BODY:

- i **that a costed plan be prepared for replacement/conversion of these vehicles which do not comply (with the exception of the horse box);**
- ii **that SMT be requested to consider a programme of replacement/conversion as part of the 2011-12 capital programme.**

17.5 Gardens Developments

NOTED: Governors agreed a £40k Gardens' development fund for 2010/11. £20k of this was allocated to the Old Manor House Garden. Of the remainder, £5k has been allocated to reinforcing the bulb planting on site and the second phase of the walled garden project. The remaining £15k has been allocated to a project to relocate the Melbourne Botanic Australian Garden from the Chelsea Flower Show to Capel Manor. The project is heavily sponsored and will add a further dimension to the gardens.

18 CRYSTAL PALACE PARK CENTRE

The Committee RECEIVED paper 18, the report of the Director of Estates and Buildings, for decision

18.1 Further Investment

NOTED:

- i During the Christmas holidays, contractors took the opportunity to commence Phase 2 of the project. This included removal of asbestos in areas due to be converted to accommodate the new access lift and toilet for the disabled;
- ii on completion of the above work, the main contractor was able to install the new toilet for the disabled and carried out enabling work in preparation of the new access lift. The remaining work associated with locating the lift will be scheduled in breaks between term time to avoid disruption to teaching;
- iii the full cost of the project to date, as detailed in Appendix 1 of the report, are:
 - Action Phase 1 total £365,383.79
 - Phase 2 work remaining total £87,875
 - Estimated balance on phase 1 & phase 2 £13,741.21
- iv the following priorities identified by SMT for possible works:
 - a assistance with preparing planning submissions for a new Polytunnel, and ambulance room usage; £925
 - b refurbishment of the Ambulance Room to create a workshop for Arboriculture; £6,000
 - c improvements to fencing new horticultural area; £2,016
 - d field shelter and works to the animal stockyard at the Farm; £4,800

£13,741

All figures include VAT at 20%.

RESOLVED:

- i **that the overall project costs for the Jubilee Stand Phase 1 and 2 works at £453,500 (£14,000 less than estimated) be noted;**
- ii **That the balance of just under £14k be invested in the following projects:**
 - A assistance with preparing planning submissions for a new Polytunnel, and ambulance room usage; £925**
 - B refurbishment of the Ambulance Room to create a workshop for Arboriculture; £6,000**
 - C improvements to fencing new horticulture area; £2,016**
 - D field shelter and works to the animal stockyard at the Farm; £4,800**

£13,741

18.2 Market Rent – Jubilee Stand New Lease Terms

NOTED:

- i the LDA has clarified the rental charges per sq ft for years 5-7 based on the Heads of Terms rental charge agreed at £5.00 per sq ft in year 5 will be subject to RPI inflationary increases;
- ii the use of RPI is consistent with the terms and conditions set out in the former Jubilee Stand lease. The new lease will mirror these terms.

RESOLVED: that the Committee notes that the Terms and Conditions for the treatment of rental values for years 5 – 7 of the lease at Crystal Palace Park will be linked to RPI which is in line with similar Terms and Conditions formerly agreed in the previous Jubilee Stand lease.

19. **DATE OF NEXT MEETING:** 5pm on 30 June 2011.