

**HARROW COLLEGE FURTHER EDUCATION CORPORATION
DRAFT MINUTES OF THE MEETING OF THE
PROPERTY & ACCOMMODATION COMMITTEE
TUESDAY 1 APRIL 2008**

1. ATTENDANCE, APOLOGIES FOR ABSENCE & WELCOME

Membership:	Dr B Field	(Principal)
	Mr P Harding	
	Ms J Radia	(Chair)
In Attendance:	Ms J Chaplin	(Clerk)
	Mrs S Harrison	
	Mr T Medhurst	(Principal Designate)
	Mrs R Prindiville	
	Mr M Westmore	
Apologies:	Mr C Hurst	

On behalf of the Committee, the Chair welcomed the Principal designate to the meeting.

2. DECLARATIONS OF INTEREST, CONFIDENTIAL ITEMS & AGENDA ORDER

There were no declarations of interest declared.

3. MINUTES OF PREVIOUS MEETING

The Minutes of the Meeting held on 4 February 2008 were confirmed as a correct record, and were signed by the Chair.

4. MATTERS ARISING

There were no matters arising.

5 ACCOMMODATION & PROPERTY REPORTS

One Harrow Progress Report

The Committee received the One Harrow Progress Report updating members on developments since the last meeting and a verbal update on matters since the publication of the papers.

It was reported that:

- 5.1.1 Generally, good progress had been being made with all parts of the project, with the exception of the negotiations with Transport for London.
- 5.1.2 A positive meeting had also been held with the LSC, as part of their review process, although they were also concerned about the situation with Transport for London (TfL).
- 5.1.3 Work on the building design and detail continued with consultation groups involving members of staff supporting the architects in the development of the design.

Members were advised that:

- 5.1.4 With regard to the TfL issue, TfL and London Underground Ltd (LUL) had made little progress in resolving their exact requirements for accommodation at Harrow on the Hill. It was reported however, that a revised proposal had been developed which reduced the amount of land the College would purchase to just the that necessary to construct the College building, with TfL retaining ownership of the eastern section, sufficient land for the development of their own accommodation. Members welcomed confirmation that this had been discussed with TfL, whose initial response had been positive.

It was noted that the effect of this approach would be that the College could no longer offer for sale the Harrow on the Hill campus with the TfL land and that the Harrow on the Hill (HoH) campus would need to be re-marketed without the TfL land. It was reported that:

- This process had commenced with the College inviting offers on an unconditional basis for the HoH campus.
- Unconditional offers had been requested because there was insufficient time to obtain Town Planning Consent for the redevelopment of the Harrow campus as residential. It was noted, however, that the application for residential development on the entire site had already been submitted and would proceed as it was anticipated that this would set a precedent.
- This revised proposal put forward as a solution had been discussed with the LSC who had accepted it as outlined.
- Overall, the reduction of capital receipts would be commensurate with outgoings. It was noted that although there would be a reduction in net receipts, this would be balanced by the increased value of the land since the valuation submitted to the LSC.
- Support had also been requested from the College's local MP, which appeared to have been successful, because TfL had indicated that they were determined to find a solution that would not prevent the College scheme from proceeding.

It was noted that at the time the report was distributed the premium offer made by the College for the station car park had been declined as they were not yet in a position to exactly decide their own requirements. Members were advised however, that Heads of Terms had subsequently been agreed and that a revised offer of £550K had now been submitted and that a response was awaited.

- 5.1.5 Notwithstanding the issues with TfL, the project remained on-programme, although TfL contracts would need to be exchanged in a very short period of time. It was noted that the application in detail would be submitted to the LSC in July 2008, ready for work to commence on site at the end of the year.
- 5.1.6 Town Planning applications had been submitted and registered and that discussions continued with London Borough of Harrow regarding the College's Application and, in particular, with the GLA regarding the areas of their interest. It was noted that the most significant of these was the Energy Strategy, preliminary feedback about which from the GLA which was generally reasonable, although a considerable amount of work would need to be done to persuade them that the College did not wish to be a generator of energy for the redevelopment.

It was reported that within the Town Planning process, Section 106 Agreements required conclusion for each of the developments:

- Reduction in affordable housing on residential development.
- Local planning requirements for residential development.
- Local planning requirements for College development.

It was noted that the details for the first of the Agreements had already been agreed in principle with the GLA and that discussions have started with the London Borough of Harrow for the remaining two. Members were advised that the College anticipated being required to make a contribution to local amenity improvements from both the residential and College schemes.

- 5.1.7 With regard to the Harrow Weald Campus, and following detailed analysis of the offers received, the College had accepted advice from Drivers Jonas to proceed with the offer from Miller Homes.

Members were reminded that Miller Homes had made two offers, one on a non-deferred basis and the second on a deferred basis. It was noted that:

- If the contract and programme continued exactly as planned the deferred offer would be marginally more attractive to the College in terms of financial value.
- Conversely, if the project was delayed and vacant possession could not be given as anticipated then the value of the non-deferred offer would become greater.
- Whilst there was higher value with a deferred offer, it carried a greater risk. Members were advised that that having considered this in detail, the recommendation was to accept the non-deferred offer from Miller Homes.

- 5.1.8 With regard to the Harrow on the Hill campus, discussions with previous purchasers had ceased and that the marketing of the revised area had commenced and all previously interested parties had been advised.

- 5.1.9 A review meeting with the LSC was held with the LSC on 5th February. It was noted that the main issue of discussion had been the TfL issue. It was reported that the LSC remained updated on the progress, including the current proposal, and that whilst concerned, overall it continued to provide strong support.

There was a discussion of the position with TfL, and the legal and financial implications for the One Harrow project; and the Director of Estates & Facilities and the College's professional advisers were commended by members on his persistence in bringing the matter towards a more positive outcome

After consideration it was **RESOLVED** to:

- 5.1.10 **NOTE** the report.

5.2 Minutes of the One Harrow Project Board Meeting.

The minutes for the One Harrow Project Board Meeting were received and noted.

5.3 Items for Approval

Members were advised that since the last meeting the following items had been signed off by the project Board:

- 5.3.1 The Approved Tender Report
- 5.3.2 Costs in respect of
- 5.3.3 Ground source heat supply
- 5.3.4 Current space and budget

After discussion of each of the items it was **RESOLVED** to:

5.3.5 **ENDORSE** the signing off of all of the items as outlined.

6. FINANCIAL REPORTING

Cash Flow & Monitoring Report

The cash flow and monitoring report was received from the Director of Finance.

The actual and predicted cash flow forecast for the period was considered.

Members were advised that:

6.1.1 With regard to LSC financial support, the LSC finance team had confirmed approval of the College's AiP application at £112,638,403 with 67% grant support level. It was noted the long term borrowing was now stated at £13,670,673 and that this sum had been queried with the LSC as the term year forecast supporting the AiP application included a bank loan of £10million.

It was reported that:

- To process the College's request for interim facilities to bring the application to the detailed stage further information was required that the College was in the process of collating.
- The LSC had also advised that the College could now apply for capital fee support of up to £670K for allowable consultancy fee costs to bring the application to detailed stage.

6.1.2 The cash flow to the end of March 2008 was buoyant, mainly due to the LSC front-loading of the recurrent funding profile by over £3million. It was noted that if this support had not been received then the current balance at bank would have been around £800K.

It was reported that Drivers Jonas had now provided a cash flow report itemising expenditure on a monthly basis through to 2012 and that the total amount of expenditure was £140,690,872, including inflation, and that LSC approval would be for expenditure at current prices.

It was noted that the balances had now been incorporated into the College cash flow, together with projected short term support from the LSC.

It was reported that the current predicted cash flow showed that the College was likely to go into overdraft in July 2008, with a prediction that the College would be overdrawn by £227K during that month. Members were advised that this potential position had been discussed with the College's Relationship Manager at its bank and that overdraft facilities of up to £2.5 million would be put in place pending receipt of borrowing consent from the LSC.

After discussion it was **RESOLVED** to:

6.1.3 **NOTE** the cash flow and monitoring report

7. OTHER BUSINESS

7.1 Principal's Farewell

It was noted that it was the Principal's last meeting before her retirement.

On behalf of the Committee, the Chair paid tribute to the Principal for all her hard work during her time as Principal and in the progression of the College's property strategy in particular.

The Committee thanked the Principal for all her hard work and wished her well in her retirement.

8. DATE OF NEXT MEETING

It was agreed:

8.1 To cancel the meeting scheduled for Wednesday 7 May 2008 @ 7.00pm.

8.2 That the next meeting would take place on **Wednesday 4 June @ 7.00pm.**