

# HARLOW COLLEGE FURTHER EDUCATION CORPORATION

## RESOURCES COMMITTEE

### Minutes of the meeting held on Tuesday 26 February 2013

Membership: E Johnson  
\*M Coleman  
\*M Denny  
\*C Hindmarch  
M Jackson  
\*B Spencer (Chair)  
\*P Taylor

*\* Denotes Present*

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

#### **494 Apologies for absence**

The Resources Committee received and accepted apologies from M Jackson, E Johnson and A Hughes.

#### **495 Declarations of interest**

There were no declarations of interest.

#### **496 Minutes of the previous meeting**

The minutes of the meeting held on 4 December 2012 were approved as a correct record and signed by the Chair.

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

There were no matters arising.

#### **498 Management Accounts up to 31 January 2013**

The Resources Committee received and considered the Management Accounts for the period 1 August 2012 – 31 January 2013, presented by the Principal.

The Principal reported that there has been a major fall in income allocated to partners, mainly as the funding for apprenticeships has been radically reduced and the length of apprenticeships has increased. Colleges and private organisations are finding it harder to earn funding through this mechanism, therefore the College has taken the decision to build up the work it does with the unemployed and secure additional funding through the SFA for this. The

management accounts presented to the Committee reflect the major movements with the reduction in apprenticeship funding and an increase in funding for work with the unemployed largely to be undertaken by the college itself. Staff are being redeployed from areas that are below enrolment targets to the teams delivering programmes for the unemployed.

A general discussion was held and the following points were discussed in detail:

1. A surplus at the end of the year is still projected.
2. Tuition fees – the level of fees received will not meet the target. The budget for next year will reflect this lower income.
3. HE – student recruitment fell short of target.
4. Expected income for full-cost provision has been reduced downwards.
5. The College has more cash than was predicted at this stage. The College is earning less but spending less. The cash forecast has been updated to reflect the fall in income as previously discussed.
6. Salary costs are expected to be less than originally budgeted for at the year end.
7. 64% of payments are made to suppliers within 30 days and this was discussed in more detail. This is due to operational issues internally. The newly appointed financial accountant will be working with teams to look at improving this.

Governors questioned the year to date financial health rate. The Principal confirmed that it is not unusual to have an in-year deficit. It is the end of year position that is important. The Clerk confirmed that the SFA has written to the College to confirm that it agrees that the College's current financial health grade for 2011/12, based on the outturn forecast, was Satisfactory.

The Committee noted the paper and agreed to recommend it to the Corporation meeting on 21 March 2013.

#### **499 Recruitment of Students and Apprentices 2012/13 Update**

The Resources Committee received and considered the report of M Stokes, Vice-Principal, on the Recruitment of Students and Apprentices.

The target number for 16 – 18 recruitment is 2,940 against an actual current figure of 2,450. It is anticipated that the final figure will be in the region of 2,800. If this is achieved this year, it will help the College with funding for the year 2014/15.

Income to date is slightly higher than that of the previous year and it is anticipated that the income target will be achieved.

The Committee discussed a range of issues including the reduction in funding available for 16 - 18 learner responsive. They also discussed the decrease in the number of 16 – 18 apprenticeships arising from changes to the funding of places and the reform of the programmes that they can follow.

The Adult Skills Budget has increased to £6.4m and this will be mainly achieved through work with the unemployed. The College is delivering this work across the Eastern region and a new centre is opening in Kings Lynn. A business case has been submitted to the SFA for an additional £300k.

The Committee noted the paper.

#### **500 Proposed Adjustments to the Current College Budget**

The Resources Committee received and considered the report, presented by the Principal, on the proposed adjustments to the current College budget.

The changes are to move funding away from apprenticeships and move it into work with the unemployed, as previously discussed by the Committee under agenda item 498.

The Committee agreed the proposed changes to the budget and the paper was noted.

#### **501 Income Projections for 2013/14**

The Resources Committee received and considered the report of B Bryden on income projections for 2013/14, presented by the Principal.

Governors noted that a bid has been submitted for extra HE places and if successful the College will see considerable growth in its HE provision.

There has been an increase in HE student bad debt. Staff are working with students to ensure deadlines for funding and loans are met.

The College is expecting to make an operating surplus of £242k for 2013/14.

The Committee noted the paper. .

#### **502 Relationship with Clydesdale Bank**

The Resources Committee received and considered the report on the relationship with Clydesdale Bank, presented by the Principal.

The Principal reminded the Committee that governors had expressed their concern about the implications of not meeting the banking covenants. He confirmed that the College predicts it will meet its banking covenants in 2012/13 and the SFA consider the College's finances to be satisfactory.

The Principal informed Governors that the College does not propose to take out a loan or an overdraft facility in 2014/14 and the Committee approved this decision.

The Resources committee noted the paper.

### **503 APEX Partnership**

The Resources Committee received and considered the report of B Bryden on the APEX Partnership.

The Partnership currently comprises 11 partners. Previously APEX delivered mostly apprenticeships. The primary focus is now, however, the Adults Skills Budget and training and employability support for the unemployed. The funding to the partnership is made up as follows:

- 5% learner responsive
- 24% 16 – 18 apprenticeships
- 71% Adults Skills Budget – working with the unemployed on short courses.

Governors' attention was brought to Section C in the report which details how partner performance is monitored. Partners work with the APEX and MIS teams within the College and the College's quality team will also be engaged in the process. Performance is based and measured on partners' contracts and key performance indicators. The APEX team undertake at least one monthly visit to each partner and there is regular contact with partners outside of this. The processes involved in the visits and monitoring was explained in detail. All information is shared freely amongst the partners.

The Committee noted the paper.

### **504 Any Other Business**

There were no other items of any other business.

### **493 Dates of Future Meetings**

Summer Term 2013	Tuesday 30 April 2013	08.30am
	Tuesday 25 June 2013	08.30am