

HARLOW COLLEGE FURTHER EDUCATION CORPORATION

RESOURCES COMMITTEE

Minutes of the meeting held on Thursday 26 February 2015

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

** Denotes Present*

In attendance: M Stokes, Deputy Principal
 P Marsh, Deputy Principal
 A Phillips, Director of Finance (and MIS)
 R Jones, Assistant Principal
 S Appleby, Executive Director of HR Services
 D Sheridan, Clerk to the Corporation
 R Lucas, Deputy Clerk to the Corporation

604 Apologies for absence

Apologies for absence were received from P Taylor.

605 Declarations of interest

E Johnson declared an interest in agenda item 611 – Property Strategy as Essex County Council has awarded Harlow College £2m for the Advanced Manufacturing Centre.

606 Minutes of the previous meeting

The minutes of the Joint Audit and Resources Committee meeting and the Resources Committee meeting held on 03 December 2014 were approved as a correct record and signed by the Chair.

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

There were no matters arising.

608 Funding Update 2014/15

The Resources Committee received and considered the Funding Update 2014/15 report, presented by M Stokes, Deputy Principal.

Governors' attention was brought to the funding targets for differing income streams as set out in Section A of the report. Targets, budgets and allocations are reviewed and monitored closely by the College.

Governors noted the EFA funding of learners for 2015/16 and the provisional target of 2517 learners.

In discussion, Governors were informed that the College has been ranked second overall in the national performance tables for vocational and academic qualifications.

The Adult Single Budget allocation has had two adjustments, which has increased the College's earning potential by £237k. The majority of this work is undertaken and delivered by the Employability, Innovation and Skills (EIS) team.

The 16 – 18 apprenticeship budget was reduced at the beginning of the year, removing the funding available for new business. The College is on target to achieve the revised budget.

The Community Learning funding is a yearly allocation and remains at 2014/15 levels. Approaches have been made from neighbouring towns to deliver community learning and maths and English and this is currently being explored. A proposal will be presented at the next Governor Strategic Planning event.

The high needs funding allocation is £54k for 9 learners. The actual impact on the College, however, is in excess of £200k. There have been further changes to the funding rules and the College is working to address the issues with claiming the high needs funding.

Project income has seen a real growth with a potential of earning in excess of £395k this year.

The income comparison pie charts in appendix 2, requested by governors, were noted.

The Resources Committee noted the funding update 2014/15 report.

609 Management Accounts for the period 1 August 2014 – 31 January 2015

The Resources Committee received and considered the Management Accounts for the period 1 August 2014 – 31 January 2015 presented by M Stokes, Deputy Principal.

Governors discussed the management accounts in detail and governors noted the following:

- The cash levels and forecast are healthy. Cash flow is now closely monitored on a weekly basis.
- All income except HE is still achievable in year, EFA allocation is formula based and will not change. Achievement of student enrolment is a key factor in future funding. The Adult single budget has been increased by the SFA with an extra £200k earning potential.
- The pay cost forecast has been adjusted for known future staff movements, this is being closely monitored in line with income. The forecast remains below budget.
- The non-pay cost continues to be monitored closely and the current forecast is to

be below budget. This needs to run closely in line with income. Any under achievement in income must result in a reduction in spend.

- Capital expenditure remains in budget. Building works will unless essential take place after April 15.
- The actual year to date deficit would be rated as “satisfactory” by the SFA, however this is expected for this time of year when the College incurs more expenditure than income at the beginning of the academic year and the income to date is a conservative estimate. The year-end forecast as improved since the last resources meeting and it is now SFA rated as “good”.
- The year to date actuals and the forecast show that the Clydesdale bank covenants are met.

The Resources Committee noted the Management Accounts for the period 1 August 2014 – 31 January 2015.

610 Indicative Funding for 2015/16

610.1 Indicative funding from the EFA and SFA

Final funding allocations are not yet known, however indicative learner responsive funding for 2015/16 is £12.334m in comparison to £12.663m for 2014/15. In order to achieve this target, the College will need to recruit an additional 50 full time learners.

Transitional protection funding will not be available in 2015/16.

The funding gap could close if the College is able to access additional high needs funding.

610.2 Draft financial plan submitted with the capital funding application to the Local Enterprise Partnership

Governors noted the financial plan that was submitted to the Local Enterprise Partnership as part of the capital funding application for the Advanced Manufacturing Centre. The Local Enterprise Partnership requested SFA forms and templates be used.

Governors noted that the financial plan is not a formally approved document and at this stage it is only for information.

610.3 Letter from the EFA regarding funding for young people aged – 19 and students aged 16 – 25 with an education health and care plan / learning difficulty assessment

Governors noted that letter received from the EFA and the information covered within.

611 Property Strategy

The Resources Committee received a verbal update from W Allanson, Executive Director – Business Development, on the Property Strategy.

Will Allanson reported that governor feedback at December's Corporation meeting had been taken into consideration when finalising the Property Strategy. The final version of the Strategy was then approved by governors by written resolution. Risk and cost were analysed, along with a number of other factors and three options – do nothing, progressive refurbishment of the campus and relocating to a new campus – were considered. The progressive refurbishment option received the highest score. This was supported by the investment appraisals for the Advanced Manufacturing Centre (AMC), which demonstrated the project is viable.

Full financial forecasts and projected SFA financial health ratings were submitted with the application to the South East Local Enterprise Partnership (SELEP) for skills capital funding for the AMC.

The College was successful in securing £2m from Essex County Council and £2.5m from SELEP. Discussions are continuing with the bank for a loan of £3m to enable the construction of the AMC.

The Committee agreed to establish a small working group of governors to monitor and steer the AMC. B Spencer agreed to be part of this group.

K Spencer and governors thanked W Allanson, D Sheridan and R Lucas for their work in developing and submitting the funding applications, along with Fusion, the College's property consultants.

The Resources Committee noted the verbal update on the Property Strategy.

612 Higher Education Recruitment

The Resources Committee received and considered the report on Higher Education recruitment, presented by P Marsh, Deputy Principal and R Jones, Assistant Principal.

The Higher Education recruitment target for 2014/15 is 310 learners, currently there are 270 learners. Higher Education is therefore not currently generating a positive contribution to the College's income.

Governors noted that a full review of HE provision is underway, including resourcing and class size. Further Education teams have been aligned with Higher Education teams to encourage higher progression rates into Higher Education. The review will focus on growing Higher Education in other ways, such as developing an adult offer, a part-time offer and better promotion of pathways.

Work is being undertaken in partnership with ARU to improve the student application process and student interviews are being held by UCH every week, along with drop-in surgeries.

The College has been successful in securing its own contract with HEFCE to deliver HNCs and HNDs, which will attract lower validation fees.

Higher Education income and the fees structured were looked at and discussed in detail by the Committee, along with issues such as budgeting and reporting.

Governors thanked R Jones for the work she has undertaken, particularly in being successful in securing the College's own contract with HEFCE and governors noted that the College's future strategy is to grow a core set of pathways.

The Resources Committee noted the report on Higher Education recruitment.

613 Shared Parental Leave Policy

The Resources Committee received and considered the Shared Parental Leave Policy, presented by S Appleby, Executive Director of HR Services.

Governors were informed that the policy would sit alongside other College policies, such as parental leave, adoption leave, maternity leave and paternity leave.

Governors learned that the mother has to take the first two weeks following childbirth as maternity leave, however the next 50 weeks can be negotiated and split between the parents. The leave can either be taken over a continuous period, which the College cannot refuse, or in up to three blocks, for which the College would require eight weeks' notice. The Policy will be managed by HR, and will apply to those born after 5 April 2015.

In discussion, it was noted that there is uncertainty around the level of take up amongst staff as it will be dependent on each family's circumstances.

The Resources Committee approved the Shared Parental Leave Policy.

614 Any Other Business

There were no other items of business.

615 Dates of Future Meetings

Summer Term	Thursday 30 April 2015	08.30am
	Thursday 18 June 2015	08.30am