

HARLOW COLLEGE FURTHER EDUCATION CORPORATION

RESOURCES COMMITTEE

Minutes of the meeting held virtually on MS Teams at 11am on Tuesday 09 December 2025

Membership *Ed Whittle (Chair)
 *John Godley
 *Karen Spencer
 Dan Swords
 *Paul Taylor
 Heather Wilson

*denotes present

In attendance Paul Whitehead, Deputy Principal
 Kirstie Craig, Vice-Principal
 Sally Appleby, Executive Director – HR
 Ruth Lucas, Head of Governance

1 Apologies for Absence

Apologies for absence were received from Dan Swords and Heather Wilson, due to work commitments.

2 Declarations of Interest

There were no additional declarations of interest.

3 Minutes of the Previous Meeting

The minutes of the Resources Committee meeting held on 25 June 2025 were agreed as an accurate record and signed by the Chair.

4 Matters Arising from the Minutes (not mentioned elsewhere on the agenda)

There were no matters arising.

5 DfE Financial Health Rating Letter and Governing Body Finance Dashboard

The Resources Committee received and considered the DfE financial health rating letter and DfE Governing Body finance dashboard.

The Committee noted that the letter is a standard letter from the DfE confirming the College's financial health rating for 2024-2025 and forecast for 2025-2026, based on the data from the College's financial plan approved by the Corporation in July 2025 and does not reflect the re-based budget approved in October 2025.

Governors noted that information confirms what the Corporation has been told by management and leaders and matches information presented in the management accounts. The letter and dashboard are a reality check at the end of the process.

Paul Whitehead reported that the cash days are not a reflection of the College's current position as additional funding was received after the financial plan was submitted. Any of the forward-looking indicators are different now to the position documented on the dashboard.

A Governor asked about the reliance on 16 – 18 funding. Paul Whitehead reported that the 16 – 18 funding rate has increased over the last few years, unlike adult and apprenticeship funding. The College has seen an increase in its 16 – 18 learner numbers and it is the College's core business. Karen Spencer reported that the more stable colleges are the ones with a greater amount of 16 – 18 funding and this funding gives more stability and protection

Paul Whitehead reported that there have been cuts in the adult funding allocations nationally, and for Harlow. Project income is lower than previously due to funding for large projects, such as the Local Skills Improvement Fund, not being available.

The Resources Committee noted the DfE financial health rating letter and DfE Governing Body finance dashboard.

6 Management Accounts for the Period 1 August 2025 – 31 October 2025

The Resources Committee received and considered the Management Accounts for the period 1 August 2025 – 31 October 2025, presented by Paul Whitehead, Deputy Principal.

Paul Whitehead reported that the College is predicting a £453k year-end surplus based on the updated, rebased budget and is currently slightly ahead than forecast. Apprenticeship performance is above whether it was anticipated and the apprenticeship debt issue has been fully resolved. A cash accounting approach is now being taken to avoid this situation arising again and to mitigate risk. There has been an increase in apprentice starts and apprenticeship areas are now well staffed.

A Governor asked if the increase in apprenticeship income is the sign of a trend going forwards. Paul Whitehead reported that apprenticeship provision at STAC has grown significantly and that in areas where apprenticeship starts had previously been limited, issues have been resolved and the intake has increased. It is anticipated that apprenticeship income will exceed £2m within the next few years. There are better systems and controls in place and the DfE funding assurance review noted zero apprenticeship errors. Karen Spencer reported that the Government has announced a £725m investment in apprenticeships for young people and that a rebalance in the system is expected which is positive news. More information on this will be provided once it is available.

Staffing costs and operational expenditure are both on track with no significant concerns. Pension costs continue to be monitored. There has been a positive start to the year with adult income which is currently ahead on projections however project income is lower than predicted and this is being worked through.

Cash performance is good and bank covenants are being met.

Governors noted that by the end of 2025 – 2026 borrowing will be zero as the last of the College's loans will be paid off. Governors were informed that there is no benefit in paying the loan off early to due to break clauses.

A Governor asked if some teaching and support staff have been reclassified due to changes in the budget and the rebased budget. Paul Whitehead reported that the financial plan produced in July 2025 recorded staffing as a whole and there was a target to reduce agency spend so only agency spend was split out. The reforecast budget has been split down into teaching and support staff whereas previously it was all recorded against teaching staff. This split will give Governors and management better oversight against which to monitor staff expenditure throughout the year. It does not impact on the staffing ratio measure.

The Resources Committee noted the management accounts for the period 1 August 2025 – 31 October 2025 and the forecast position in terms of financial health and banking covenants.

7 Banking Facility

The Resources Committee received and considered the report on the banking facility, presented by Paul Whitehead, Deputy Principal.

Paul Whitehead reported that the November payroll included the backdated 2% pay award which took the BACS payment for salaries slightly above the current £1.1m monthly limit. The bank was informed of the situation and approval was given however it would be prudent to seek approval to increase the limit to £1.2m to avoid any impact on payroll or with the bank.

A Governor asked if there were any costs associated with an increase in the facility. Paul Whitehead confirmed that he believed there was no additional cost, however it enables the bank to manage their investments appropriately to ensure there is enough cash available to make the payment.

A Governor asked if going over the £1.1m is just a one-off due to the backdated pay award. Paul Whitehead reported that the College could be close to the limit again if there were any additional staffing needs and if vacancies were filled. There could be penalty charges if the College goes over its approved limit and it could have an impact on the payroll going through, which the College wants to avoid at all costs.

The Resources Committee agreed to recommend to the Corporation the approval of the increase in the monthly BACS limit for salaries from £1.1m per month to £1.2m per month as part of the banking facility with Virgin Money / Clydesdale Bank from 1 January 2026.

8 Human Resources Annual Report 2024-2025

The Resources Committee received and considered the Human Resources Annual Report 2024-2025, presented by Sally Appleby, Executive Director – HR.

The report was taken as read.

Governors were informed that turnover is low, there has been a growth in staff numbers however there are still a small number of hard to fill posts. There is strong management of employee relation issues, the College continues to have low gender, ethnicity and disability pay gaps and short-term sickness absence has reduced and is below benchmarks. The HR system has been improved and changes have been made to the

applicant tracking system, with phase 1 due to be completed by the end of December 2025 and phase 2 in 2026 will introduce electronic onboarding. The College is continuing to work towards Investors in Diversity silver accreditation and further information will be provided in the Equality and Diversity Annual Report being presented to the Corporation at its meeting being held on 18 December 2025.

A Governor asked about the ongoing issue with hard to fill roles and asked what the impact of this is on the College. Karen Spencer reported that in some teams apprenticeship starts were halted due to not being able to recruit staff although a more stable staff team is now in place. At STAC there is not enough physical capacity to recruit additional learners even though demand is there and there has been an issue in recruiting specialist staff.

A Governor asked if there is a direct impact on learners. Paul Whitehead confirmed that this was the case and the College is always looking at ways to address the issues.. The College has launched its own teaching apprenticeship programme so that it can train its own staff. Governors were informed that significant progress has been made in meeting recruitment challenges however there is always going to be hard to fill areas. Where necessary, starts have been limited on some courses and the College ensures staff wellbeing is being managed.

A Governor highlighted that this is a perennial issue. Sally Appleby confirmed that this is the case and that all possible avenues are explored. Karen Spencer reported that the College's staffing position is better than others in the sector, retention is high and things are done in a managed way, however colleges cannot compete with salaries offered in industry.

A Governor highlighted that there are a lot of positive figures in the report, such as turnover and the reduction in the number of employee relation cases. A Governor also highlighted the reducing trend in sickness absence which is positive.

The Resources Committee noted the good work being done by the College with staff and approved the Human Resources Annual Report 2024-2025.

9 Business Continuity Plan

The Resources Committee received and considered the Business Continuity Plan, presented by Paul Whitehead, Deputy Principal.

Governors were informed that the Plan is reviewed annually and that minor proposed changes are detailed on page 2 of the Plan and highlighted in yellow throughout.

A Governor asked how the Plan is tested. Paul Whitehead reported that he is working with the Head of Health, Safety and Estates to look at different testing scenarios and how to communicate the ways of working detailed within the Plan to staff. This is being reviewed and consideration is being given as to whether it could be better aligned with the fire evacuation process. There is a need to ensure that there is a clear position on how staff should react in certain situations. Karen Spencer reported that the testing of Plan is the responsibility of the Health, Safety and Environment Committee. Parts of the Plan that require testing will be reviewed and a testing cycle will be implemented and reported back to the Health, Safety and Environment Committee.

A Governor asked about IT disaster recovery. Paul Whitehead reported that this can be

more challenging. Regular back ups take place, along with penetration testing. The College has cyber insurance in place and a cyber security report is presented to each Audit Committee meeting. There is a multi-layered approach to disaster recovery.

Karen Spencer reported that discussions are being had around what would happen if every IT system was taken out and how could this be communicated. This Plan does not quite cover this and an overall framework is required. A Governor recommended regular testing of taking out systems without warning. Karen Spencer reported that this would have to be carefully considered to ensure that the College meets its statutory safeguarding duty to protect young people from online harms.

The Resources Committee approved the Business Continuity Plan.

10 Any Other Business

There were no items of any other business.

11 Dates of Future Meetings

Spring Term 2026	Thursday 05 March 2026	9.30am
Summer Term 2026	Tuesday 12 May 2026	9.30am
	Thursday 25 June 2026	9.30am

Key Points From The Meeting For Corporation:

- 1. DfE Financial Health Rating Letter**
To note the letter from the DfE.
- 2. Management Accounts**
To note the current position.
- 3. Banking Facility**
To approve the banking facility.