

**Joint Meeting of the Finance and Resources Committee and Estates Working Group held on Friday, 11 January 2008 at 1.30 pm at Wyboston Lakes Conference & Training Centre**

**MINUTES**

**Present** Christopher Spokes, Chair for this meeting  
 Barry Popplewell Rick Dearing  
 David Adamson Mina Jesa  
 Reza Assadi Vicky Parrett

**In attendance** Chris Lang, VP Finance and Resources  
 Trevor Smith, Head of Facilities & Estates

**Clerk** Julia Kennedy

Section 1: General			Action	By
1.1	Declaration of Interest	The company of which Christopher Spokes is a partner (Bidwells) is acting as Planning Supervisor for the Single Site project.		
1.2	Apologies for Absence	Ros Francis, Simon Fairhall and Vernice Key were unable to attend. Ben Bradnack and Raymond Tait, who normally attend the EWG meetings, also sent apologies.		
1.3	Minutes of the Estates Working Group Meeting held on 28 November 2007 and Matters Arising from the Minutes	The Minutes of the Estates Working Group held on 28 November 2007 was agreed but signing the minutes was deferred to the next meeting of the Group.	<b>Clerk</b>	

1.4	Minutes of the Finance & Resources Committee Meeting held on 28 November 2007	<p><u>Paragraph 3.2:</u> the work on comparative energy consumption costs between the Newmarket Road site and the proposed new buildings remains outstanding. A further report was provided by Pick Everard but has not properly addressed this matter. While it is not time critical, this work is at the heart of procurement on a whole-life basis. The meeting agreed that there is a need for Pick Everard's brief to be clarified. Other items that require consideration are on the agenda.</p> <p>Consideration of the minutes of the Finance and Resources Committee meeting held on Wednesday 28 November 2008 was deferred to the next meeting of the Committee.</p>		
<b>Section 2: Matters for Decision</b>			<b>Action</b>	<b>By</b>
2	<b>F&amp;R/21/07-8</b> Single Site Project: Update Report and Construction Contract	<p>LSC National Committee has approved the project to the value of £23.145m. The sale of Newmarket Road site to Berkeley Homes has been completed and the funds deposited. The Joint Committee agreed that this was good news and congratulated the College.</p> <p>Work on reducing project costs through value engineering demonstrates that further savings of £23,808 can be achieved. Governors considered—</p> <ul style="list-style-type: none"> <li>• the items listed as potential savings</li> <li>• whether there is an increase in running costs from the reduction in capital investment</li> <li>• the need to identify dates by which a decision on each item must be made</li> <li>• the level of contingency and whether it should be at 3% (£700,000) to cover risks such as may be identified in digging the foundations</li> <li>• ways of increasing the contingency</li> <li>• reception space for Motor Vehicle Engineering.</li> </ul>		

		<p>Chris Lang recommended proceeding without further delay and identified that savings can be achieved within the project depending on VAT treatment, sponsorship, and other sources of funding. The present level of contingency is £300,000, which can be increased to £600,000 by adding—</p> <ul style="list-style-type: none"> <li>• VAT recovery of £200,000</li> <li>• Reduction in FF&amp;E (furniture, fittings and equipment) of £100,000.</li> </ul> <p>Cash flow can be increased through managing the timing of procurement for the minor capital items.</p> <p>The Joint Committee <b>RECOMMENDED</b> to Corporation—</p> <ul style="list-style-type: none"> <li>• a gross project cost of £23,145,000 as approved by the LSC</li> <li>• an increase in the contingency provision of £600,000 proceeding with issuing a contract to Marriott Kier for a sum of £17,993,425.</li> </ul>	Chair/ CL	11.01.08
2.2	<b>F&amp;R/22/07-8</b> Proposal of Investment of Sales Proceed from City Centre Campus and VAT Mitigation – Confirmation of Way Forward	<p>Chris Lang tabled a paper that referred to the discussion at the Finance &amp; Resources Committee on 28 November 2007 on the proposal to adopt a balanced approach of—</p> <ul style="list-style-type: none"> <li>• investing the sales proceeds in the Scottish Widows Investment Partnership upon receipt</li> <li>• considering best proposals from Lloyds TSB and Barclays for investing the sales proceeds in money market deposits over the life of the project</li> <li>• paying off the current loan from Barclays for F Block</li> <li>• establishing a facility for £4-5m that can be drawn at any time up to 31 December 2009 to cover potential borrowing requirements at the end of the Single Site Project.</li> </ul> <p>Governors discussed whether there was sufficient information available on potential investment vehicles to make a decision on the use of the funds beyond paying off the current loan.</p> <p>The Joint Committee <b>APPROVED</b> the immediate clearing the loan from Barclays Bank, and <b>RECOMMENDED</b> to Corporation that the Finance and Resources Committee is authorised to determine investment of the funds.</p>	CL	Immediate effect

Section 3			Action	By
3.1	Self-Assessment of Governor Performance	Deferred.		
3.2	Any Other Business	There was no other business.		
3.3	Date of Next Meeting:	The date of the next meeting was agreed as 20 February 2008.		

The meeting ended at 3.00 pm.

Julia Kennedy  
Clerk to the Corporation

Signed .....Chair

Date.....