



FINANCE & GENERAL PURPOSES COMMITTEE

MINUTES OF THE MEETING HELD ON THURSDAY 9TH JULY 2009 AT 5.00PM

Members: Mr M Parkinson
Mr S Bell
Dr S R Dowbiggin OBE
Mr D Fussell (Chairman)
Mr H Jones Owen
Lady Stuttard
Vacancy

Present: Mrs S Adams, Clerk to Governors
Mr D Fallon, Director of Finance
Ms M Hall, Head of College
Mr N Evans, Director of Estates and Buildings
Mr S O'Hear, Personnel Manager

1. APOLOGIES FOR ABSENCE

Lady Salisbury had indicated that she would be attending as an observer, but unfortunately she had been wrongly advised of the time of the meeting.

2. DECLARATION OF INTEREST

Dr S R Dowbiggin, OBE declared an interest as Managing Director of Capel Manor Ltd and in his capacity as a Fellow and Trustee of the Institute of Horticulture. He also declared an interest as a Member of the Court of the Worshipful Company of Gardeners (currently Upper Warden) and as a Member of their Livery Company.

Mrs M Hall declared an interest as Director of Capel Manor Ltd, as a Fellow of the Institute of Horticulture and as a Member of the Livery of the Worshipful Company of Gardeners. Mr N Evans declared an interest as Director of Capel Manor Ltd, 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 Ltd. Mr M Parkinson declared an interest as a Member of the Livery of the Worshipful Company of Gardeners. Lady Stuttard declared an interest as a Member of the Livery of the Worshipful Company of Gardeners.

3. ELECTION OF VICE CHAIRMAN

NOTED:

- i. that two members of the Governing Body had indicated that they would like to join F&GP;

- ii. the need for the membership of F&GP to be reviewed;
- iii. that the appointment of a Vice Chairman be delayed until the membership of the Committee has been reviewed at the Governing Body meeting of the 22nd July 2009.

RESOLVED:

- i. **to defer the election of a Vice Chairman to the next meeting of F&GP.**

4. MINUTES OF THE FINANCE AND GENERAL PURPOSES MEETING HELD ON 19TH MARCH 2009

RECEIVED the minutes of the Finance and General Purposes meeting held on 19th March 2009.

NOTED:

- i. these were accepted as a true and accurate record of the meeting and signed by the Chairman.

5. MATTERS ARISING FROM THE MINUTES OF THE MEETING OF 19TH MARCH 2009

RECEIVED paper 5, matters arising from the minutes of the meeting held on the 19th March 2009.

5.1 Item 17 from the meeting of 10th July 2008

NOTED:

- i. that a meeting with the Royal Parks was planned for 16th July 2009. This meeting would progress both the longer term lease of the site and plans to refurbish the glass house adjacent to the teaching unit for students and community use.

5.2 Item 19.2 of the meeting of 27th November 2008 – Improvements at Gunnersbury Park and Brent Park Lodge

NOTED:

- i. that a draft lease was currently being prepared by the London Borough of Ealing.

5.3 Item 19.6 of the meeting of 27th November 2008 regarding lease for use of facilities at Stepping Stones Farm, Hackney

NOTED:

- i. the College was awaiting legal receipt of the documentation being prepared by Tower Hamlets;
- ii. that it was not intended to commence programme delivery on site until September 2010 and therefore formulation of the legal agreement was not as urgent as when it had been intended to start teaching from September 2009;
- iii. Tower Hamlets have indicated they will provide the funding for the refurbishment of the classroom on site so that this could be completed for October 2009, so as to allow potential student recruitment for September 2010 to start to gain a better impression of the teaching facilities which will be available on site once programmes are introduced;

5.4 Item 16.3 of the meeting of the 19th March 2009

NOTED:

- i. that a Governor training session on the Gardens would take place prior to the Governing Body meeting on 22nd July (and not 12th July as recorded in the papers).

6. REPORT OF THE CHIEF EXECUTIVE

RECEIVED paper 6, report of the Chief Executive for information.

NOTED:

- i. that the paper had been prepared to provide Governors with background information to inform their decision making on issues being considered by F&GP;
- ii. Governors sought clarification on whether the current developments in LSC funding would undermine or affect the arrangement negotiated with the Regional Planning Group (which sought to ensure that the College's funding was allocated regionally). It was confirmed that officers' understanding was that the Regional Planning Group's preference was to deal with Capel Manor College as a regional institution.
- iii. that a Business Development Unit was being set up at Capel Manor College to give more flexibility and responsiveness to those who are servicing the direct needs of employers and that the College was moving towards employing dedicated staff to pursue this role;

- iv. that the Business Development Unit was being created at the same time as the College was undergoing a restructuring and the extra capacity required to make the Unit effective was being created by re-directing and re-focusing resources (rather than through growth);
- v. there was a discussion on the details of the file note relating to the meeting between the LSC and College officers on 26th June on capital funding applications. It was agreed to amend these notes to remove any implication that Governors had “risky” College assets. In fact Governors considered that the decisions they had made were prudent and conservative and had focused on obtaining the most effective benefits from funds that were available. At no time did Governors feel they had taken “risks” but Governors accepted that they had recognised when they agreed to fund the AiP development, that they would not be able to claim back their contribution to the project (and had budgeted accordingly).

7. REPORT OF THE DIRECTOR OF FINANCE

RECEIVED paper 7, report of the Director of Finance for decision.

NOTED:

- i. the typing error on Appendix II of the Treasury Management, 3rd paragraph of last page, **which** to be replaced by **whom**.

7.1 2008/09 Adult Learner Responsive Reconciliation Statement

NOTED:

- i. the College has received formal notification from the LSC that its internal allocation for the above will remain unchanged at £3,790,583 (comprised of £3,685,115 of Allocation and £105,468 of Additional Support Funds);
- ii. that in reconciling the allocation back to the individual learner records, the LSC identified that the College would generate £53,459 less funding than allocated, but that the College’s predicted out-turn is within the tolerances allowed and therefore there has been no financial penalty.

7.2 LSC Review of our financial statements for 2007/08 and our financial management and control evaluation return and Framework for Excellence

NOTED:

- i. The LSC confirms the College as having a “**Good**” financial health grade as determined by the Framework for Excellence. This means that the College is defined as “*a provider that has sufficiently robust finances to fulfil its contractual obligations, and respond successfully to most opportunities or adverse circumstances*”.

7.3 Revised Treasury Management Policy

NOTED:

- i. discussion of a document showing the proposed changes to the Treasury Management Policy which was originally approved by F&GP in November 2006;
- ii. that Governors agreed with the recommendation in the revised policy to principally invest in interest bearing accounts operated by UK based institutions, to which the Bank of England has given a banking license and that are covered by statutory insurance arrangements;
- iii. that Governors recognise the need for the College to adopt a Treasury Management Policy statement which enabled Governors and Senior Management the flexibility to be able to protect the College's assets within a regulated and a controlled framework.

RESOLVED:

- i. to agree the revised Treasury Management Policy and the proposed amendments of the financial procedures;**
- ii. for these to be implemented by officers with immediate effect;**
- iii. for the Treasury Management Policy to be reviewed annually (at the July meeting of F&GP).**

7.4 Update on implementation of the new payroll system

NOTED:

- i. that the implementation of the payroll system was nearing its completion. The new system was more sophisticated and will significantly improve efficiency in this area of work in the future;
- ii. to prove the accuracy and reliability of the new payroll system a series of "parallel runs" were being conducted. Initially, on a £400,000 monthly pay budget, the discrepancy between the two systems was £850, but further research and refinement has reduced this to £85;
- iii. the importance of reconciling the systems at the point of transfer (to make sure individual's national insurance and tax records are accurate) but that, once this reconciliation has taken place, there are unlikely to be problems moving forward.

7.5 Capel Manor Limited Annual Return 2009

NOTED:

- i. that the Annual Return from the College's subsidiary company was submitted to Companies House electronically on 4 March 2009;

8. MANAGEMENT ACCOUNTS -10 MONTHS TO MAY 2009

Received paper 8, report of the Director of Finance for decision.

NOTED:

- i. the management accounts retain the same reporting structure as in previous years with the exception that further detail that has been provided with regard to the Framework for Excellence assessment;
- ii. although normally the nine month accounts are submitted to Governors, the ten months accounts are submitted for this Committee's meeting, because they are available and they are the most up to date information about the College;
- iii. discussion on the budgetary figures and the explanatory notes which were given;
- iv. that the references to a "stable staffing structure" should be removed from the commentary so as not to cause offence to staff who are effected by the College's restructuring;
- v. that the new Framework for Excellence analysis showed that the total score for the College was 400 and this would generate an associated grade of "outstanding";
- vi. that in Schedule 2, the College could be seen to be performing ahead of profile at ten months (retained surplus £618,663 as opposed to a budgeted figure of £404,389, giving a positive variance of £214,000 between budget and actual);
- vii. that some of this variance was caused by phasing issues and it was not expected that such a variation would still exist at end of the 2008/09 year;
- viii. Appendix 4.1 gives details of the predicted cash days in hand;
- ix. Appendix 4.2 gives details of expected expenditure for the last two months of the current year and for the first ten months of 2009/10;
- x. the £60,000 redundancy costs referred to elsewhere in the F&GP papers has been accounted for within the revised expenditure for the remainder of 2008/09;

- xi. in Appendix 4.3 it has been assumed that the College will receive £85,675 financial support for the AiP project from the LSC;
- xii. all capital items agreed to date or proposed in the papers to F&GP have been included in the modelling.

RESOLVED:

- i. **to receive the Management Accounts for the ten month period to 31 May 2009 and to recommend them to the Governing Body for approval.**

Agenda item 13a of the governing body agenda for 22nd July 2009

9. OUTTURN FORECAST AND CASH FLOW FOR 2008/09

Received paper 9, the report of the Director of Finance for decision.

NOTED:

- i. that the details of the reasons for the variation to budget were discussed and accepted.

RECOMMENDED TO THE GOVERNING BODY that:

- i. **the forecast outturn for 2008/09 as detailed in Appendix I, column A, be approved and adopted as the revised budget for 2008/09;**
- ii. **that the revised rolling cash flow forecast for 2009/10 be approved;**
- iii. **to note that the revised revenue budget results in a favourable variance of £57,000.**

Agenda item 13b of the governing body agenda for 22nd July 2009

10. UPDATE ON NEGOTIATIONS WITH THE LSC ON FUNDING FOR 2009/10

Received paper 10, the report of the Chief Executive for decision.

NOTED:

- i. that negotiations with the LSC have been challenging because of the lack of funding available to them nationally and because the success of providers in achieving and exceeding their targets in 2008/09 has further reduced their ability to respond to demand;
- ii. the situation for Capel Manor College has been aggravated by the failure of the College to achieve its 16-18 targets in 2008/09 (and the “knock on” effect this has on the funding for 2009/10);

- iii. the briefing document on LSC funding methodology prepared for Governors;
- iv. details of the expected funding for 16-18 year olds in 2009/10, the targets associated with this and the targets which have been set to individual schools at Capel Manor to enable the College to achieve its overall target;
- v. the levels of funding made available by the LSC for 18+ Responsive funding, the targets that need to be achieved and how these have been allocated across the schools;
- vi. the 16-18 Apprenticeship, Adult Apprenticeship and Train to Gain funding allocations made to the College and the action being taken to lobby to get these sums increased to enable the College to continue to serve its current levels of demand and to accommodate the growth in demand expected;
- vii. that if the College could not renegotiate its Adult Apprenticeship allowance, it would find it challenging to even accommodate the current level of apprentices and those recruited in September. On the current profiling, the College would not be able to appoint an apprentice between November 2009 and 31st July 2010 and would only have one vacancy for a 16-18 year old apprentice during this period of time. Discussions are on-going with the LSC on this matter and letters have been sent to the London Skills Employment Board lobbying for a more appropriate settlement in this area.

RESOLVED:

- i. **to approve the figures resulting from the negotiations to date with the LSC;**
- ii. **approve the action taken by officers to secure funding and to congratulate the Senior Management Team on the work that has been undertaken to seek and better align funding levels to skills need.**

Agenda item 13c of the governing body agenda for 22nd July 2009

11. PARAMETERS FOR THE THREE YEAR DEVELOPMENT PLAN

Received paper 11, the report of the Chief Executive for decision.

11.1 Background

NOTED:

- i. a draft three year financial plan will be circulated for consideration to the F&GP Committee. This will be considered at a special meeting of F&GP which will take place before the Governing Body meeting on 22nd July;

- ii. the Director of Finance to model a three year financial plan. Governors need to strategically set the performance parameters for the College over the next three years;
- iii. the challenges in preparing a three year financial plan in these very turbulent times;
- iv. the planning figures which Governors had approved prior to the financial crisis and that they needed major revision;
- v. details of the new planning figures prepared by SMT (which reflect the impact of the financial crisis and changes in Government priorities);
- vi. that the income from garden visitors was expected to increase by 10% a year and whether this was achievable.

RESOLVED:

- i. to endorse the working model of planned provision for 2009/12 as the basis for the formulation of the three year financial plan;**
- ii. for this three year financial plan to be considered by a special meeting of F&GP at 3.45pm on 22nd July 2009.**

12. TUITION COURSE FEE RATES 2010-2011

Received paper 12, the report of the Head of College for decision.

12.1 Background

NOTED:

- i. that the College needs to approve its 2010/11 course fee strategy at this meeting so that this information can be included in the Prospectus (published in October each year);
- ii. a discussion as to whether the increases in fees which have been introduced over the last two years was having a negative effect on recruitment levels for adults;
- iii. that the recruitment level had held up very well and this year the levels of interest and application forms was significantly higher than at the similar time last year;
- iv. that the LSC were reducing the level of funding available to support adult provision, because they were expecting adults to pay more of the cost of their education and training. Therefore, colleges have to increase the direct fee levels to compensate for this loss of LSC income;

- v. the increase in assumed fees between 2009/2010 and 2010/2011 from 47.5% to 50% of core funding represents an expected average increase of 6.5%. In addition 2% inflation is assumed. Therefore an 8.5% increase has been applied across courses.

12.2 Fee waiver for full-time 19+ Students

NOTED:

- i. for the last nine years, the Governing Body has agreed to waive fees for full-time 19+ students in areas addressing an identified skills shortage (all one-year full-time BTEC Certificate (level 3) courses and two-year Diploma courses). The Governors felt it was not possible to continue this fee waiver post 2010, but felt there was a special case for full-time students that started their studies when they were 16-18 but then encounter high fees before they have realised their potential. Governors were minded to introduce a specific scheme whereby these students can have their fees waived if they wish to progress to higher levels having first enrolled on full-time college courses when they were under 19;
- ii. that Governors approved this strategy and suggested that it should also be introduced for 2009/10 for Florists (bearing in mind this particular group of students often could not afford to continue their studies once they had achieved the age of 18, because of the high costs incurred).

12.3 Waiver of Key Skills Registration Fees for Full-Time FE Students

NOTED:

- i. this has been taking place for the last six years and has had an increasingly beneficial effect on the take up of key skills by adults;
- ii. that as the take up of Key Skills training by adults is a priority for the College, that this fee waiver should be continued.

12.4 HE Fees

NOTED:

- i. the College's HEFCE funding has been transferred to Birkbeck, University of London.

12.5 Apprenticeship Fees

NOTED:

- i. it was felt that the standard increase (8.5%) should be applied to apprenticeship fees as well as 18+ Learner Responsive fees;

RECOMMENDED TO THE GOVERNING BODY that:

- i. rates detailed in Appendix A to the report are confirmed for 2010/2011;**
- ii. the College waives tuition fees for 19+ students progressing (without a break) to any full-time course having initially completed a full-time course with the College when they were under 19 (and that this particular fee waiver regulation should be applied to Floristry students with effect from 1st August 2009);**
- iii. Key Skills registration fees for full-time adults be met by the College for 2010/2011;**
- iv. adult apprenticeship fees are raised by 8.5%. Instalment option and discount for full payment at start, as offered in 2008/2009 and 2009/2010, are confirmed for 2010/2011;**
- v. additional provision run directly by Schools is classified as either:**
 - a. premium courses (where the course is eligible for part LSC funding);**
 - or**
 - b. commercially costed courses with a fee determined by market forces.**

Agenda item 13d of the governing body agenda for 22nd July 2009

13. REVISIONS TO THE AGREED OUTLINE BUDGET AND CASH FLOW FORECAST 2009/10

Received paper 13, the report of the Director of Finance for decision.

13.1 Background

NOTED:

- i. that a budget for 2009/2010 was considered by a sub-group of Governors on 29th April 2009 and approved by the full Governing Body at a special meeting on 19th May 2009;**
- ii. that given the fluidity of the current situation, SMT wished to seek this opportunity to propose a refinement to the budget which now reflects more up to date information available.**

13.2 Updates

NOTED:

- i. the original budget had not included the £50,000 income contracted with the Institute of Horticulture;**

- ii. the original budget for Train to Gain income from the LSC predicted £220,000 income from this source. At the present time only £99,000 has been allocated by the LSC, although the College is involved in bids for ESF Train to Gain income which could generate up to £400,000 income. SMT is of the opinion that it is likely that some of the Train to Gain bids will be successful (given current performance and demand) and therefore, at this stage only propose to reduce the income target by £50,000 (instead of the £120,000).

It is recognised that this matter needs to be kept under review and F&GP need to be kept informed of progress in achieving the £70,000 income not yet allocated by the LSC.

- iii. the College did not receive its requested allocation for adult apprenticeship funding. There is currently a shortfall of £50,000 between the allocation and the income target used in preparing the original budget;
- iv. the College has appealed against its allocation and at the present time the original income target has been left in the budget. SMT recognises that this may need adjusting in-year if funding cannot be identified by the LSC and that savings may need to be made in-year to mitigate the impact of this factor;
- v. the budget for staff costs has been increased by £67,000 (this is after the significant savings which were made in the preparation of the original budget had been taken into account). Some of these costs reflect the staffing costs incurred hosting the Institute of Horticulture service level agreement and other costs are required to facilitate the longer term changes in staffing structure introduced as a result of the need to refocus resources within the wider budget;
- vi. the original budget proposed an operating surplus of £71,000 but the revised budget is much more focused and proposes a total operating surplus of £4,000 on the year.
- vii. it is recognised that both income and expenditure will need close scrutiny through the year and Governors were reassured that the Director of Finance and the Senior Management Team's monthly review process would quickly identify any variations and allow proposed amendments to the budget to be made to F&GP in-year as and if required.

RECOMMENDED TO THE GOVERNING BODY that:

- i. the revised budget attached as Appendix I for 2009/2010 is adopted;**
- ii. the revised budget is incorporated into the three year rolling forecast and that this is presented to a special meeting of F&GP for approval and submission to the Governing Body meeting of 22nd July 2009.**

Agenda item 13e of the governing body agenda for 22nd July 2009

14. PLANNED CAPITAL EXPENDITURE 2009/10

Received paper 14, the report of the Director of Finance for decision.

14.1 Background

NOTED:

- i. the problems being experienced by the LSC in funding their “building colleges for the future” capital development programme and that, as a result, each college will need to develop its own strategy to raise and invest capital if it wishes to continue with the capital development programme;
- ii. in parallel to any Application in Principal, Capel Manor College has always had a programme to invest capital in appropriate developments;
- iii. Governors need to be aware of two distinct factors:
 - how much funding they have available for capital programmes and the impact of the level of capital investment on the College’s financial performance indicators (especially cash days in hand);
 - the amount of funding which they are approving for capital projects in a specific year.

14.2 Financial Objectives

NOTED:

- i. Governors have set financial objectives and these are included within the three year financial plan. One of the key financial objectives is for the College to remain financially sound, whilst generating sufficient income to enable the maintenance and improvement of its accommodation and equipment;
- ii. at the same time the College wishes to maintain reserves to justify continuing its “outstanding” financial health rating under the Framework for Excellence criteria and to achieve this;
- iii. Governors have set a minimum performance indicator of maintaining 40 cash days in hand.

14.3 Cash Reserves

NOTED:

- i. the College is forecasting a cash balance at 31st July 2009 of £1.928m and Governors considered the impact of various levels of capital investment on the number of cash days in hand.

14.4 Funding available for Capital Projects in 2009/10

NOTED:

- i. given the Governors' criteria of seeking to maintain 40 cash days in hand, the maximum funding available for investment in capital projects in-year would be £879,000. Governors recognised that "Plan B" of the Property Strategy would involve significant capital investment, but wish to judge the impact of current planned capital projects and the proposed investment in acquiring planning permission for the Animal Care building and the Arboriculture building on the Enfield Campus.

14.5 Planned Capital Expenditure in 2009/10

NOTED:

- i. SMT is proposing an expenditure of £278,000 in 2009/2010 of which:
 - i. £100,000 is for the purchase of capital equipment or small development projects (inclusive of VAT). This is broadly split into £60,000 for non-IT purposes and £40,000 for IT purposes.
 - ii. Funding already agreed for projects which are "rolling forward" into 2009/2010. These include:
 - Refurbishment of the greenhouse at Regent's Park £25,000
 - Refurbishment of Animal Care facilities at Horsenden Farm (now proposed to be invested at Gunnersbury Park) £35,000
 - project management planning tendering and contingency costs of preparing planning application/building specifications for the Animal Care and Arboriculture buildings on the Enfield site £118,000

NB: On this last item, £88,000 has already been allocated by Governors to this project to support the AiP and therefore completion of the next phase will require approval of additional £30,000 from the reserves.

- iii. SMT are not recommending any further capital projects at this time, although exploratory discussions are being held with potential funders to obtain external finance to progress capital works on the Enfield and other sites.

RECOMMENDED TO THE GOVERNING BODY that:

- i. **Governors maintain their financial performance indicator for cash days in hand at 40 for 2009/10;**

15.2 Garden Visitor Income Trends

NOTED:

- i. that although the income generated from admissions to the gardens was likely to fall £10,000 below the target set, savings have been made in expenditure and therefore the affect on the bottom line will be minimal.

15.3 Sponsorship Support

NOTED:

- i. that the success of the Senior Gardeners in attracting financial and “in kind” sponsorship for the National Gardening Centre and the gardens and the success achieved in producing plants for sale in the gardens. Sponsorship was received from organisations such as the Metropolitan Police, Hayter Mowers, Voulker, Fitzpatrick and many members of the horticultural industry.

15.4 Update on developments at other Centres

NOTED:

- i. the College continues to seek to make minor improvements at the Farm and plans to lease a further room in the Stadium at Crystal Palace (if student recruitment merits this);
- ii. the planning enquiry for Crystal Palace Master Plan has commenced and will continue through July and August and the outcome of this enquiry will significantly influence Capel Manor’s future strategy on the site;
- iii. the plans for Capel Manor College to relocate in East London to Barking College and the challenges that this was presenting;
- iv. receipt of a copy of the College’s response to the Mayor of London’s consultation on the creation of a legacy education and research facility in the Olympic Park;
- v. that the College was still exploring the possibility of creating a training centre within the Olympic Park.

16. UPDATE ON AGREED DEVELOPMENTS ON THE ENFIELD CAMPUS

Received paper 16, report of the Director of Estates and Buildings for decision.

16.1 Background

NOTED:

- i. at the F&GP meeting of 19th March 2009, Governors recognised the need to take forward a “Plan B” capital development strategy and empowered officers (by way of recommendation of the Governing Body) to:
 - i. progress planning permission for two developments on the Enfield site (maximum £80,000);
 - ii. request officers prepare a costed feasibility plan for consideration to:
 - build the new Animal Care facility and Animal area;
 - replace the wooden huts in the frameyard to create arboricultural teaching facilities;
 - empower officers to continue to make proposals to Governors on progressing other aspects of the property strategy to include, when and where opportunity arises:
 - the tree station project
 - developments at Forty Hall
 - other improvements at centres
- ii. subsequent to this authority, officers have had meetings with Fusion Property Management and Philip Bailey Architects (both of whom have been retained by the College on these projects) to identify the best way of progressing with these projects on the Enfield site.

16.2 Update on progress with “Plan B” developments and consultants fee proposals

NOTED:

- i. as a result of discussions with the consultants advising the College and LSC officers, SMT feel it is prudent to take the opportunity to review the current College property strategy. Not only would this give the opportunity to revise and update on construction costs (likely to be much lower than when the original proposals were put together), but it will also give the opportunity for the College to improve options for refurbishment (the previous guidelines would only fund a new build) and also re-appraise the best way in which the College’s potential to contribute to these projects can be utilised.

Such a review will not only enable the College to progress with Plan B in an coordinated way, but would also put the College in a position to be able to apply for LSC funding in the unlikely event that this becomes available.

- ii. to progress Plan B, the College needs to obtain revised Quantity Surveyors reports on both projects. The College would need to appoint:
 - project sponsors – to support and assist the Director of Estates and Buildings and provide a strategic oversight, budget and cost control facility and represent Capel Manor College at meetings in the pre-tender stage;

- they consult an architect to progress the design aspects of the new buildings and to lead on the planning applications. The architectural services required would be in two phases:
 - to undertake planning consultancy, submit plans to local authority by November/December 2009 (with approvals anticipated by February 2010);
 - to progress with all aspects of the project up to and including RIBA Stage E (i.e all details up to and including the documentation necessary to procure the new buildings, should planning permission be received).
- iii. SMT are comfortable with the design team they have been working with (Fusion and Phil Bailey Architects). Both have a long association with the College and have been involved in the existing project;
- iv. the design team suggest that if the project moves into the final phase (build), that the College should use a JCT Design and Build form of contract, as this would allow the College to retain the current design team post tender and they would work under line control of the appointed principal contractor, so that the College maintains design control and ensures continuity through the whole process (i.e it is proposed that in any specification documents, a clause allowing for the College's design team to be "novated" to the principal contractor appointed, would be included in the specification documentation).

16.3 Eventual Funding of the proposed projects

NOTED:

- i. at this stage, SMT is merely asking for permission to fund the preparation of the projects up to a "shovel ready" stage and SMT has not prepared a detailed business plan for either of those projects;
- ii. if Governors agree to both projects being "worked up" the Director of Finance will prepare (in consultation with SMT) a funding strategy for each project, which can then be considered by the Governing Body;
- iii. a full report will be made to F&GP.

16.4 Summary of Fees

NOTED:

- i. based on both consultants' fees, it is calculated that the cost of preparing both projects to a "shovel ready" status will be £118,000 inclusive of VAT;

- ii. Governors should be aware that £88,000 remains available from the original allocation to the AiP (but this money had been “ear marked” for the preparation of plans for the Regent’s Park and Crystal Palace centres and were not originally intended for work which would have been covered by the Application in Detail approvals, had the overall scheme been approved by the LSC);
- iii. Governors felt that further negotiations should take place with Fusion to seek to reduce their contract, given the significant sums which the College had already invested with them and it was suggested that negotiations should focus on reducing the overall estimate by re-negotiating the amount of work necessary to revise the College’s property strategy.

RECOMMENDED TO THE GOVERNING BODY that:

- i. **the College appoints consultants Fusion Project Management Limited to:**
 - **revise the College property strategy in line with key objectives;**
 - **instruct consultants to appoint quantity surveyors and act as employers agent and “project sponsor” for the College.**
- ii. **endorse the fee proposals as set out in Appendix III to the report subject to any reduction in fee that can be negotiated with Fusion Project Management Limited;**
- iii. **the College appoints Phil Bailey Architects to progress planning approval to both project buildings and associated works up to pre-contact stage as detailed in Appendix II;**
- iv. **Governors adopt recommendations by both consultants to procure the new building projects via JCT Design and Build format as a cost effective procurement route;**
- v. **officers are empowered to work with the consultants on identifying pre-tender design and build contractors for consideration by the Committee at a future meeting.**

17. ANNUAL MAINTENANCE PROGRAMME

Received paper 17, the report of the Director of Estates and Buildings for decision.

17.1 Background

NOTED:

- i. the College has commissioned and retained consultants McBains Cooper for a number of years to update and manage the College’s property condition survey;

- ii. as previously reported to Governors, McBains Cooper were commissioned to produce a new 5 year forward maintenance programme which covers the Enfield campus, Gunnersbury Park, Forty Hall Farm, Crystal Palace and Regent's Park;
- iii. the full inspection report was available for Governors' inspection at the meeting

17.2 Current Status and Condition

NOTED:

- i. that the consultant's report that the sites are generally in a better than average/good condition for their respective ages of construction, but they do highlight some buildings on the Enfield campus as requiring attention.

17.3 Condition priorities and consultant's cost plan

NOTED:

- i. summary documents were produced and considered by Governors. Two costing options had been produced:
 - in the first table, costs account for all categories of work over five years;
 - the second table addresses only priority codes 1a, 1b, 1c and 2 over the next five years (these relate to Health and Safety legislation and essential works to mitigate further deterioration of buildings);
- ii. all costs are based upon current estimates and exclude fees and VAT;
- iii. that to achieve works detailed in the second table the cost would be approximately £110,000 per year over the next five years (including allowance for VAT and fees etc);
- iv. the costs detailed in table one were not affordable at the present time but this needed to be kept under annual review.

RESOLVED:

- i. to adopt the new condition survey completed by the consultants McBains Cooper;**
- ii. to adopt the forward maintenance plan (FMP) to form the basis of approved works for the next five years based on addressing maintenance identified in priority codes 1a, 1b, 1c and 2;**
- iii. that Governors should annually monitor and assess progress and expenditure against the programme;**

- iv. **that an initial allocation in 2009/2010 of £110,000 is agreed and that this is included in the 2009/2010 budget.**

18. REQUEST UNDER THE FREEDOM OF INFORMATION ACT

Received paper 18, the report of The Clerk to Governors for decision.

NOTED:

- i. the College has a “publication scheme” which was approved by the Governing Body at the December 2008 meeting, which identifies how the College should deal with requests made under the Freedom of Information Act;
- ii. Governors attention was drawn to the paragraph relating to the charging regime and that the actual rates for photocopying, postage and packing and costs directly incurred as a result of viewing information had not been specified;
- iii. that the Clerk had received a request under the Freedom of Information Act for information relating to the College’s involvement in the preparation of a Master Plan for Crystal Palace Park;
- iv. the College had initially responded advising the enquirer that the College would not be able to comply with the request in its present format, as it was estimated (by the CEO) that the cost of locating, retrieving, extracting and presenting the information requested would be in excess of £450 (18 hrs x £25 per hour) and therefore was exempt under Section 12 of the Freedom of Information Act. Guidance had been sought from the Information Commissioner’s Office (ICO) in respect of the exemption and how costs are calculated;
- v. the Clerk had invited the enquirer to meet with College officers to identify a more targeted enquiry and this matter was being progressed;
- vi. the Clerk sought guidance from the Information Commissioners Office in respect of suitable levels of charges. The ICO advised that it was for the college to determine disbursement costs (which must be reasonable) and that the College is not able to charge for staff time involved in researching and compiling information;
- vii. the Clerk sought guidance from the Governing Body on the level of costs which should be recovered;
- viii. Governors felt that as the College was a charity and had limited resources a charge should be made for any actual disbursements incurred when responding to requests for information under the Freedom of Information Act.

RESOLVED:

- i. to retrospectively approve the action taken by the CEO and Clerk to Governors in advising that, as the College is a charity with limited resources, charges will be made for any actual costs incurred in responding to requests for information;**
- ii. that the charges for information be set as follows:**
 - a £10 set fee to cover the costs of responding to any application under the Freedom of Information Act;**
 - supplementary costs at 5p for each single sided black and white A4 copy of information required and for the costs to be pro-rata for larger documents (e.g plans, drawings, etc);**
 - 50p for a single sided A4 colour copy, again this cost being pro-rata for larger documents;**
 - postage and packing to be charged at the cost incurred by the College.**

19. RISK MANAGEMENT REVIEW

Received paper 19, report of the Chief Executive for decision.

19.1 Background

NOTED:

- i. the Governing Body have adopted a Risk Management policy and strategy which systematically reviews the risks facing the College and seeks to identify and judge the adequacy of actions taken to mitigate or manage such risks.**

19.2 Evaluation of the Risk Management process in 2008/09

NOTED:

- i. that in July 2008, F&GP identified the major risks facing the College were:**
 - not achieving the ambitious targets set by the LSC**
 - potential failure in the MIS system**
 - the challenges associated with locating and acquiring suitable teaching accommodation**
 - the potential dependence on commercial activities to generate income.**

- ii. whilst attempts were made to mitigate these risks in-year it is interesting to note that the most significant challenges that the College faced in-year related to:
 - failure to fully achieve the 25% year on year growth in 16-18 recruitment which was anticipated;
 - failure of the MIS system to service management needs in two significant areas:
 - a. modelling and providing timely, accurate management information during enrolment (2008);
 - b. reflecting the new funding methodology 'in-year' (which caused management to rely on corrupt models predicting the levels of outturn which were generated by the levels of activity).
- iii. whilst shows and events income has not been achieved, the mitigation of managing costs to minimise the effect on the bottom line has been effective.

19.3 Revised Risk Review Schedule

NOTED:

- i. Governors discussed the risk review schedules and noted and supported the development of a net risk process. (This to replace the residual risk column on the risk review schedule).
- ii. Governors felt that other risks needed to be subjected to analysis:
 - i.e.
 - that the public enquiry into the Crystal Palace Master Plan finds against the Master Plan or it approves the Master Plan without the Capel Manor's involvement;
 - Barking College decides not to progress with the partnership in East London after 2009/2010;
 - the impact of a major landbased college in the vicinity of London failing financially and the College being unable to respond to this.

RESOLVED:

- i. that officers be asked to apply the risk analysis process to the additional three risks identified and include these for consideration by the Governing Body;**
- ii. that the amended Risk Review schedule and relevant annexes are adopted;**

- iii. that these be incorporated into the next Risk Review Schedule report for the full Governing Body.

20. FRANCHISING ACTIVITY AND PARTNERSHIPS

Received paper 20, the report of the Head of College for information.

NOTED:

- i. that the partnership with Centre Point has meant that the College has been able to continue some association with them going forward;
- ii. that a draft Memorandum of Understanding has been prepared and circulated to Barking College and that the College was awaiting advice from Barking College's legal section on whether this formed a satisfactory foundation for agreement between the two Colleges.

21. UPDATE ON PROJECTS

Received paper 21, report of the Head of College for information.

NOTED:

- i. that the College was continuing to receive income from projects but that the level of funding was reducing year on year;
- ii. that the application for Beacon funding for 2009/2010 had not been successful, but that this would not affect the plans the College had to develop a partnership with Barking College;
- iii. the Access to Nature application had been withdrawn from Stage 1 consideration, but it was hoped that it would be approved on a smaller scale, following negotiations with those managing the project;
- iv. the College had made a major application for funding under the Train to Gain project round (as reported elsewhere) and was optimistic that some funding could be drawn down from this initiative;
- v. the success of two students in the National Landbased Science Competition (where Capel students won 1st prize in the best presentation category, and 2nd prize (very closely contested) in the best investigation category and that this had not only led to cash awards for students, but it also generated income and prestige for the College.

22. LEARNER SUPPORT UPDATE

Received paper 22, report of the Head of College for decision.

Tabled, letter of 3rd July from the LSC detailing the College's Learner Support Funds for 2009/10.

