

HARLOW COLLEGE FURTHER EDUCATION CORPORATION

RESOURCES COMMITTEE

Minutes of the meeting held on Tuesday 28 February 2012

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

** Denotes Present*

In attendance: R Allanach, Deputy Principal, Finance
 S Young, Deputy Principal
 N Spenceley, Deputy Principal
 D Sheridan, Clerk to the Corporation
 R Lucas, Deputy Clerk to the Corporation

427 Apologies for absence

The Resources Committee received apologies from M Jackson and D Sheridan, Clerk to the Corporation.

428 Declarations of interest

There were no declarations of interest.

429 Minutes of the previous meeting

The minutes of the meeting held on 6 December 2011 were approved as a correct record and were signed by the Chair.

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

There were no matters arising.

431 Management Accounts up to 31 January 2012

The Resources Committee received and considered the report of Richard Allanach, Deputy Principal.

The management accounts indicate that the college will make a surplus in the first half of this year and this is forecast to continue for the rest of the year.

Particular attention was brought to: the £900k income shortfall on 16-18 apprenticeships as it was assumed that the income target would not be met; £300k allocated to purchase partner activities to ensure targets are achieved and the cash forecast which predicts there will be no solvency issues until March 2013.

Salary costs were discussed. The college has brought in extra income and therefore budget adjustments had been authorised to spend more on staffing in order to deliver

the contracts. Whilst an overspend on staffing in the last four months of the year is predicted, an underspend for the year as a whole is expected.

The paper was noted by the Committee.

432 Recruitment of Students and Apprentices 2011 / 12 Update

The Resources Committee received the report of Sue Young, Deputy Principal that revised the report considered by the Corporation on 15 December 2011, with updated figures on the number of learners and the monetary values.

The following issues were highlighted: additional qualifications are being added on for existing learners; there had been some new starts on the NEET programmes; approximately 80 16 – 18 learner responsive starts are being purchased from partners; the college is still struggling to identify NEETs following the demise of Connexions; there are difficulties in filling employer vacancies for apprenticeships; there is a new, proactive Relationship Manager from NAS who will help to address this issue; employers are preferring to take on older apprentices rather than those aged 16 – 18; it is anticipated that the contract value of 16 – 18 apprentices will be achieved, however not solely by the college; apprenticeships are now of a minimum duration of a year; there is more flexibility in the single adult budget and money can be moved between budget lines and additional businesses cases have been submitted which could secure additional funding for the college.

The paper was noted by the Committee.

433 Proposed Adjustments to the Current College Budget

The Resources Committee received the report of Richard Allanach, Deputy Principal.

The Committee were reminded that when potential adjustments are identified, management act immediately and then gain retrospective permission from the Committee.

There have been lots of changes to the budget, some of which were reported and agreed at the Resources Committee meeting on 6 December 2011. Two changes to the balance sheet were requested and revenue changes were detailed, as in the report and appendices 1 and 2.

Some funding is being used to purchase provision from partners. This will help the college to grow this year, which in turn will generate more money in 2013 / 14 and subsequent years. Working with partners also helps the college to break into new areas of work.

The Committee approved the recommendation in the report.

434 Income Projections for 2012 / 13

The Resources Committee received the report presented by Richard Allanach, Deputy Principal.

At present, the overall funding allocation for 2012 / 13 is not known. There is a good indication of funding levels from BIS, however the DfE position is less clear, therefore

the YPLA figure in the report is based on an estimate. Based on this estimate, risk F – the reduction of resources by 3% - could be likely. One area of the college is likely, however, to achieve its 10% growth target due to the increased number of HE students allocated to the college. There is also the expectation that the college can win and gain other contracts.

The Committee noted the paper, with a recommendation going to the Corporation that the college continues to follow the agreed strategy, hold our nerve and go for growth.

435 Aspirations for the 2012 / 13 College Budget

The Resources Committee received the report presented by Richard Allanach, Deputy Principal.

Three scenarios were presented to the Committee as to the size of surplus the college seek to generate.

It was agreed that the college's role is to best serve its community and not necessarily to have large reserves in the bank.

After a detailed discussion, the Committee agreed to recommend the central scenario to the Corporation at the meeting on 22 March 2012.

436 Relationship with Clydesdale Bank

The Resources Committee received the report presented by Richard Allanach, Deputy Principal.

The Committee were informed that the overdraft facility has not been renewed due to the increase in charges and the current state of the college's finances.

The Committee agreed to consider banking arrangements at a future meeting.

The Committee approved the request as detailed in the report.

437 Local Government Pension Scheme

The Committee noted that the LGPS paper will be presented at the Resources Committee meeting on 1 May 2012.

438 Appointment of the Director of Finance – Confidential Item

Minuted separately.

439 Apex Partnership

The Resources Committee received the report of Sue Young, Deputy Principal. The report has also been presented to the Standards Committee and will be taken to the Audit Committee.

The paper highlights the rigorous processes that are in place for existing and potential partners. The partnership is constantly being approached by new partners. New partners can bring new dimensions, new ways of delivering and help the college to

grow its geographical locations. Close checks are kept on all partners to ensure they are compliant with data, audit, success rates, learners etc. This is of particular importance as the college is now the national number 1. The work of the partners needs to be as good as ours and the college is very vulnerable if anything were to go wrong with the college's own delivery or that of its partners. The process is very in-depth and time-consuming, however it is valuable time well spent.

Nick Spenceley added that it is very helpful from a quality point of view, as partners' good practice is being implemented in the college.

The Committee thanked Sue Young for the comprehensive report.

440 Any other business

The Principal reported on issues arising from a visit by an external verifier.

441 Dates of future meetings

Summer Term 2012	Tuesday 1 May 2012	8.30am
Summer Term 2012	Tuesday 26 June 2012	8.30am

Brian Spencer passed on his apologies for the meeting on 1 May 2012.

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438 Appointment of the Director of Finance – Confidential Item

Nick Spenceley updated the Committee on the progress made since the Corporation meeting on 7 February 2012.

An interim Head of Finance has been advertised to support the finance team and add in additional resource, until the recruitment of someone to the post permanently. Role profiles for this post and the IT posts have been developed and / or revised.

An implementation strategy is being worked up and is starting to take shape.

This will be implemented throughout March.

HR have requested the permanent post, previously called “Director of Finance”, to be called “Head of Finance”, however this has not yet been agreed by the Principal or Corporation.

The Committee noted the verbal update.