

# HARLOW COLLEGE FURTHER EDUCATION CORPORATION

## RESOURCES COMMITTEE

### Minutes of the meeting held on Thursday 19 June 2014

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

*\* Denotes Present*

In attendance:                P Marsh, Deputy Principal  
                                      D Morgan, Director of Financial Planning and Strategy  
                                      D Sheridan, Clerk to the Corporation  
                                      M Stokes, Deputy Principal  
                                      L Turner, Vice-Principal

#### **576      Apologies for absence**

Apologies for absence were received from M Denny.

#### **577      Declarations of interest**

There were no declarations of interest.

#### **578      Minutes of the previous meeting**

The minutes of the meeting held on 6 May 2014 were approved as a correct record and signed by the Chair.

#### **579      Matters arising from the minutes (not mentioned elsewhere on the agenda)**

There were no matters arising.

#### **580      Management Accounts for the period 1 August 2013 – 30 April 2014**

The Resources Committee received and considered the Management Accounts for the period 1 August 2013 – 30 April 2014 presented by Mike Stokes, Deputy Principal. Governors thanked the Deputy Principal for incorporating the changes to the presentation of data in the management accounts that the Committee requested.

Governors discussed the management accounts, which currently forecast a surplus of £348K. The Committee discussed with the College how the cash actual forecast did not closely correlate with the budget set in July 2013. The Deputy Principal explained that the budget set for 2013-14 did not take into account higher education validation charges. The College had also faced higher levels of capital expenditure to maintain the campus and to implement new MIS and finance software.

Governors noted that the surplus forecast in July 2013 based on “potential income”

would not be met but that the College would return a surplus above that planned in the “confident” income stream.

Governors noted the income levels of the College and the Deputy Principal reported on the areas where income was still to be earned. The funding for adult learners from the Skills Funding Agency was the largest amount still to be delivered. This reflected the changes in funding and that to earn the income the college had to recruit and deliver learning to a greater number of learners than previously.

Governors noted that staff costs have dropped from 68% to 66%, reflecting efficiencies made and that non-pay expenditure was being strictly controlled.

Both banking covenants are currently met and the College forecasts they will both be met at the end of the year, although the pension issue remains outside College control and is not known until September.

The Committee agreed to recommend to the Corporation the amendment to the financial regulations as proposed by the Principal.

Governors discussed the payment of creditors and hoped that the number paid within 30 days would increase once the new payments system is in place.

The Resources Committee noted the Management Accounts for the period 1 August 2013 – 30 April 2014 and thanked the Deputy Principal for his presentation.

## **581 Two Year Financial Forecast and Draft Budget 2014-15**

The Resources Committee received the draft Two Year Financial Forecast and Draft Budget 2014-15, previously discussed at the Special Meeting of the Corporation. Governors approved it for submission to the scheduled meeting of the Corporation on 3 July 2014.

The meeting discussed the proposed investment of £4M into the campus and noted that the forecast did not include the £3M grant from the Local Enterprise Partnership for the Advanced Manufacturing Centre. This would be sought from the LEP in the Autumn, provided that central government had approved their budget. The bidding timetable for this capital funding was not yet known but the Executive was working to submit proposals to the meeting of the Corporation in October 2014. The College would work with the Banking Working Party on proposals in the interim.

## **582 Accommodation Strategy Phase 5 and Review of Loan Facility**

The Resources Committee received and considered the report on the priorities for investment on the College campus for 2014/15, presented by M Stokes.

Governors noted and approved proposals to refurbish Building K, in line with the capital grant received; sports accommodation proposals and reception, learning resources/ guidance centre and communal spaces. Governors requested that the impact of bringing back in use and refurbishing Building K on the annual accounts be reported to the Corporation.

Governors asked that the financial preamble to the paper be amended to “Achieve a

minimum ratio of surplus to turnover of 2%” and that this be reflected in the forecasts.

The Resources Committee noted the Additional Loan Facility paper, previously discussed at the Special Meeting of the Corporation.

**583 Tuition Fee Policy 2014-2015**

The Resources Committee approved the Tuition Fee Policy for 2014-2015.

**584 Revised Grievance Procedure**

The Resources Committee received and considered the revised grievance procedure, presented by Paul Marsh, Deputy Principal.

Governors discussed the three proposed amendments to the policy, noting that they are in line with ACAS guidelines. The Committee resolved to accept amendments to points 3.2 and 3.5 of the policy concerning grievance against line managers. The Committee asked that the deadline for grievances not upheld be increased to 10 working days.

**585 Local Government Pension Scheme Statement of Policy**

The Resources Committee received and approved the Local Government Pension Scheme Statement of Policy, presented by Paul Marsh, Deputy Principal.

In reaching this decision, Governors agreed to amend the College policy in respect of Discretion 5, the “85 year rule” to “Harlow College will not consider “switching on” the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.”

**586 Recruitment of Learners 2014/15**

The Resources Committee received the report on the recruitment of learners for 2014/15, presented by Mike Stokes, Deputy Principal.

Governors noted that since the preparation of the report, application for 2014/15 entry now exceeded those at the equivalent stage last year.

**587 Any Other Business**

There were no other items of business.

**588 Dates of Future Meetings**

Governors noted and approved the proposals for meetings for 2014/15.