

HARLOW COLLEGE FURTHER EDUCATION CORPORATION
RESOURCES COMMITTEE

Minutes of the meeting held on Tuesday 4 May 2010

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

**Denotes Present*

In attendance: Richard Allanach, Deputy Principal
 Bill Bryden, Assistant Vice-Principal
 Deborah Sheridan, Clerk to the Corporation

309 Apologies for absence

Apologies for absence were received from S Young and N Spenceley.

310 Minutes of the previous meeting

The minutes of the meeting held on 2 March 2010 were approved as a correct record.

311 Matters arising from the minutes

311.1 Management Accounts 1 August 2009 – 31 January 2010 (Minute 302 refers)

The Principal informed the meeting that he had received a letter from the Regional Audit Manager in connection with the audit of the Financial Management Control Evaluation. The meeting noted that the LSC Provider Financial Assurance Team concurred with the Corporation's assessment of Satisfactory.

311.2 Higher Education Strategy (Minute 306 refers)

The Principal informed Governors that the college had been allocated 100 HE learners in addition to the current BA Journalism students and this had now been confirmed by Anglia Ruskin University.

312 Management Accounts for the period 1 August 2009 to 31 March 2010

The Deputy Principal presented the Management Accounts for the period 1 August 2009 – 31 March 2010 and supporting commentary to the Resources Committee.

The Deputy Principal informed Governors that the accounts showed a worsening position with the forecast outturn now indicating a break-even rather than a small surplus. Governors noted the main contributory factors to this situation; that reductions in payroll costs did not match the budget and that full-cost training had not met forecasts.

The Resources Committee considered the solvency of the college and noted that the Skills Funding Agency had adjusted the funding profile of the college, thereby bringing the college beneath the 5% general borrowing consent.

The Deputy Principal reported on a range of Government funded projects that had not yet been factored into the accounts that could bring into the college additional income of up to £500,000. The committee noted the forecast financial position for 2009/10 and the three risks that would result in the accounts being worse or better than forecast.

In discussion, the committee noted the changing nature of funding for the college with growth in the activities delivered by the college-led APEX Consortium.

The Resources Committee approved the Management Accounts and supporting commentary for the period 1 August 2009 – 31 March 2010.

313 Funding Allocations for 2010-11

The Resources Committee received and considered the report of the Assistant Vice-Principal on indicative funding levels for 2010/11. Governors noted and discussed a number of alterations to figures presented to the committee since March 2010.

The Resources Committee discussed the bid submitted to the Skills Funding Agency for Apprentices aged 16-18 years. Governors noted the amount requested from the Skills Funding Agency and the indicative allocation to date. The Assistant Vice-Principal informed the committee that the outcome to the bid will not be known until the end of May 2010 at the earliest and that some elements might not be resolved until the autumn term.

The committee discussed the funding for Apprenticeships and the individual members of APEX and noted that negotiations with the Skills Funding Agency and National Apprenticeship Service had taken place. The committee noted the level of risk should the additional funding for Apprenticeships not be forthcoming.

The Deputy Principal drew the attention of the Resources Committee to the overall positive variance in funding of £416,872 for programmes delivered by the college and £844,557 for programmes delivered by the APEX Consortium. In considering the changing nature of funding for the college, the Deputy Principal informed Governors that the college will need to be able to adapt and react to changes in funding and secure additional funding streams that carry greater risk.

The Resources Committee thanked the Assistant Vice-Principal and Deputy Principal for their report.

314 Report of the LSIS Financial Adviser

The Resources Committee received the report of Chris Legg, Learning & Skills Improvement Service (LSIS) Financial Adviser. The committee agreed that, while working for growth income, it would plan on decreasing levels of income. Governors noted that a case conference with LSIS would take place on 6th May 2010.

315 Finance Action Planning

315.1 The Finance Action Plan

The Resources Committee received and considered the report of the Deputy Principal on the college's Strategic Financial Recovery and Improvement Plan. The committee noted that the Skills Funding Agency had issued the college with a Financial Notice to Improve (FNI) to achieve a satisfactory financial status by July 2011. Governors received and noted the FNI and the concerns raised by the Skills Funding Agency (SFA). The committee noted and approved the college response to the FNI which included: -

- a) The development of an operational plan for 2010/11 that places the college in a satisfactory financial position by 31 July 2011
- b) The Corporation to approve the operational plan as the budget for 2010/11
- c) Delivery of the budget for 2010/11.

The committee noted that the Chair of the Corporation had written to the SFA to acknowledge the FNI.

315.2 Additional loan to replace overdraft finance

The Resources Committee received and discussed the report of the Deputy Principal which sought the committee's advice on replacing the overdraft with a short term loan. The committee considered at length the potential strategic benefits and risks of this course of action.

The Resources Committee agreed that the Deputy Principal should approach the college's bank to discuss replacing some of the overdraft with a loan and to gauge its level of support. The committee agreed that the Corporation should consider the proposals contained within the Deputy Principal's paper at its meeting on 20 May 2010.

316 Towards a Budget for 2010/11

The Resources Committee received and considered the report of the Deputy Principal. Governors noted the timetable and process for setting the budget for 2010/11. Governors noted and discussed the budget constraints required to return the College financial health to satisfactory.

After consideration, the Resources Committee agreed that they would not:

- (a) Recommend any budget to the Board which required us to have an overdraft facility of more than 5% of turnover beyond 31 July 2011;
- (b) Recommend any budget to the Board which failed to secure at least 120 financial health points by 31 July 2011;
- (c) Recommend any budget to the Board which provided for a surplus in 2010-11 of less than £250,000; and
- (d) Recommend any budget to the Board which provided for a contingency of less than £250,000.

317 Fee Policy 2010/11

The Resources Committee received and approved the Fee Policy for 2010/11.

The Deputy Principal confirmed that the policy met the funding assumptions set by the Skills Funding Agency. Governors noted the categories of student that are exempt from paying fees.

318 Retention of Learners 2009/10 and Learner Recruitment 2010/11

The Resources Committee received and considered the report of the Principal on the Retention of Learners 2009/10 and Learner Recruitment 2010/11.

Governors noted further improvement in retention rates across the College. Governors noted and discussed learner recruitment figures, in particular those at two trust schools who had not released learners to attend College events. The Principal reported on actions that the College would take to boost applications from those schools.

319 Any other business

319.1 Request for an acknowledgement of achievement

The Chair and Vice-Chair of the Corporation reported on a request made for a plaque to be displayed on the College campus to acknowledge the achievement of Dr Charles Kao, Nobel laureate, in the field of optical fibre communications while working for STL in Harlow. The Committee was receptive to the proposal and agreed the matter should be referred to the Corporation.

There was no other business.

320 Dates of future meetings

Summer Term 2010	Tuesday 6 July 2010	8.30am
Autumn Term 2010	Tuesday 28 September 2010	8.30am
	Tuesday 7 December 2010	8.30am
Spring Term 2011	Tuesday 1 March 2011	8.30am
Summer Term 2011	Tuesday 3 May 2011	8.30am
	Tuesday 5 July 2011	8.30am