

# HARLOW COLLEGE FURTHER EDUCATION CORPORATION

## RESOURCES COMMITTEE

### Minutes of the meeting held on Thursday 01 March 2018

Membership: \*E Johnson (Chair)  
\*J Bedford  
\*J Breen (by telephone)  
\*B Spencer  
K Spencer  
\*P Taylor

*\* Denotes Present*

In attendance: M Stokes, Deputy Principal  
W Allanson, Vice-Principal  
D Morgan, Executive Director – Financial Services  
P Whitehead, Executive Director Information, Data & Support  
D Sheridan, Clerk to the Corporation  
R Lucas, Deputy Clerk to the Corporation

#### **730 Apologies for Absence**

Apologies for absence were received and accepted from K Spencer.

#### **731 Declaration of Interest**

E Johnson, as an Essex County Councillor, declared an interest in agenda item 741-VAT Refund to Harlow College.

#### **732 Minutes of the Previous Meeting**

The minutes and confidential minutes of the Resources Committee meeting and the joint Audit and Resources meeting both held on 30 November 2017 were agreed as an accurate record and signed by the Chair.

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

There were no matters arising.

#### **734 Management Accounts for the period 1 August – 31 January 2018**

The Resources Committee received and considered the Management Accounts for the period 1 August 2016 – 31 January 2018, presented by D Morgan, Executive Director – Financial Services. The management accounts were discussed in detail and Governors asked questions.

Governors noted that year-end surplus is slightly lower than forecast and the income has been reforecast accordingly. This is mainly due to a reduction in HE learners and apprenticeship income. Non-pay expenditure has been reduced and a spending freeze implemented. Governors noted that although income is approximately £600k less than originally forecast the surplus is only approximately £100k less than forecast.

P Taylor asked if the apprenticeship income was less than expected. P Whitehead explained that the College's apprenticeship allocation has been reduced for May 2017 to December 2017 and for January 2018 to March 2018 starts, the College has only been allocated £13k for 16-18 non-levy apprenticeship starts. The College will submit a business case for growth. Currently the College is on track to achieve the revised figures in the contract.

Cash flow is good. The College's financial health rating is good and is predicted to continue to be rated as good. Both bank covenants are being met and are forecast to be met throughout the year.

Governors noted that the expenditure on Stansted Airport College has been incorporated in the management accounts.

The Resources Committee was informed that a swap arrangement for the loan, as previously discussed by the Corporation, has been agreed with the bank at a rate of 1.42%. This swap covers three of the College's loans – Building K, HAMEC and a loan covering Phase 4.2. After a discussion, Governors agreed in principle to extend the term of the loan for Building K from November 2019 to May 2021 to align with the HAMEC loan. The total cost of this is £600 in legal fees. The Resources Committee agreed to recommend this realignment to the Corporation meeting on 15 March 2018.

The Resources Committee approved the Management Accounts for the period 1 August – 31 January 2018 and agreed to recommend the realignment of the Building K loan to the Corporation.

### **735 Stansted Airport College**

The Resources Committee received and considered the report on Stansted Airport College, presented by W Allanson, Vice-Principal.

Governors were informed that the programme is on track for a handover on 6 August 2018. The issue around water attenuation has altered the programme slightly however this should not have a big impact on the overall programme. W Allanson highlighted the summary of progress and work taken place to date. The contractors are engaging well with the College and are facilitating site visits. E Johnson asked if the weather will have an impact on the programme. W Allanson confirmed that whilst no impact is expected at present, if the weather continues, it could cause an issue.

The Committee noted that the original budget was £7.35m, however with a Harlow College contribution of £600k, the budget now stands at £7.95m. The current estimated cost of the project is £8,080,466, therefore is over budget by £130,466, largely due to the constraints of building within the airport boundary. No additional budget increases are anticipated. E Johnson asked if some due diligence around the costings had taken place initially and if so, why there is a projected overspend in the budget. W Allanson confirmed that the increased costs were mainly due to the belief that all services were on site and that there are some future-proofing in the costs as well. J Bedford asked if the contingency was included in the overrun however this has not been factored in.

140 visitors attended the last open evening at Stansted Airport College and interviews have taken place this week at which further offers have been made. To date, 139 offers have been made. The capacity of the building is 530 students, however numbers in

year 1 will be capped at 340 to ensure there is capacity in year 2 for new students and existing students. Governors were informed that there is capacity at Harlow College to take up to 40 year 2 students a day if Stansted Airport College is oversubscribed, however Governors raised that some students may be applying to Stansted Airport College because of its location and that this is something the College needs to be aware of. Governors noted that applications to Harlow College have increased this year despite the offer at Stansted Airport College.

A Deputy Head of College has been appointed and the College is now advertising for an aircraft maintenance engineer to help curriculum development and resource development.

The Resources Committee noted the report on Stansted Airport College.

### **736 Applications and Offers 2018/19**

The Resources Committee received and considered the report on applications and offers for 2018/19, presented by M Stokes, Deputy Principal. The Committee noted that overall Harlow College applications have increased by 9% in comparison to this time last year. There has been a 48% increase in engineering applications, 32% increase in business and travel and 29% in hospitality which highlights that Stansted Airport College has had no negative effect on Harlow College applications. A wider geographical spread of applications has been reported.

Governors noted that the College is allowing students to apply for a place at Stansted Airport College and Harlow College and this has been taken into consideration when modelling conversion rates. Students are being asked at interview which offer they are likely to accept.

The College has seen a growth of 57 16-18 year olds and a business case is being submitted to the ESFA for Stansted Airport College for these learners. This is critical for the College's financial stability as without this funding the College will be facing a significant deficit. The decision on the business case is expected by June 2018 and is likely to be based on enrolment numbers rather than accepted place numbers.

The Resources Committee noted the report on applications and offers 2018/19.

### **737 General Data Protection Regulation and Data Protection Policy**

The Resources Committee received and considered the report on the General Data Protection Regulation (GDPR), presented by P Whitehead, Executive Director – Information, Data and Support and R Lucas, Deputy Clerk to the Corporation. The Resources Committee noted that the Data Protection Policy will be presented to the Corporation at its meeting on 15 March 2018. Governors were informed that GDPR comes into force on 25 May 2018 and that the College has mapped out its preparation against the Information Commissioner's Office's 12 point plan.

Governors noted that three contingency internal audit days are being used for a GDPR audit, one day of which has already taken place which reviewed progress to date and the other two days are scheduled for 26 and 27 March 2018. P Whitehead provided Governors with feedback from the first audit day. College-wide information audits are being undertaken to identify what information the College currently holds and form

these audits, a College-wide action plan will be developed.

It is acknowledged that all organisations are on a journey to become fully compliant with GDPR and that organisations need to be as confident as possible that safeguards are in place to protect themselves and the data subjects. E Johnson asked what the impact would be if the College was not fully GDPR compliant. P Whitehead confirmed that the risk is a data breach which needs to be reported to the Information Commissioner's Office who will investigate the breach. The College will have to prove that reasonable safeguards had been put in place with the knowledge the College currently has. It was acknowledged that published information and guidance is continually being reviewed and updated. Fines for data breaches can be up to 4% of annual turnover or €20m, whichever is higher. P Whitehead did highlight that the College does not use data inappropriately and all use and collection is reasonable and legitimate. A discussion was held around Point 12 – International – of the Information Commissioner's Office's 12 point plan.

J Breen commented that the College's plan is robust and in line with Raytheon UK's approach. J Breen highlighted that a risk and gap analysis would be beneficial from which a plan can be developed.

The Resources Committee noted the report on the General Data Protection Regulation.

### **738 Institutes of Technology**

The Resources Committee received and considered the report on Institutes of Technology, presented by D Sheridan, Clerk to the Corporation.

The Clerk reminded Governors that Institutes of Technology were a central part of the Government's plan for skills and linked to the Industrial Strategy. The College submitted an Expression of Interest to establish an Institute of Technology and the Clerk attended a conference. The DfE released a range of regulations and expectations for Institutes of Technology and from the information received, the College decided not to submit a full application to establish an Institute of Technology.

D Sheridan summarised the reasons why the College is not pursuing an Institute of Technology which include the requirement to be rated good for apprenticeships by Ofsted, the need to cover the whole geographical area of the Local Enterprise Partnership, the requirement that 80% of the learning is at Levels 4 – 7 and that it would need to be a separate organisation with its own governance structure.

The Resources Committee agreed the College's approach and decision not to submit a full application to establish an Institute of Technology.

### **739 Any other business**

There was no other business.

### **740 Dates of future meetings**

Summer Term 2018	Thursday 10 May 2018	8.30am
	Thursday 28 June 2018	8.30am