

# HARLOW COLLEGE FURTHER EDUCATION CORPORATION

## RESOURCES COMMITTEE

### Minutes of the meeting held virtually on Zoom on Thursday 22 June 2021

Membership: Eddie Johnson  
\*Julian Bedford  
\*Liz Laycock  
\*Brian Spencer  
\*Karen Spencer  
\*Paul Taylor (Chair)

\* *Denotes Present*

In attendance: Will Allanson, Deputy Principal  
Paul Whitehead, Vice-Principal  
Ruth Lucas, Head of Governance

#### 1 Apologies for Absence

Apologies for absence were received from Eddie Johnson, due to Essex County Council commitments, and from Deanne Morgan.

#### 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 13 May 2021 were agreed as an accurate record and signed by the Chair.

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

##### **Exam Fees (minute 5 - Management Accounts for the Period 1 August 2020 – 31 March 2021 refers)**

Paul Taylor asked if there was an update on exam fee refunds in relation to COVID. Karen Spencer reported that the Association of Colleges (AoC) has put in a request to awarding bodies however the sector is expecting it to be similar to last academic year, with small credits for the following year being offered by the awarding bodies. Governors noted that some awarding bodies are still undertaking their normal processes with the exception of those awarding GCSE and A-Levels as more work is on colleges rather than on the awarding bodies.

#### 5 ESFA Financial Health Rating Letter

The Resources Committee received and considered the ESFA financial health rating letter and ESFA finance dashboard.

The Committee noted the College's financial health rating as being confirmed by the ESFA as good and Karen Spencer highlighted the response provided to the ESFA in relation to the query raised in the letter concerning the College's loans. Karen Spencer reported that this matter has now been closed off by the ESFA. The College's communication on this will be shared with the Corporation at its meeting on 8 July 2021.

Paul Taylor asked about the level of debt charge as a percentage of income. Karen Spencer reported that this is due to the £3m loan liability which was not secured however the graph will level out going forward.

The Resources Committee noted the ESFA financial health rating letter and ESFA finance dashboard.

## **6 Management Accounts for the Period 1 August 2020 – 31 May 2021**

The Resources Committee received and considered the Management Accounts for the period 1 August 2020 – 31 May 2021, presented by Paul Whitehead, Vice-Principal.

Paul Whitehead informed Governors that there has been little movement in the management accounts since they were last considered by the Resources Committee and the Corporation.

Governors were informed that the forecasted Adult Education Budget (AEB) outcome has increased slightly from £2.8m to £2.9m, which includes the funding which is part of the 90% reconciliation. The College is confident that this level of income can be achieved based on the work being undertaken by the adult team on community learning.

Governors noted that the College's financial health rating remains as good and the bank covenants are being met and are forecast to be met at year-end.

The College's cash position is strong, with cash being monitored on a regular basis.

Karen Spencer reported that there are some discrepancies between the RAG rating colours in the management accounts and in the Key Performance Indicators (KPIs) as the management accounts only use red and green whereas the KPIs use red, amber and green. Governors noted that some of the reds in the management accounts could be classed as amber as they have less of an impact on the College's overall financial position. Some adaptations to the colour coding will be made so that the management accounts and KPIs align.

Governors noted that the predicted year-end deficit is lower than previously reported due to the increase in AEB funding being earned and project funding being secured.

The Committee was informed that there is still no movement with the level of AEB clawback. Karen Spencer reported that the AoC is looking at colleges' final positions and are reporting back to Government. There could be some change when the Government looks at the whole sector position however this is unknown at present. Karen Spencer informed Governors that this year had been tougher than last year, as it is harder to catch up when the year started so badly due to COVID. Paul Whitehead confirmed that the completed AEB year-end return is predicting that the College will be at 57% of its contract value.

Karen Spencer reported that the College is in a good position financially due to the careful and prudent financial planning and thanked Paul Whitehead and Deanne Morgan for their work on this.

Governors' attention was brought to the banking facility as follows:

<b>Facility</b>	<b>Limit</b>	<b>Frequency</b>
Overdraft	£0	-
BACS (salaries)	£800,000	Per month
BACS (non-salaries)	£1,100,000	Per week
Business Card (credit card)	£40,000	Per month
Open Credit (cash facility with Natwest)	£10,000	Per week

The Resources Committee noted the following:

- The management accounts for the period 1 August 2020 – 31 May 2021;
- The new loan which was agreed and secured in May 2021.
- The forecast position in terms of financial health and banking covenants;
- The Clydesdale banking facilities as detailed in the table above.

## **7 Financial Regulations**

The Resources Committee received and considered the Financial Regulations, presented by Paul Whitehead, Vice-Principal.

Paul Whitehead reported that there are currently no proposed changes to the Financial Regulations however an internal audit recommendation has been raised to undertake a full review of the College's Financial Regulations. This will take place next academic year.

The Resources Committee approved the Financial Regulations for 2021 – 2022.

## **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 2014.

## **9 Capital Projects and Estates Update**

### **9.1 To Receive a Verbal Update on Capital Projects and Estates Projects**

The Resources Committee received and considered the verbal update on capital projects and estates projects, presented by Will Allanson, Deputy Principal.

Will Allanson informed Governors of the following capital projects which have commenced on site:

- Building K cladding – this is being funded from the Further Education Capital Allowance. This is progressing well and is running to time and to budget, with work scheduled to be completed by July 2021.
- Refurbishment of part of Buildings A, K and N – this is being funded from the T-Levels Capital Fund and the South East Local Enterprise Partnership's

(SELEP) Get Building Fund. Enabling works and demolition has commenced and the contractors will be onsite until early October. A phased handover back to the College is being planned to minimise the impact on learners. The scope of works has been reduced due to costs being over budget. The original forecast overrun was £300k however this is now £27k and the College expects the project to be delivered on budget. The biggest challenge is the availability and cost of materials. Julian Bedford advised getting materials sources as soon as possible. Will Allanson confirmed that the project has been split into packages and as soon as each package comes within budget, the materials are being ordered.

Will Allanson informed Governors of the following capital bids which have been submitted:

- Further Education Capital Transformation Fund – this is a £7.8m project repurposing three floors in Building J. The College is awaiting the outcome of this application which has been delayed due to the number of applications.
- Institute of Technology – South Essex College’s SELEP-wide bid was submitted the week before this meeting. £2m has been allocated to Harlow College for work on the ground floor of Building J. An announcement of the outcome of this bid is expected in Autumn 2021.

The Resources Committee noted the update on capital projects and estates projects.

## **9.2 To Receive and Note the Correspondence from the Ministry of Housing, Communities and Local Government Regarding the Harlow Town Deal**

The Resources Committee received and considered the correspondence from the Ministry of Housing, Communities and Local Government regarding the Harlow Town Deal, presented by Karen Spencer, Principal.

Karen Spencer reported that Harlow has been successful in securing funding under the Towns Deal. Included in the Harlow Town Deal is approximately £500k match for Harlow College’s Institute of Technology bid.

The Resources Committee noted the correspondence from the Ministry of Housing, Communities and Local Government regarding the Harlow Town Deal.

## **10 Any Other Business**

Paul Whitehead presented the following policies with the following minor amendments:

- 16 – 18 Bursary Fund Policy 2021-22 – a minor change to the tier system, with the removal of the requirement for income to be less than £27k for tier 1 and an adjustment to the maximum award cap are proposed.
- 19+ Discretionary Learner Support Policy 2021-22 – additional wording confirming that equipment support as well as materials support will be offered.

The Resources Committee approved the 16 – 18 Bursary Fund Policy 2021-22 and the 19+ Discretionary Learner Support Policy 2021-22.

## **11 Dates of Future Meetings, Terms of Reference and Calendar of Business**

The Resources Committee received, reviewed and approved the Calendar of Meetings, the Committee's Terms of Reference and the Committee's Calendar of Business, without any proposed amendments.

Paul Taylor asked if meetings would go back to face-to-face next academic year, remain online or whether a blended approach would be adopted. Karen Spencer reported that a blended approach throughout the year was most likely however the College needs to invest in proper video conferencing facilities if a meeting was going to have a mixture of face-to-face and virtual attendees. Karen Spencer also reported that it is not yet known what colleges may be mandated to do.

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

**1. ESFA Financial Health Rating Letter**

To note the letter and correspondence between Harlow College and the ESFA.

**2. Management Accounts**

To note the current position.