

HARLOW COLLEGE FURTHER EDUCATION CORPORATION

RESOURCES COMMITTEE

Minutes of the meeting held on Tuesday 3 May 2011

Membership: *M Coleman (Chair)
 *C Hindmarch
 M Jackson
 E Johnson
 S Modaley
 *B Spencer
 *P Taylor

** Denotes Present*

In attendance: Richard Allanach, Deputy Principal, Finance
 Nick Spenceley, Deputy Principal
 Deborah Sheridan, Clerk to the Corporation

370 Apologies for absence

Apologies were received from M Jackson, E Johnson and S Modaley.

The Committee elected M Coleman as Chair for the meeting.

371 Declarations of Interest

There were no declarations of interest in items on the agenda.

372 Minutes of the previous meeting

The minutes of the meeting held on 1 March 2011 were approved as a correct record.

373 Matters arising from the minutes.

373.1 Pay Negotiations 2010-11 (Minute 359.1 refers)

The Principal confirmed that the pay award of 0.2% was paid to staff in April 2011.

373.2 University Technical College (Minute 367 refers)

Nick Spenceley updated Governors on the development of a University Technical College (UTC). Governors were reminded that at the Corporation meeting on 10 March 2010, the Board had discussed an application to establish a UTC in partnership with Anglia Ruskin University, local employers and with local schools as partners. At that point partnerships were not in place and the schools were not supportive. Governors identified, however, that if a potential competitor emerged offering 14-19 education, the Corporation may have to act to protect College provision. Nick Spenceley reported that this situation had now arisen, with the college being informed of the potential development of a 14-19 studio school in the town.

The deadline for the submission of the statement of intent was announced on 1st April as 14th April 2011.

373.2 In response, the College had confirmed the higher education and employer partnership and submitted the statement of intent to the Baker-Dearing Trust. The College was then selected to proceed to the next round, along with 39 other applications. From these, twelve UTCs will be approved. The Committee noted the process for submitting the application and agreed UTC developments should be discussed with the schools at the WESTVIC meeting on 6 May 2011. Governors noted that a full report on the UTC application will be made to the Corporation on 19 May 2011.

374 Management Accounts for the period 1 August 2010 – 31 March 2011

The Resources Committee received and considered the management accounts for the period 1 August 2010 – 31 March 2011. These were presented by Richard Allanach.

Governors noted that the College had made a surplus at the end of March and was predicting a larger surplus at the end of the academic year.

Governors noted significant adverse variances to the income budget in the SFA single adult allocation and in funded projects.

The Deputy Principal confirmed that the Skills Funding Agency had recognised the strengthening financial position of the College and had lifted the financial notice to improve.

Governors noted the cash flow forecast which showed cash holdings above forecast and budget. The Committee noted the college would continue to be solvent until the end of July 2011, i.e. the end of the College's financial year. The Committee noted the paper showing salary costs against budget. Richard Allanach confirmed the increase in salary costs in April 2011 reflected the implementation of the 2010/11 pay award and back pay.

The Committee thanked Richard Allanach for his report.

375 Estimates of College Income 2011-12

Richard Allanach presented a paper on the College's likely income for 2011-12 and reported that the shortfall the College faced in March 2011 had been halved.

Governors noted the level of funding from the YPLA, which would provide for Harlow College to teach 2802 learners, 115 fewer students than were currently in place. A further appeal against the level of YPLA funding will be made.

Funding for adult learner responsive funding from the SFA will increase in 2011-12. Governors noted how the College was responding in order to ensure the level of activity secured the funding available. The allocation of funding for 16-18 apprentices is currently below 2010-11 allocation and activity.

The Resources Committee noted the increase in projected funding for Higher Education Students and Governors expressed their gratitude to Mike Thorne, Vice-Chancellor of Anglia Ruskin University.

The Committee thanked Richard Allanach for his report.

376 Preparing a Budget for 2011-12

The Resources Committee received and considered the report presented by Richard Allanach on preparing a budget for 2011-12.

Governors noted and discussed the essential non-routine expenditure for 2011-12, elements of cash generation in 2011-12 and items of discretionary expenditure for which the Executive sought authority to include in the budget. The Committee considered these items and agreed to approve a budget for expenditure on all five.

The budget of 2011/12 is based on all permanent employees being retained or replaced should they leave. However, as the College is not predicting growth and funding in 2011/12 there will be fewer opportunities to move staff to areas of greater demand. In every year demand for individual curriculum areas change - some growing - some declining. Curriculum areas that grow significantly are likely to need additional staffing. Declining areas - that is areas where fewer staff are needed, will therefore be likely to have redundant posts. The staff who occupy these posts may be able to be redeployed elsewhere in the College. If not, they are liable to be redundant. The current estimate is that up to 19 posts may, from changes in demand and need, become redundant. Should this be the case then additional costs are incurred.

The Committee noted that the impact of these instructions, if followed by the Executive, would be to grade Harlow College's financial health as satisfactory.

The Resources Committee agreed to instruct the Executive to prepare a budget proposal that:

- 376.1 Makes allowance for the discretionary expenditure items listed in Table 3.
- 376.2 Uses the sources of funding listed in Table 4.
- 376.3 Assumes that in our battle with Dr Cable for more funded 16-18 apprentices, Harlow College will prevail.
- 376.4 Incorporates £513,000 of project income.
- 376.5 Makes a surplus of at least £250,000.
- 376.6 Provides a contingency fund of at least £400,000.
- 376.7 Makes no provision for a pay award in 2011-12.
- 376.8 May make provision for up to 19 posts to be declared redundant with an associated risk that some members of staff will become redundant.

377 Staff Pay Award

The Resources Committee received and discussed the Executive's proposals for the payment of back pay for the 2009-10 pay award.

The Committee agreed to recommend to the Corporation:

- 377.1 That the authority to determine whether any further payment of back pay in relation to the 2009-10 pay award should be delegated to the Principal and that he should exercise this discretion on or before 31 July 2011.
- 377.2 That the authority to determine in which month of 2011-12 any such back pay should be paid, should also be delegated to the Principal.

378 Tutor Fees Policy for 2011-12

Governors considered the tuition fee policy for 2010-12 and noted the current situation regarding the charging and payment of fees.

The Committee noted the assumption of the SFA that, when exemptions do not apply, full-time adult students will pay fees of £1,622 (£3.60 per hour). Governors were informed that, on a significant number of occasions, fee discounts were made to attract students to courses.

The Resources Committee agreed to adopt the following tuition fee policy for 2011-12.

- 378.1 To recognise the government backed fee exemption classes.
- 378.2 That everywhere the College can, it charges students for their exam fees and materials.
- 378.3 That the basic adult fee should be set at the rate of £3.60 per guided learning hour and
- 378.4 The Executive be authorised to offer discounts on the basic rate where market conditions suggest the full rate is unobtainable.

379 Overdraft Facility

The Resources Committee received and considered the paper on the College overdraft facility and agreed to recommend the following to the Corporation.

- 379.1 To extend the overdraft facility for a further year, pass a resolution that meets the bank's requirements and undertake to pay the bank £8,000.
- 379.2 Seek a technical change to our loan with the bank to make the second (and final) repayment on 1 August 2012 and not as currently documented on 31 July 2012.

380 Recruitment of Learners 2011-12

The Resources Committee received and noted the report of the Principal on the recruitment of learners in year 11 to the College.

The Principal reported that applications and offers were currently higher than at the corresponding point last year. The work of the staff is now to convert offers into firm enrolments at the College.

381 Any Other Business

There was no other business

382 Date of Next Meeting

Tuesday 28th June 2011 08.30am