

HARLOW COLLEGE FURTHER EDUCATION CORPORATION

RESOURCES COMMITTEE

Minutes of the meeting held on Thursday 01 December 2016

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

** Denotes Present*

In attendance: M Stokes, Deputy Principal
D Morgan, Executive Director of Financial Services
S Appleby, Executive Director of HR Services (agenda items 683 and 684 only)
D Sheridan, Clerk to the Corporation
R Lucas, Deputy Clerk to the Corporation

675 Apologies for absence

Apologies for absence were received and accepted from J Breen.

676 Declarations of interest

E Johnson declared an interest as he is an Essex County Councillor and the College has a funding contract with Essex County Council.

677 Minutes of the previous meeting

The minutes of the Resources Committee meeting held on 30 June 2016 were approved as an accurate record and signed by the Chair.

678 Matters arising from the minutes (not mentioned elsewhere on the agenda)

678.1 Two Year Financial Forecast and Draft Budget 2016-18 (minute 668 refers)

The Principal reported whilst it is recommended that staff costs are in the region of 60% - 63% of income, the national average, according to information prepared for the Strategic Area Reviews, is 67%.

679 Management Accounts for the period 1 August 2016 – 31 October 2016

The Resources Committee received and considered the Management Accounts for the period 1 August 2016 – 31 October 2016, presented by Mike Stokes, Deputy Principal.

The management accounts were discussed in detail. Governors asked questions and noted the following:

- Figures are based on the forecasts presented to the Committee in June 2016.
- A surplus of £653k is forecast, against an original target of £218k.
- The full amount of high needs funding is being claimed from Essex and Hertfordshire County Councils.
- Funding is not spent until it is earned.
- The College is looking to recruit new staff with the appropriate capacity to deliver the College's current priorities. .
- An overdraft facility has been arranged for February, March and April 2017, however the cash flow is only predicted to drop below zero once throughout this period.
- The pay cost forecast has been adjusted due to the additional staff required to deliver on the high needs contracts. The cleaning staff have been TUPEd over to the College and the associated staff costs are now incorporated in the College's overall staffing budget.
- The banking covenants have been met.
- The College's financial health rating continues to be good and the College has received written confirmation from the SFA that the health rating is good.
- There is a new SFA indicator included in the management accounts – EBITDA – Earnings Before Interest, Tax, Depreciation and Amortisation.

The Resources Committee noted the management accounts for the period 1 August 2016 – 31 October 2016.

680 Recruitment of Students and Apprentices 2016/17

The Resources Committee received and considered the report on recruitment of students and apprentices 2016/17, presented by M Stokes, Deputy Principal.

The 16 – 18 full time learner target is 2,422 and currently 2,310 learners have been recruited. The amount of funding which the College receives has reduced overall due to transitional protection funding no longer being paid to colleges and a reduction in Harlow's disadvantage factor.

The College's target for 16 – 18 apprentices is £961k and the current profile stands at £948k. There are some starts still to go on the system and with these, the College is likely to exceed the target by approximately £200k. Partners are forecast to achieve their full allocation.

The funding for learners with high needs is paid on a lagged basis so the value should be much higher than the stated target. Community learning (PCDL) funding has been integrated into the Adult Education Budget (AEB) and is now based on what is delivered. The majority of the Adult Education Budget income has been secured. Partners have a small proportion of this. The College is on target to achieve the full income target, including 19+ apprenticeships.

Higher education recruitment is lower than forecast however it is forecast that £1.35m

income will be achieved.

The 19+ loan target is £267k however the income has increased to approximately £400k and currently the College has achieved £350k of this.

The Resources Committee noted the report on the recruitment of students and apprentices 2016/17.

681 Treasury Management Policy

The Resources Committee received and considered the Treasury Management Policy, presented by D Morgan, Executive Director of Financial Services.

D Morgan highlighted Section B which gives details of the College's loans and Section C which details capital expenditure and how it is funded.

P Taylor asked if money could be set aside to make further payments on the loans once the loan for Phase 1 finishes. It was stated that this is not possible due to the break costs that would be involved. The College's level of borrowing is not a concern.

The VAT elements, as detailed in Section D, were explained to Governors, along with the group structures. There will be a need to seek legal and tax advice when the companies become dormant.

The pension deficit was highlighted, along with the proposed options provided to colleges by Essex Pension Fund. Governors noted that the pension deficit will be added to the College's risk register.

The Resources Committee approved the Treasury Management Policy.

682 Harlow College Facilities Update

The Resources Committee received a verbal update on Harlow College facilities, presented by K Spencer, Principal.

The Harlow Advanced Manufacturing and Engineering Centre (HAMEC) is almost complete and the official opening is taking place on 10 March 2017. There will be a range of activities planned for that week to link into National Apprenticeship Week.

K Spencer updated Governors on the UTC. The UTC has acknowledged that it owes the College money and this is being worked through in conjunction with the Baker Dearing Trust. The UTC's sponsorship by a multi-academy trust is still on-going but not yet confirmed.

K Spencer updated Governors on the Stansted Airport Technical and Professional Skills Centre. Essex County Council and the LEP are waiting for full details on skills funding from the Government's Autumn Statement before confirming which bids have been successful. All options are currently being explored and K Spencer informed Governors that there is a big risk to the College if the project does not go ahead.

The Resources Committee noted the update on Harlow Colleges facilities and noted that a further update will be provided to the Corporation meeting at its meeting on 2 March 2017.

683 Human Resources Annual Report 2015 – 2016

The Resources Committee received and considered the Human Resources Annual Report 2015 – 2016, presented by S Appleby, Executive Director of HR Services. S Appleby highlighted that the report details HR trends for the last academic year and she presented key areas. Governors noted / discussed the following:

The sickness absence rate has reduced by 17% which equates to 716 days. The majority of sickness absence is related to long-term sickness. For purposes of comparison, the AoC benchmark is used however this is last year's data and only 40% of colleges responded to the survey, therefore the Chartered Institute of Personnel and Development benchmarks have also been used. The College's health and wellbeing programme has had a positive impact throughout the year.

There has been no significant change to staff turnover. Not a lot of information is collected on the reasons for staff leaving.

There have been fewer staff disciplinary cases. Work is undertaken to resolve issues where possible at an informal stage, before a formal route is followed.

There have been some structural changes throughout the year including catering and cleaning staff being TUPEd over to the College.

In discussion, B Spencer asked what the difference is between stress and depression and mental ill health. S Appleby confirmed that the College uses the CIPD categorisations and tries to align these with what the College needs to report to the Association of Colleges. Governors acknowledged that mental ill health can still be difficult to discuss and S Appleby confirmed that the College provides support to all individuals. The categories of ill-health that are recorded are taken from self-certificates from staff or for medical certificates.

E Johnson highlighted that all categories of illness has decreased apart from injury and accident, minor illnesses and stress and depression and asked if the minor illnesses need to be considered in greater depth. It was noted that whilst the number of minor illness cases has increased, these relate to short-term absences and this rate has decreased. The Principal recommended looking at the percentage of individual people rather than the number of days as a significant increase in a figure could relate to only one person.

J Bedford asked if any of the work-related injuries had any health and safety and / or legal implications. S Appleby confirmed that one case had and as a result internal processes had been changed.

The Resources Committee noted the Human Resources Annual Report for 2015 – 2016.

684 Sickness Absence Improvement Policy

The Resources Committee received and considered the report on the Sickness Absence Improvement Policy, presented by S Appleby, Executive Director of HR Services.

S Appleby informed Governors that there are some proposed minor amendments to the Policy. The language used has been moderated and HR will now decide whether threshold meetings will take place as there is no consistency with managers around holding these meetings.

E Johnson expressed his concern that managers should manage and HR should provide an advisory role, therefore the managers should decide if threshold meetings should take place. It was highlighted that the threshold meetings are part of a process and some staff have opted not to follow the process through, therefore in the interim, HR will make the decision regarding whether or not to hold a threshold meeting. This allows HR to open up a discussion with managers to ensure the meetings happen and if the meetings do not take place, the College would be opened up to legal challenge. The change to the Policy is designed to be a mechanism to change the organisation's culture and practice.

P Taylor asked if this change would be resource intensive for the HR team and S Appleby confirmed that it would not.

A further amendment in Section 2.4 was requested so that the Policy would include apprentices.

The Resources Committee approved the amendments to the Sickness Absence Improvement Policy.

685 Any Other Business

There were no items of any other business.

686 Dates of Future Meetings

Spring Term	Thursday 02 March 2017	08.30am
Summer Term	Thursday 11 May 2017	08.30am
	Thursday 29 June 2017	08.30am