

# HARLOW COLLEGE FURTHER EDUCATION CORPORATION

## RESOURCES COMMITTEE

### Minutes of the meeting held virtually on Zoom on Thursday 03 December 2020

Membership: \*Eddie Johnson (Chair)  
\*Julian Bedford  
\*Jo Breen  
\*Liz Laycock  
\*Brian Spencer  
\*Karen Spencer  
\*Paul Taylor

*\* Denotes Present*

In attendance: Paul Whitehead, Vice-Principal  
Deanne Morgan, Executive Director – Finance & Facilities  
Natalie Smith, HR Business Partner  
Ruth Lucas, Head of Governance

#### **1 Apologies for Absence**

There were no apologies for absence.

#### **2 Declarations of Interest**

Eddie Johnson declared that he is an Essex County Councillor.

#### **3 Membership of the Committee and Election of Chair**

The Resources Committee welcomed Liz Laycock as a new member of the Committee and Eddie Johnson was elected unanimously as the Chair of the Committee.

#### **4 Minutes of the Previous Meeting**

The minutes of the Resources Committee meeting held on 23 June 2020 were agreed as an accurate record and signed by the Chair.

#### **5 Matters Arising from the Minutes (not mentioned elsewhere on the agenda)**

There were no matters arising.

#### **6 Management Accounts for the Period 1 August 2020 – 31 October 2020**

The Resources Committee received and considered the Management Accounts for the period 1 August 2020 – 31 October 2020, presented by Deanne Morgan, Executive Director – Finance and Facilities.

Deanne Morgan confirmed that current end of year forecast is £144k in deficit however the College continues to generate underlying cash. The overall income forecast is on target and reflects that the College's target is lower than the full contract value due to the impact

COVID-19 has had on achieving full contract values. There is the opportunity for the College to earn more than is forecast, up to the full contract value, if the situation improves.

Governors noted that HE recruitment figures are low and that project funding has been reflected in the management accounts.

Deanne Morgan confirmed that staff costs are on target with the exception of LGPS costs. Pension costs are rising and the forecasts reflect the latest information the College has with regards to this. This is classed as a non-cash item, therefore the College is generating underlying cash despite having a predicted deficit at year-end. Deanne Morgan confirmed that there has been changes to the discount rate and the way the market is currently performing. The market is not performing well due to COVID-19 therefore pension costs are increasing. It is not yet known whether costs will increase or decrease next year.

Governors noted that non-pay costs and the balance sheet are on target.

Governors were informed that the College had received £1m in FE estates funding from the ESFA which needs to be spent by 31 March 2021.

Deanne Morgan highlighted the loans which are due for renewal in May 2021 which are classed as a short-term liability, however the College intends to refinance these. The cashflow assumes that the loans will be refinanced and has been amended to reflect the T-Level capital grant and associated expenditure.

Governors were informed that the College has invested in 450 staff laptops as part of its renewed IT strategy.

Deanne Morgan confirmed that the bank covenants are forecast to be met for the next four quarters and the ESFA financial health rating is forecast to remain as good.

Governors' attention was brought to the banking facilities the College has with Clydesdale and noted that there is no proposal to change the current facilities and no overdraft is forecast to be required.

The Resources Committee noted the following:

- The loan repayments due in May 2021 and the College's intention to refinance the loans;
- The forecast position in terms of financial health and banking covenants;
- The Clydesdale banking facilities;
- The cashflow forecast from the management accounts was returned to the ESFA in November as required.
- The management accounts for the period 1 August 2020 – 31 October 2020

## **7 Human Resources Reports**

### **7.1 Annual Human Resources Report 2019/2020**

The Resources Committee received and considered the Annual Human Resources Report 2019/2020, presented by Natalie Smith, HR Business Partner.

The report was taken as read by the Committee with Governors' attention was brought to different sections of the report.

HR Services have been working hard with academic teams, updating role profiles to fully reflect the role undertaken and the title "tutor" has changed to "teacher". This review has been fully implemented.

The College is continuing to work through the Trade Unions Collective Agreement. One element of this was to reduce the working week from 37 hours to 35 hours. Governors expressed their concern around this. Paul Whitehead reported that discussions have been held with College departments and members of the Principalship and the feedback was less around the reduction in working hours and more around flexibility with working hours. Karen Spencer reported that the College has informed the Trade Unions that a reduction to a 35 hour working week is not possible however the College will look at ways to allow staff to work more flexibly, based on the experience and lessons learnt during lockdown. The Resources Committee agreed that offering flexibility is good and that the College has proved during lockdown that it can operate effectively whilst offering staff flexibility.

Staff recruitment has continued throughout 2019/2020 and remained steady throughout COVID-19. The College has been successful in recruiting good calibre staff however there are still some recruitment challenges in hard to recruit to areas, such as the trade areas.

Governors were informed that sickness absence rates have decreased compared to previous years and this is reported across the sector. It is believed part of this is due to staff working from home and are able to do so when feeling unwell rather than having to come into the College.

Staff turnover has decreased, with staff reporting that they are happy working for the College and have job security.

Natalie Smith outlined the future work of HR Services which includes the 2021 staff survey and looking at the remaining elements of the Trade Union Collective Agreement.

Paul Whitehead updated the Committee on the College's proposed approach to pay rises and where possible a proactive approach will be taken, dependant as ever on the College's finances. Paul Whitehead confirmed that a 1% increase was factored into the College's budget for this year however it would not be awarded immediately and would be based on affordability. Karen Spencer reported that the national picture has been looked at and a 0.5% backdated and consolidated increment will potentially be proposed for this year with a 1% increment next year. These proposals are subject to affordability and will be presented at the next joint Union and Management meeting. The 16 – 18 funding base rate has increased from £4,000 per student to £4,188 and the Unions are looking to see how this increase is being spent. A proactive approach to use it on staffing will be welcomed by the Unions. Karen Spencer reported that the Association of College's response to the Unions' pay claim had been published during this meeting and the College would therefore need to look at this in detail, along with an affordability assessment. The Resources Committee endorsed this approach subject to affordability, with a fuller proposal being presented to the Corporation.

Paul Whitehead confirmed that the College's relationship has a positive, proactive relationship with the Unions.

Paul Taylor raised the College's staff costs to income which is 70% against a sector benchmark of 65% and commented that at some point this will have a detrimental effect on the College's finances. Karen Spencer informed the Resources Committee that the 65% benchmark is based on sub-contractors and services, such as catering and cleaning, being contracted out. As the College does not sub-contract or contract out any of its services, there is not a like-for-like comparison. Paul Taylor asked if these costs could be broken out however Karen Spencer confirmed that not all costs are broken down in the same way and that in a review of the management accounts, a detailed discussion was held around which costs went into which category. Paul Whitehead confirmed that the 65% sector benchmark is a misleading figure however he would be happy to look at the College's data to see if these figures could be made clearer.

Paul Taylor asked about the figures in the report regarding mental ill health as the figures in Chart E – Reasons for Absence do not match with the figures in Chart J – Occupational Health Referrals. Natalie Smith confirmed that the categorisation of sickness is being looked at by the College to ensure that there is more clarity around categorisation and work is being undertaken with Occupational Health to address this. For example many cases are of staff being initially signed off with stress or depression and then following an occupational health assessment, it is categorised as mental ill health. Karen Spencer reported that mental ill health has a medical definition and this is needed for the occupational health categorisation. Paul Taylor asked the College to ensure that mental ill health is not just being categorised as stress or depression by the College as the mental ill health figure in Chart E could be misleading.

The Resources Committee thanked Natalie Smith and noted the Annual Human Resources Report.

## **7.2 Human Resources COVID-19 Report**

The Resources Committee received and considered the Human Resources COVID-19 Report, presented by Natalie Smith, HR Business Partner.

Natalie Smith informed the Resources Committee that the report was a follow-up report to the one presented to the Corporation in July 2020 and provided details of what the College has done in response to COVID-19 from a HR perspective.

HR Services have worked closely with the Principalship in line with government recommendations and have gone above and beyond expectations to support staff and to keep them safe, and have continued to work closely with the College's occupational health provider.

Management have worked closely and positively with the Trade Unions throughout this period, holding regular weekly meetings, and this is not the experience of other colleges. Eddie Johnson reported that the College's positive relationship with the Unions is excellent.

A questionnaire was sent to all staff covering a multitude of questions. Responses were dealt with on an individual level, with no blanket approach having been taken. HR services have provided personalised answers to questions and queries raised by staff and they have encouraged staff to talk to occupational health and the Health and Safety Manager where appropriate.

There continues to be a split approach taken with regards to home working, with each team having individual, specific requirements.

Natalie Smith outlined the process for recording confirmed and suspected cases of COVID-19, with reporting to the Local Authority, Department for Education and Public Health England as required.

Jo Breen asked if the confirmed cases were contracted externally rather than from within the College. Karen Spencer confirmed that the College reports every student and staff case to the Department for Education and each case has been deemed as non-College contraction.

Paul Taylor thanked Natalie Smith for the good report and asked to ensure that the references to mental ill health referred to in paragraph 12 of this report correlate with the figures in the Annual Human Resources Report. Karen Spencer reported that the previous year's figure for mental ill health could have been 0% however the 64% occupational health referrals for mental ill health could be different data. 64% of all referrals to occupational health have reported a mental ill health concern and in the context of COVID-19, staff are feeling more anxious.

Paul Whitehead confirmed that it is positive that staff are comfortable to access the services offered by HR and raise their concerns and this is testament to the work of HR Services.

Karen Spencer reported that there has been positive feedback from staff in the clinically vulnerable category and often the College is seen as the safest place for them to be. This is testament to the work of HR Services, occupational health and the Health and Safety Manager.

The Resources Committee thanked Natalie Smith and noted the Human Resources COVID-19 Report.

## **8 Any Other Business**

Deanne Morgan informed the Resources Committee that a financial return needs to be submitted to the ESFA by 31 January 2021 and the forecast figures included in the return need to be approved by the Corporation. This requirement was announced earlier this week.

Deanne Morgan outlined the options available to the Corporation as follows:

- Use the October 2020 management accounts for the return which will be presented to the Corporation at its meeting on 17 December 2020;
- Delegate authority to the Accounting Officer and a group of Governors to approve

the return in January 2021 based on the latest figures available and report retrospectively to the Corporation and the Resources Committee at their next meetings.

A detailed discussion was held around when the November 2020 and December 2020 management accounts would be finalised and the Resources Committee agreed that the most up-to-date figures should be used for the return. Paul Whitehead reported that using the latest figures would ensure that they are more accurate and that there is already good scrutiny of the College's finances through the Corporation and Committees.

The Resources Committee agreed that a small group consisting of the Corporation Chair and Vice-Chairs, Chairs of Committees and the Accounting Officer will meet before the 31 January 2021, once the December 2020 management accounts have been finalised, to approve the forecast figures to be included in the financial return. The figures will then be reported to the Resources Committee and Corporation retrospectively at the meetings in March 2021.

## **9 Dates of Future Meetings**

Spring Term 2021	Thursday 04 March 2021	8.30am
Summer Term 2021	Tuesday 11 May 2021	8.30am
	Thursday 22 June 2021	8.30am