

HARLOW COLLEGE FURTHER EDUCATION CORPORATION

RESOURCES COMMITTEE

Minutes of the meeting held on Tuesday 28 September 2010

Membership: *E Johnson (Chair)
 M Coleman
 *C Hindmarch
 M Jackson
 *S Modaley
 *M Prodger
 *B Spencer

** Denotes Present*

In attendance: Richard Allanach, Deputy Principal
 Amanda Hughes, Director of Human Resources and Student Services
 Deborah Sheridan, Clerk to the Corporation

334 Apologies for absence

Apologies for absence were received from Martin Coleman and Marie Jackson.

Brian Spencer agreed to chair the meeting.

335 Minutes of the previous meeting

The minutes of the meeting held on 6 July 2010 were approved as a correct record and were signed by the Chair.

336 Matters arising from the minutes

336.1 Three Year Financial Forecast

Richard Allanach confirmed that the Routes into Work contract with the value of £1.4m had been received by the college.

337 Unaudited Accounts for 2009-2010

The Resources Committee received and considered the unaudited accounts for 2009-2010. Governors noted that the external audit would take place in November 2010. Richard Allanach reported that a significant amount of work required to be undertaken to complete the accounts prior to audit and the final figures for pension liabilities for the Local Government Pension Scheme was yet to be provided by the actuaries.

The provisional outturn figure for 2009-10 is significantly better than that contained in the budget and that reported to recent Corporation and Resources Committee meetings. Richard Allanach predicted a surplus of £1.1 million, a 4.4% surplus on turnover. The College earned £24.8 million, an increase of 7.9% on 2008-09. The Committee noted gradually improving ratios.

The Principal informed Governors that income levels had increased again in 2010-11, with additional funding for Apprenticeships and for young people not in education, employment or training (NEET). This was welcome news at a time when funding is becoming tight. The Principal reminded Governors that the Learning & Skills Council and Skills Funding Agency had expressed doubts as to whether the Teaching and Learning Strategy is affordable and questioned whether the college could achieve its very high level of student success and return a surplus. In 2009-10 the college again significantly improved results and made a significant surplus.

Given the Government's spending review, the Committee discussed whether levels of income could be guaranteed beyond 2010-11 and if not, could costs be reduced quickly enough. Governors noted the intention of the college to seek to grow but agreed that this could not be guaranteed. However, if the college reduced its provision there was no guarantee that it would be able to offer it again in the future. The College has gained a good reputation for quality and delivering services to local people. If the college failed to bring in additional funding then it would have to reduce its services. The Principal described how the College was positioning itself: staff were flexible and re-deployable; some new staff were placed on fixed term contracts.

The Resources Committee thanked Richard Allanach for his report and noted that the audited accounts would be considered in December 2010.

338 September 2010 Cash Flow Projection

The Resources Committee received and considered the report on cash flow projections to enable Governors with their statutory duty to ensure the college's solvency. The cash flow projection was to July 2012.

Richard Allanach reported that the projected cash flow differed from the budget because of the change in the Skills Funding Agency payment profile. After discussion, the Resources Committee agreed to advise the Corporation that the college was solvent to September 2011.

339 Management Accounts for the period 1st – 31st August 2010

Richard Allanach presented sketch management accounts to the Resources Committee for the month of August 2010. Governors had not previously received management accounts for consideration at this stage of the year. Richard Allanach confirmed the accounts demonstrated that payroll and other expenditure were under control.

340 Treasury Management Policy

The Resources Committee received and considered the Treasury Management Policy and Strategy. Richard Allanach reported that the policy amplifies financial guidance set out in the CIPFA document "Treasury Management in the Public Services 2009". It covered the management of the college's investments and cash flows, its banking and money market transactions and the effective control of the risks associated with those activities.

The Resources Committee approved the Treasury Management Policy and agreed to recommend it to the Corporation.

The Committee considered the Annual Treasury Strategy for 2010-11 which concerns how aspects of the budget should be managed.

Governors noted the current borrowings of the college and agreed to recommend to the Corporation the specific measures proposed for 2010-11.

The Committee agreed the college should invest temporary surplus funds in instant access accounts. Governors noted the risk of exceeding the Government guarantee to cover the first £50,000 of any investment and asked the Deputy Principal to proceed with the investment taking into account the risk identified.

341 Recruitment of Learners 2010-11

The Principal reported on the recruitment of Skills Funding Agency funded mainstream learners aged 16 – 18 for 2010-11 to date.

The Principal informed Governors that the College expected to reach its 16-18 full time number target of between 2,200 and 2,300 learners (3,500 student learner numbers). To date 2,323 learners aged 16 – 18 had been enrolled although it was expected that a number of students will withdraw or fail to meet the requirement of the course. As in 2009-10, the college anticipated that a number of enrolled students would be unfunded.

342 Summary of Outcomes 2009 – 10 (Success Rates, Value Added)

342.1 Draft Success Rates 2009-10

The Principal reported on draft success rates for 2009-10 which was predicted to be 90% for the inspection view.

The Committee noted the success rates for A Levels as follows:

- A2 - 95% (National benchmark 91%)
- AS - 88% (National benchmark 72%)
- For A2 provision, the high grades (A/B) had increased from 22% to 36%.

The Committee noted the draft work based learning success rates as follows:

- Overall success rate for college and partners 83% (national benchmark 71%)
- Timely success rate for college and partners 79% (national benchmark 58%)

The Committee noted the draft Train to Gain success rates as follows:

- Overall success rate for college and partners 92% (national benchmark 83%)
- Timely success rate for college and partners 88% (national benchmark 71%)

The Committee sent their congratulations to all staff and students who had

worked to make these improvements.

342.2 Value Added

The Principal reminded the Resources Committee of the Corporation's policy to retain all students, and to deliver Teaching and Learning to enable them to do well in their results, thereby improving College success rates and value added.

In 2009-10 value added, calculated primarily for Level 3 programmes, was positive for A Levels and national Diploma courses. Governors noted individual team value added performance.

The Principal confirmed new targets for value added for 2010-11 and reported that the college staff are further developing their skills in retaining students and in enabling them to reach good grades.

343 Pay Award 2009-10

The Resources Committee received and considered the report of the Principal on the pay award for staff of the college for 2009-10. The Principal reminded Governors that the award was agreed nationally between the Association of Colleges and the six recognised unions in the sector. Whilst agreed nationally, it is for individual Corporations to determine whether to implement the award on grounds of affordability. After discussion, the Committee indicated that it wanted to pay the 2009-10 pay award of 1.5% and that it did not want to delay making the award. The Committee also indicated that it wanted to take into account back dating the award to August 2009.

It was agreed that the Principal should bring newly costed proposals and options to the Corporation meeting on 21 October 2010 to enable all Governors to take part in the discussion.

344 Any other business

There was no other business

345 Dates of future meetings

Autumn Term 2010	Tuesday 7 December 2010	8.30am
Spring Term 2011	Tuesday 1 March 2011	8.30am
Summer Term 2011	Tuesday 3 May 2011	8.30am
	Tuesday 5 July 2011	8.30am