

HARLOW COLLEGE FURTHER EDUCATION CORPORATION

RESOURCES COMMITTEE

Minutes of the meeting held on Tuesday 25 February 2014

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

* *Denotes Present*

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

555 Apologies for absence

The Resources Committee received and accepted apologies from K Spencer.

556 Declarations of interest

There were no declarations of interest.

557 Minutes of the previous meeting

The minutes of the meeting held on 3 December 2013 were approved as a correct record and signed by the Chair.

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

The Resources Committee noted that negotiations are still taking place on the pay, grading and role review.

Formal written notification has not yet been received from Clydesdale Bank confirming that both covenants were met at year-end. D Morgan agreed to follow up on this.

559 Management Accounts up to 31 January 2014, including income projections for 2013/14 and proposed adjustments to the current College budget

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

A general discussion was held around the management accounts and the following points were noted:

- There has been a slight dip in cash levels, mainly due to additional costs and

charges for HE learners. The College is also working with ARU to resolve payment issues which are being experienced.

- A £259k surplus is currently forecast, however the College is hoping to achieve a surplus of approximately £500k. A £245k surplus is required to meet the banking covenants and the Committee agreed that the College should track against this figure.
- The College has achieved its 16 – 18 apprenticeship funding target of £1.27m and is now earning the £150k funding allocated to new business. Partners are currently likely to achieve £316k and the College has plans in place to increase the number of apprenticeships and therefore use some of the funding which will not be needed by the partners.
- There is a £120k traineeship allocation which is not currently in the budget. This will be added in once work commences.
- Pay costs are currently forecast to be lower than target and this area is being monitored closely.
- The College is looking to reduce non-pay expenditure by £300k.
- Capital expenditure is an area of growth. A £1.2m bid has been submitted to refurbish Building K. If successful £400k would come from the SFA matched by funding from the College's 2013/14 and 2014/15 capital budgets. The building will go back on the College's balance sheet.
- Both bank covenants are currently being met.
- Full cost work was discussed and Governors noted targets are not yet met.

The Resources Committee noted the paper.

560 Recruitment of Students and Apprentices 2013/14 Update

The Resources Committee received and considered the recruitment of students and apprentices update, 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 2,520 with a funding value of £12,911,544. M Stokes provided the Committee with some background on how the funding methodology and guided learning hours are currently calculated. In order to achieve a “stand still” position next academic year the College needs to recruit 2,590 students.

The 16 – 18 apprenticeship figures and associated funding were noted as these had been previously discussed under agenda item 559.

The adult team is working hard to draw down the full allocation of Adult Single Budget funding and is on track to do so. Only £100,000 has been allocated to partners this academic year. Other departments within the College are being encouraged to increase work with the unemployed.

The PCDL allocation is £415,000 which is the same as in previous years. This was discussed in more detail under agenda item 563.

The College is on target to achieve £1,823,000 in HE income, however bursary costs and ARU fees are to be deducted from this figure. Staff costs equate to approximately 62% in HE, compared to 42% across the College's FE delivery teams. HE is an area which the College is looking to grow and expand,

The Resources Committee noted the paper.

561 Review of Loans

The Resources Committee received and considered the review of loans report presented by M Stokes and D Morgan.

The Committee were informed that Clydesdale Bank is used by the College for transactional banking and loans. A positive meeting has been held with the Clydesdale Bank team based in St. Albans who confirmed Clydesdale's interest in being a key banker within the FE sector.

A detailed discussion was held around the College's banking arrangements.

The Resources Committee noted the paper and agreed that no overdraft facility is required for February 2014 to February 2015.

562 Property Strategy

The Resources Committee received and considered the report on the Property Strategy, presented by M Stokes, Vice-Principal.

Currently the College spends £1.1m per annum on its estate and over £100k in renting additional facilities.

The College's accommodation has been graded 57% satisfactory (grade B) and 43% poor (grade C). No accommodation was graded good (grade A) and bad (grade D).

The College is going through a process of linking its curriculum needs with its accommodation needs, by looking at its curriculum offer and predicting the longer term needs for the College. There is a need for the College to invest in its infrastructure to meet the needs of its future students and capitalise the assets that are not currently utilised to their full potential.

The Resources Committee noted the paper.

563 PCDL Strategy and Community Links

The Resources Committee received and considered the report on the PCDL Strategy and community links, presented by R Braysher and S Abdelmoula.

R Braysher gave the Committee some background to PCDL and the changes being made. It is being re-named community learning and it will focus on how education can improve people's well-being.

The College has developed a strategy to deliver community learning and the Committee received an update on what the College is currently delivering.

The learning is non-accredited however learners will be encouraged to move onto other courses, such as full cost work.

The Committee noted that only a small percentage of the funding has been earned to date, however the learner numbers are good.

The Committee requested changes to the report to remove the income details and to include all the activities which have been delivered.

The Resources Committee approved the Community Learning Strategy and Community Learning Report and agreed for them to be forwarded onto the SFA, subject to the amendments listed above.

564 Any Other Business

Sir Charles Kao UTC – Near Miss Incident

The following people joined the meeting for this item only:

Sue Young	Sir Charles Kao UTC
Mike McKeaveney	Sir Charles Kao UTC
Tony Jermack	BAM Construction
Jim Bluck	BAM Construction
Steve Gaskell	BAM Construction
James Stone	Mott McDonald
Neil Page	Mott McDonald

The near miss occurred on 10 February 2014. There were no injuries to any person and all the near miss was confined to the safe working area on the UTC compound. No damage was sustained to the College or College property.

The near miss incident was caused by 2 strops on lifting equipment shearing in succession as a panel was being lifted onto the 1st floor of the UTC building. The panel, weighing approximately 3 tonnes fell approximately one foot to the first floor causing some visible damage.

All work was stopped immediately and a full investigation was carried out by BAM and the UTC project consultants and Harlow College is in possession of the full report.

BAM and the UTC project consultants have reported that the near miss was not caused by negligence but by a materials failure on the part of the strop manufacturers.

Specialists have looked at the strops and have decided to use an alternative lifting method for all future lifting on the site. A lifting eye will be screwed onto the panels and the panels will be lifted this way.

It was confirmed that BAM has ultimate responsibility for all lifting on site and having appropriate processes and systems in place on site.

A detailed discussion was held by governors and a number of questions were asked.

The delay has meant that the construction programme has been delayed by approximately two weeks, however it was acknowledged by all present that health and safety was and remains the prime concern.

It was advised that the College should inform their insurers of the incident.

BAM confirmed that they are seeking assurances on the warranties for the repaired sections of the building to ensure that there is no detriment to the warranties,

Following careful consideration of all the information received, the Resources Committee gave BAM permission to recommence work on site and agreed for P Marsh to inform the College's insurers of the incident.

Post meeting note:

P Marsh has contacted the College's insurance broker and provided them with a full account of the incident. The College was advised that it was not necessary to advise the insurance company unless the College felt there could be a claim or a Health and Safety prosecution. As this is not believed to be the case, the College has not advised the insurance company.

Work recommenced on site directly following on from permission being granted at the Resources Committee.

565 Dates of Future Meetings

Summer Term 2014	Tuesday 06 May 2014	08.30am
	Tuesday 24 June 2014	08.30am