

# HARLOW COLLEGE FURTHER EDUCATION CORPORATION

## RESOURCES COMMITTEE

### Minutes of the meeting held at Harlow College on Tuesday 16 May 2026

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

\*denotes present

In attendance                   Paul Whitehead, Deputy Principal  
  Deanne Morgan, Executive Director – Finance  
  Ruth Lucas, Head of Governance

#### **1 Apologies for Absence**

There were no apologies for absence.

#### **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 9 March 2026 were agreed as an accurate record of the meeting and were 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**

The Resources Committee received and considered the DfE financial health rating letter and the Governing Body Finance Dashboard, presented by Deanne Morgan, Executive Director – Finance.

Deanne Morgan reported that this is a standard letter which colleges receive annually based on the Financial Statements' submission to the DfE and their observations. The information gives Governors and the College assurance on what they already know.

Deanne Morgan reported that from April 2026 colleges will report quarterly to the DfE in order to align FE financial data with the DfE's 31<sup>st</sup> March year-end. The College is undertaking an exercise to map its current chart of accounts to the DfE's extensive chart of accounts. This year is a "dry-run" for the DfE and as the College is reviewing its finance system, a complete mapping exercise will not be undertaken until this review has been completed.

A Governor asked if there is a drive to align year-end for colleges with the DfE's year-

end. Paul Whitehead reported that this is not being mentioned at present.

Paul Whitehead reported that monthly reporting to the DfE might be required in the future. A Governor reported that they attended a webinar on the Governing Body Finance Dashboard and monthly reporting was not mentioned. Paul Whitehead reported that with more regular reporting, “non-issues” could be picked up which would resolve themselves over a period of time.

A Governor reported that the Governing Body Finance Dashboard has some benefits and that it gives Governors reassurance on what they are being told and information being given in meetings.

A Governor highlighted some benchmarks that were referred to at the recent webinar and that 80% of colleges are expected to hit the cash days benchmark however only 36% are expected to hit the EBITDA benchmark.

Karen Spencer reported that the staff costs to income ratio is always a variable between organisations due to differences in how they are structured. A Governor highlighted the College’s ratio is above the benchmark and this is something Governors need to be aware of. Deanne Morgan reported that some of the staff costs are outside of the College’s control, such as the LGPS year-end valuation.

A Governor asked if any changes to the LGPS is expected due to colleges now being classed as being in the public sector. Deanne Morgan reported that there is a lot of talk about grouping schemes together however nothing formal has been announced yet. The benefit of the scheme being centralised is that the College would not pay the deficit however some movement will still be seen.

Paul Whitehead reported that the College chooses what to spend its funding on and it could spend less on staff and more on non-staff costs however there is a focus on reducing non-staff costs to allow the level of staffing the College currently has. If the College had an issue with its finances, staff costs would be looked at as well as non-staff costs.

A Governor asked if staff costs and the associated ratio affects the College’s financial health rating and if there were any negatives from the DfE’s point of view. Deanne Morgan reported that it does not affect the health rating and Karen Spencer reported that the DfE raised staff costs at the first Annual Strategic Conversation however it has not been raised subsequently. Staff are the College’s biggest resource alongside the campuses. Deanne Morgan reported that the dashboard does not provide a non-staff cost to income ratio and if it did, the College would be at the lower end of the scale.

Paul Whitehead highlighted the 3,038 learner number figure on the dashboard which is based on the College’s income assumptions. The College had assumed an increase in the base rate for 16 – 19 year olds rather than an increase in learner numbers therefore this figure is not accurate.

A Governor asked about how the College and the Corporation has focused on meeting the bank covenants previously and with borrowing reducing, asked what the new focus is. Deanne Morgan reported that the focus is on maintaining a minimum of £2m in the bank for the next two years, however £3m is being aimed for. Karen Spencer reported that the biggest concern in the sector is a growth in numbers and then a demographic decline, however this varies across the country. Furthermore, the balance of provision

makes a big difference to financial health, for example providers whose provision is mostly adult are experiencing larger cuts in their budgets. Having stability in 16 – 19 learner numbers keeps colleges stable. Harlow is fairly static in its number of young people and its projections however Uttlesford is growing and Harlow will grow in the future, linked to the planned growth of the town.

Karen Spencer reported that there is uncertainty around the SEND reforms going forward and that a briefing will be provided to Governors once more information is available.

The Resources Committee noted the DfE Financial Health Rating Letter and the Governing Body Finance Dashboard.

## **6 Management Accounts for the period 1 August 2025 – 31 March 2026**

The Resources Committee received and considered the management accounts for the period 1 August 2025 – 31 March 2026, presented by Deanne Morgan, Executive Director – Finance.

Deanne Morgan reported that the forecast adult and apprenticeship income is achievable whereas there has been uncertainty around this in previous years.

Governors noted that the bank covenants and key financial indicators are all being met and are predicted to be met at year-end. Financial health is rated as good.

Governors were informed that in March 26, 94% of creditors were paid within 30 days.

A Governor asked about the forecast improving since December as detailed on the front sheet of the report however Deanne Morgan confirmed that this wording is wrong as reforecasting has taken place.

A Governor asked if there are any tangible actions that can be taken in relation to staff costs. Paul Whitehead reported that resource planning for next year is currently taking place and that plans are being agreed with Heads of Academies based on predicted learner numbers and staffing requirements. Support staff costs are worked through internally based on need, with a process for scrutiny for new posts in place.

A Governor asked if an increase in any controls is needed. Paul Whitehead reported that the financial plan 2026 – 2027 aims to afford the pay award in the Collective Agreement and there is a need to manage overall costs matched to income. Non-staff cost budgets are managed carefully to allow funding to be spent on staff budgets. The College has fixed rates on its energy prices and replacing all the lighting with LED lighting therefore the cost to run the campus has reduced. Condition Improvement Funding will be used to further reduce the costs of the campus where possible.

A Governor asked if an immediate impact on high need funding is expected as a result of the recent election result for Essex. Karen Spencer reported that this is unknown at the moment with different areas in England experiencing different approaches by Reform. Governors noted that high needs funding is statutory therefore it cannot be withdrawn. Paul Whitehead reported that Essex County Council are currently undertaking a number of consultations with providers which the College is contributing to. It is anticipated that Essex County Council's approach next year will be the same as this year. Karen Spencer highlighted that the College will work with the political parties

for the benefit of its students and that Local Government Reform will make things look different again in a few years.

A Governor asked how the salary costs in the graph in the management accounts link to the £1.2m per month BACS facility as the figure in the graph is much higher. Paul Whitehead reported that the £1.2m BACS facility is to pay the monthly payroll to staff whereas the graph includes all on costs. Deanne Morgan also reported that the graph excludes the year-end LGPS valuation. A Governor asked if PAYE is separate and Deanne Morgan reported that this is at a different time of the month.

Governors' attention was brought to the capital investment page in the management accounts which is new and set out an overview so that the College can demonstrate to Governors how it is spending capital funding on different areas of the College. Monthly meetings are taking place to monitor this spending and ensure that investment is being made in the right areas. This will include multiple years not just the current year going forward.

The Resources Committee noted the management accounts for the period 1 August 2025 – 31 March 2026 and noted the forecast position in terms of financial health and bank covenants.

## **7 Finance Policies for Approval**

The Resources Committee received and considered the 16-19 Bursary Fund Policy 2026-2027, the 19+ Discretionary Learner Support Policy 2026-2027 and the Fee Policy and Student Terms and Conditions 2026-2027, presented by Paul Whitehead, Deputy Principal.

Paul Whitehead reported that there are no proposed changes to the 16-19 Bursary Fund Policy 2026-2027 and the 19+ Discretionary Learner Support Policy 2026-2027, except the dates being updated. The only additional change, other than the dates, to the Fee Policy and Student Terms and Conditions 2026-2027 is the annual increase in the HE fee which is in line with inflation however under the OfS fee cap.

A Governor asked how the fee is determined. Paul Whitehead reported that the delivery model for HE is aligned to the 16 – 19 year old delivery model therefore the HE cost has been aligned to the 16 – 19 base rate. A Governor asked if this was similar to other colleges and Paul Whitehead confirmed that this was the case.

The Resources Committee approved the 16-19 Bursary Fund Policy 2026-2027, the 19+ Discretionary Learner Support Policy 2026-2027 and the Fee Policy and Student Terms and Conditions 2026-2027.

## **8 Local Government Pension Scheme Statement of Policy**

The Resources Committee noted that there had been no changes to the Local Government Pension Scheme Statement of Policy, set by the Resources Committee in 2025, however there is a requirement that this is reported to the Resources Committee annually.

## **9 Any Other Business**

There were no items of any other business.

## **10 Dates of Future Meetings**

Summer Term 2026      Thursday 25 June 2026      9.30am  
(joint meeting with the Audit Committee)

### **Key Points From The Meeting For Corporation:**

- 1. DfE Financial Health Rating Letter**  
To note the content of the letter.
  
- 2. Management Accounts**  
To note the current position.