



EASTON COLLEGE CORPORATION

Minutes of the Meeting held on Wednesday 13 August 2008

Present: Mr M Andrews, Mrs F Baugh, Mrs V Bowyer, Mr M Gamble (Chairman), Mr J Hunter, Mr D Lawrence (Principal), Mr I Mawson, Mr B Miners, Mrs J Moss, Mr D Ramsay.

In Attendance: Mr T Cawkwell (Clerk), Mrs C Sadler, Mr G Lambert, Mr C Nix.

1 Apologies for Absence

Apologies for absence were received from Mr R Baines, Mr J Burford, Mr J Burrage, Mr B Grindrod, Mr M Livermore, Mr M Pant, Mr S Pearson Mr G Rivers, Mrs J Strudwick. The Clerk read out a letter from Geoff Rivers explaining his resignation as a Governor with effect from 1 September 2008.

The Principal explained that the College was hosting a reception being arranged by South Norfolk Council, to which some Governors will receive an invitation. Opportunity will be taken then to thank Geoff for his work as CEO of the Council. However, it was felt to be appropriate also to invite him to lunch prior to the Corporation meeting on 17 October.

2 Declarations of Interest

The Chairman reported that he was acting through his firm for the Bawburgh Golf Club, but there were no prejudicial interests involved. The Principal and the Chairman mentioned that they were on the RNAA Council, and Iain Mawson said his firm were auditors for the RNAA.

3 Minutes of the meeting held on 11 July 2008

The minutes of the meeting held on 11 July 2008 were approved as a correct record and signed.

4 Matters arising from the minutes

a) Self-assessment Questionnaire

The Clerk reminded Governors of the need to complete the questionnaire.

b) Linking Members to particular curriculum areas

The Principal was continuing to deal with this.

c) Revisions to Standing Orders, terms of Reference and Code of Conduct

The clerk confirmed that these had been sent to Governors for updating their handbooks.

d) College Training Database

The Clerk confirmed that he had sent details of Governors' training for inclusion in the database maintained by the College for staff training. Further updates would be sent as appropriate.

e) Honingham Thorpe Farms/ Easton College land transfer

The Principal reported that on the advice of Savills negotiations had not been completed until the Greater Norwich Development Plan had been finalized. In the interim he was discussing with Honingham Thorpe Farms how to manage widening of the road, and with the Diocese on land access and the roundabout. Although the College continued to make progress with the Greater Norwich Development Partnership, their plans would not be realized in the foreseeable future.

f) Property Strategy: Consideration of the revised strategy including options for development.

The Principal outlined changes that had been necessary following further work to the Property Strategy approved at the July meeting of Corporation. Having considered the revised cost estimates, funding available, the potential for releasing land assets and the options that can meet the college's accommodation requirements, the governors resolved to approve and adopt the revised Property Strategy as presented on the 13th August 2008. The governors confirmed it is consistent with the College's Development Plan and addresses key national, regional and local priorities.

Having given due consideration to the college's Property Strategy the Corporation resolved to submit an Approval in Principle application to the LSC for Capital Project support to address the issues raised in the Property Strategy.

5 Appointment of Contractors

Mr Nix reported the conclusions of the capital project sub committee, who had considered tender reports for the following projects:

- *Jubilee 3* After consideration of advice from Davis Langdon and interview process which had included College Governors and managers the Capital Projects Steering Group were recommending the appointment of R G Carter. It was proposed by Mr Andrews, seconded by Mrs Baugh and unanimously agreed that this recommendation be accepted.
- *Tennis* The Capital Projects Steering Group recommended the appointment of Yeadon Domes to construct the airhall for a contract sum of £401,793. It was proposed by Mr Hunter, seconded by Mr Ramsay and unanimously agreed that this recommendation be accepted. On phase two tennis, the Steering Group was recommending acceptance of the contractors proposals from Mansell Construction Services at a contract sum of £2,032,456.22. There was a further budget of £30,957 for furniture and a £61,000 contingency. All costs were subject to VAT. Mr Miners asked about how the contractors would deal with any fluctuation in the steel price. Mr Nix replied that the start date was planned for November 2008. If this date moved it may be necessary to draw on the contingency. It was then proposed by Mr Mawson, seconded by Mr Ramsay and unanimously agreed that this recommendation be accepted.
- *Equestrian and Animal Welfare Centre* Mr Nix reported that the capital projects sub committee concluded that best value for the College would be achieved through appointing R G Carter subject to a successful conclusion to the discussions on savings to be made by using the same contractor as for Jubilee 3, and the Steering

Group accepted this and were recommending the appointment subject to final advice from the College's advisers, and the allowance in the budget. It was then proposed by Mr Miners, seconded by Mr Ramsay and unanimously agreed that this recommendation be accepted. It was further agreed that the Chairman should have authority to approve the final arrangements.

- *Student Residences* Following consideration of the tender report the Steering Group was recommending that subject to final advice J S Hay be appointed. It was proposed by Mrs Baugh, seconded by Mr Ramsay and unanimously agreed that this recommendation be accepted, with chairman's authority to confirm the final arrangements subject to meeting the identified contract sum.

It was noted that the letter of appointment to each contractor will place a ceiling on the College's liability and stipulate that the appointment is subject to funding, and LSC grant, being in place. Commitment to proceed would be limited to fully costed design stage with a letter of intent to appoint subject to funding and LSC grant and consent being achieved.

Veronica Bowyer asked about the position on roads and electricity. It was reported that both of these elements were still within the overall bid.

Mrs Bowyer asked whether the Health and Safety implications of the project had been suitably considered, specific concerns that came to mind was the parking of contractors vehicles and the movements of delivery vehicles. Mr Nix explained that the Pre tender H & S plan considered these matters as part of the wider CDM considerations and specific queries raised may be addressed by noting that the tennis site has 45 spaces and will allow for a compound. Jubilee 3 was tighter but if the contract is a joint one the compound for it can be that for the equestrian centre. There should be no encroachment on College parking.

6 Revision of the College's Submission of an Approval in Principle (AiP) capital bid to the Learning and Skills Council for the whole project

Governors were provided with complete documentation for the AiP, which reflected closely the documentation approved in May and further revised at the July meeting with some of the figures adjusted and the golf proposals removed (on the grounds that it was making the application too complex). Whilst the option analysis agreed at the July meeting remained the same student number (and Guided Learning Hours) had been adjusted following discussion with the LSC and reflecting the actual contracted numbers for 2008-09. The Property Strategy, Financial forecast and NPV analysis had also been adjusted as a result of the revised student numbers and as a result of more detailed work on project costs. Governors considered the adjustments made to and impacts on the Property Strategy, NPV's /option analysis, 10 year forecast and space efficiency and confirmed their approval.

Having considered three options at full investment appraisal level the governors resolved to adopt option 3 – New build teaching building, equestrian and animal welfare building, tennis centre, all weather sports surface, 22 bed residential hostel and road infrastructure improvements. In reaching this conclusion the governors considered that:

Option 1 - Option 1: Status Quo No new building work, continued maintenance and loss of equestrian provision from 1st August 2009

This option is not sustainable due to student number growth already achieved which is leading to a shortfall in sports, specialist facilities, laboratories, quiet study areas, office accommodation and teaching space during the planning period leading to a shortfall of circa 3500m2 plus the loss of all practical teaching facilities for equine provision. This option will

remove the only provision of equine studies on a full time basis operating from LI to LIV and will reduce the number of priority 16-18 full time equestrian students by 73 and HE Foundation Degree enrolments by 8. This option will also reduce the college's ability to service work in animal care where practical areas are already operating beyond reasonable capacity. The road infrastructure will also been unable to sustain forecast levels of activity on campus.

Option 2: New build equestrian and animal care facilities, no additional new buildings or infrastructure improvements.

This option is to build an additional equestrian and animal welfare centre of 4486m² to replace facilities that will be lost to college use.

This option will both retain facilities essential to the ongoing delivery of equestrian provision and will enable forecast increases in 14-19 student numbers in these subjects to be accommodated in appropriate specialist accommodation. This option will not address the shortfalls in teaching and learning accommodation, and is therefore not sustainable due to student number growth already achieved which is leading to a shortfall in sports, specialist facilities, laboratories, quiet study areas, office accommodation and teaching space during the planning period leading to a shortfall of circa 3500m²

Option 3 Option 3 New build teaching, additional specialist facilities for equine animal care and sport plus infrastructure improvements and 22 beds of residential accommodation.

This option is to build a further new teaching building, circa 2,992m² to the same standard and to a complimentary design to the existing Jubilee Buildings. The building would contain classrooms, quiet study areas, social areas, lecture theatre, independent living skills teaching space, laboratories and academic office space. The building would meet most of the forecasted space demands (3500m²) over the planning period with the balance of the additional space being integrated in the other new specialist facilities. This building will be linked to form a single block adjoining the Jubilee Building. This option also includes the development of sports and other specialist facilities, including replacement equestrian centre and road infrastructure.

Project Funding and Financing It was proposed by Mr Mawson, seconded by Mrs Baugh and unanimously resolved that a maximum spend be fixed for the whole project of £20.652m subject to LSC approval and support. The Corporation authorised the Finance and Enterprises Committee to arrange suitable financing and contractual arrangements in line with the College's financial memorandum and subject to LSC support and approval, and not exceeding £4.2m of long-term loan liability (£3.6m from the bank and £0.6m from the LTA) and a maximum of £12m short-term loan financing.

It was noted that AiD schedule 8 gave details of the loan offer from Lloyds TSB, although the College would be seeking three tenders for the loan arrangements. The timing of when to do this was important because terms only obtained for a month.

Project Management Governors confirmed that the Capital Projects Steering Group of the Finance and Enterprises Committee should oversee the project on behalf of the Corporation with delegated powers to approve expenditure up to the confirmed budget, subject to LSC support and approval. The Governors also confirmed that the Principal should be responsible for the oversight of the project.

Education Case The Governors confirmed the education case as an accurate reflection of the College's Development Plan in response to local demands it has identified, the LSC Norfolk Statement of Priorities, the Norfolk 14-19 plan, the LSC Regional Statement of Priorities and Regional Strategic Analysis, LSC National Priorities and appropriate Sector Skills Council priorities.

The governors then considered the Approval in Detail (AiD) Application for the Tennis Centre and Residential (noting that the Equestrian and Animal Welfare Centre was not to be included in the AiD as negotiations were yet to be completed to the necessary level).

AiD Tennis The Governors considered the detailed plans and fully tendered price for the proposed tennis building and noted full planning permission had now been obtained. The Governors also noted the Lawn Tennis Association's formal commitment to the project including the offer of funding. Governors noted that the project has a positive NPV of £645k. Governors resolved to submit an AiD application to the LSC with a project cost of £3.214m funded by: LSC grant of £1.945m, LTA (National) Grant aid of £584k, LTA (National) Loan of £600k (interest free for a term of 12.5 years) and a grant from Norfolk LTA of £85k. The College-funded element would be £600k.

AiD Student Residential Accommodation Mrs Sadler explained that the negative NPV for this part of the project given in AiD schedule 6b reflected prudent projections for income from residences. The Principal reported that the residences would be oversubscribed this year but in answer to a question from Brian Miners said that the College could not risk enlarging the project at this stage. Julia Moss asked whether they would be of high enough standard for residential conferences, and it was replied that this would be the case. Veronica Bowyer asked whether the College could arrange lodgings for students in Easton itself, but the Principal said that this was a matter for the parents concerned due to the implications of the Care Standards Act.

The Governors then considered the detailed plans and the fully tendered price for the proposed 22-bed residential facility including two ambulant disabled bedrooms and noted that full planning permission was expected within the next two weeks. The Governors noted the negative NPV of £529k but determined that the residential block was still an essential element in meeting industry and student demand and was an integral part of the College's strategy in terms of widening its catchment for specialist provision. They also noted that strong demand from students aged 16-18 for residential accommodation was exceeding current capacity by at least 22 beds. Governors resolved to submit an AiD application to the LSC with a project cost of £1.156m funded by: LSC grant of £113k and a College contribution of £1.043m.

Total AiD Application Following a detailed consideration of the full investment appraisal, scrutiny of the tender reports and in the light of these discussions and resolutions above, it was proposed by Mr Ramsay, seconded by Mr Miners and unanimously agreed that the Application in Detail (AiD) for the Tennis Centre and Residential Block be submitted to the LSC.

Finally, Mr Nix drew Governors' attention to the plan for the animal welfare building in AiP appendix 2 for information.

7 Date of Next Meeting

A further meeting to consider the AiD for the remaining elements would be arranged once the timetable had been resolved with the LSC.

9 Governors' Training

The Clerk drew Governors' attention to the following items:

- the CEL/QIA survey to determine the diversity profile of governors in the FE sector
- the AoC conference and exhibition on 18 to 20 November
- the 2009 annual governance conference on 24 to 25 March 2009 at Hinckley Island Hotel in Leicestershire.

The Chairman confirmed that the College would cover the conference fee of any Governor wishing to attend these events.

10 Confidential items

It was agreed that items relating to the appointment of contractors should be confidential as should reference to exact contract amounts.