

HARLOW COLLEGE FURTHER EDUCATION CORPORATION

RESOURCES COMMITTEE

Minutes of the meeting held on Tuesday 06 May 2014

Membership: *E Johnson (Chair)
*J Breen
*M Coleman
*M Denny
*B Spencer
*K Spencer
*P Taylor

* Denotes Present

In attendance: M Stokes, Deputy Principal
P Marsh, Deputy Principal
D Sheridan, Clerk to the Corporation
R Lucas, Deputy Clerk to the Corporation

566 Apologies for absence

There were no apologies for absence.

567 Declarations of interest

There were no declarations of interest.

568 Minutes of the previous meeting

The minutes of the meeting held on 25 February 2014 were approved as a correct record and signed by the Chair.

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

There were no matters arising.

570 Management Accounts for the period 1 August 2013 – 31 March 2014

The Resources Committee received and considered the Management Accounts for the period 1 August 2013 – 31 January 2014 presented by M Stokes, Deputy Principal.

A general discussion was held around the management accounts which currently forecast a £336k surplus.

Governors discussed a range of issues arising from the accounts. The Deputy Principal reported that a short-term overdraft was taken out in March to cover a dip in cash levels. The dip was mainly due to expenditure on Building K and the ARU validation charges. The overdraft facility was taken out as a safeguard and was not actually required. It was agreed that the Chair of Governors be informed of such occasions.

Both banking covenants are currently being met and the College is confident that they will both be met at the end of the year providing the pension deficit is not included.

There has been an increase in capital expenditure due to bringing Building K back into use. The College has secured £400k match funding for the refurbishment of Building K and the College is investing £800k.

Governors requested that the cash flow graph include the original forecast cash levels along with the actual cash levels for each month.

The Resources Committee noted the paper.

571 Relationships with the College's Bank

The Resources Committee received an update on relationships with the College's bank, presented by K Spencer and M Stokes

The Banking Working Party met on 30 April 2014 and looked at a strategy for developing the campus, particularly around Building K and Building H. Building K is structurally sound but is suffering from a lack of investment and, along with other parts of the campus, will require £1million investment.

There are opportunities via the Local Enterprise Partnership (LEP) for investment in Harlow and the concept of an Advanced Manufacturing Centre is being developed in conjunction with Harlow Council and local employers. Harlow College is looking to take ownership of the Centre and widen its scope. A £7million investment would be needed with the College investing £3 million and the LEP potentially matching this amount. There is potential for employer investment of up to £1million in equipment. A VAT strategy for the building will need to be developed.

The College is therefore looking to investment a total of £4million into its campus, £3million for the Advanced Manufacturing Centre and £1million into other areas of the campus.

After reviewing the options for alternative banking provision, the Banking Working Party recommend that an approach to the College's current bank and to negotiate a £4million loan based on a draw-down facility as and when the College required. This would allow a cash reserve to be built up rather than automatically spent on capital. The bank would review the College's loan facilities on a more regular basis and would offer a local Relationship Manager based in St Albans.

The Resources Committee noted the update and agreed to present the proposal to the Corporation at its meeting on 15 May 2014.

572 Future Funding 2014-2015, Learner Number Targets and Applications

The Resources Committee received and considered the report on future funding, learner number targets and applications, presented by M Stokes.

The target for 16 – 18 learner responsive is 2,503 students with a funding target of £12,183,000. To date the College has recruited 2,550 with a funding value of

£12,941,638, however the College will only be funded for £12,183,000 next year due to the funding methodology. For next year the College will see a growth of 210 starts and an additional £600,000 of funding.

The College has achieved its 16 – 18 apprenticeship funding target of £1,273,000 and is aiming to achieve the £100,000 target for new business. The allocation to partners has been reduced from £800,000 to £400,000. The College is developing a strategy to bring in more apprenticeships.

The adult team is on track to achieve the remaining funding by the end of the academic year.

The PCDL allocation is currently £415,000 which is the same as in previous years and the College will receive the same amount next academic year.

There has been an 8% increase in applications and a 10% increase in offers for 2014-2015, compared to 2013-2014.

The College is in a similar position for next year as last year with regards to higher education numbers. There are currently approximately 130 new starts for next academic year. 310 starts (across all years) will be required to achieve the £2.1million funding target and the College is expecting to achieve this.

There is a £849,000 reduction in Adult Single Budget funding for 2014-2015. This is a national 15% cut and there is likely to be a further cut the following year.

For 16 – 18 learner responsive funding next year, the College is set to receive £12,663,000 which will include £475,000 of transitional funding. There will be no transitional funding in 2015-2016, however the impact will be minimised by the £12.9m of work that has been delivered this academic year.

The Resources Committee noted the paper.

573 Tuition Fee Policy 2014-2015

The Resources Committee noted that the Tuition Fee Policy for 2014-2015 will be presented at the next Resources Committee meeting.

574 Any Other Business

There were no items of any other business.

575 Dates of Future Meetings

Summer Term	Thursday 19 June 2014	08.30am
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