

# HARLOW COLLEGE FURTHER EDUCATION CORPORATION

## RESOURCES COMMITTEE

### Minutes of the meeting held on Thursday 30 April 2015

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

*\* Denotes Present*

In attendance:                M Stokes, Deputy Principal  
                                      P Marsh, Deputy Principal  
                                      D Sheridan, Clerk to the Corporation  
                                      R Lucas, Deputy Clerk to the Corporation

#### **616 Apologies for absence**

Apologies for absence were received from Alan Phillips.

#### **617 Declarations of interest**

E Johnson declared an interest in agenda item 621 – Advanced Manufacturing and Engineering Centre and Harlow College Property Strategy as Essex County Council has awarded Harlow College £2 million for the Advanced Manufacturing Centre.

#### **618 Minutes of the previous meeting**

The minutes of the Resources Committee meeting held on 26 February 2015 were approved as a correct record and signed by the Chair.

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

There were no matters arising.

#### **620 Management Accounts for the period 1 August 2014 – 31 March 2015**

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

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

- Cash flow is above the budgeted position for the year.
- The end of year surplus is currently forecast to be £311k.
- The income forecast has been adjusted to reflect the College's forecast end of year position.
- The income forecast is lower than originally budgeted due to 16 – 18 apprenticeship funding and the drop in higher education numbers.

- Forecast pay expenditure has increased by £260k to cover potential organisational changes. This is the worst case position.
- Non-pay expenditure remains within budget.
- Currently the College's financial health is rated as "satisfactory", however it is forecast to be "good" by the end of the year. The College's Financial Strategy states the College's financial health will be at least satisfactory.
- Payroll costs are at 65% of the College's overall budget.
- The year-to-date actuals and the forecast show that the Clydesdale Bank covenants are met.

Governors questioned cash levels and K Spencer confirmed that this is partly due to the College's income profile. Governors requested that the Executive Director for Finance investigate whether there are any opportunities to move the funding around for it to earn more interest.

Governors queried the level of creditors being paid within 30 days and highlighted that the current levels are not acceptable. It was agreed that this will be reviewed in more detail at a future Resources Committee meeting and that invoices that are under dispute should not be included in the figure.

Governors noted that EU procurement rules have changed and part of these rules is that creditors have to be paid within 30 days. The College's Financial Regulations will need to be amended to reflect the new procurement rules.

Governors noted the proposed new format management accounts and agreed to consider them in detail at the next Resources Committee, to allow the Executive Director of Finance to present the proposed format.

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

## **621 Advanced Manufacturing and Engineering Centre and Harlow College Property Strategy**

The Resources Committee received and considered the report on the Advanced Manufacturing and Engineering Centre, presented by K Spencer, Principal.

Governors noted the following:

- The first meeting on the AMC working group will take place on Thursday 14 May 2015.
- An initial employer advisory meeting has taken place, attended by 15 engineering and manufacturing employers from Harlow and the surrounding areas.
- At this meeting, employers gave feedback on the proposed curriculum plans and how they could engage and work with the AMC, such as bringing in some of their business processes and kitemarking courses.
- Ways at compacting the study programmes are being explored, so that students are work-ready upon completion. Employers would sign up to providing a 6-week work experience placement and would guarantee students an interview for any apprenticeship vacancies they have.
- The College is continuing to work with the LEP and ECC to resolve the outstanding issues around drawing down their funding.

- Two public consultation events are taking place so that local residents can come and view the plans and talk to the project team.

After discussion, it was agreed that the College will pay VAT on the new building. This will allow the AMC to operate directly with employers and undertake cost recovery training. Governors requested that a VAT summary position for each of the College's new buildings be included in the Financial Strategy.

The Resources Committee noted the report on the Advanced Manufacturing and Engineering Centre.

## **622 Future Funding 2015-2016, Learner Number Targets and Offers**

The Resources Committee received and considered the report on future funding 2015-2016, learner number targets and offers, presented by M Stokes, Deputy Principal.

The College's allocations for 2015 – 2016 were highlighted and discussed.

- 16 – 18 EFA funding:

The College's allocation is based on 2,517 learners, which is a reduction of 200 places. However a significant number of learners last year were not full-time learners, so the College has, in real terms, an extra 50 FTE to recruit next year.

The College will no longer receive transitional protection funding and has not been eligible for formula protection funding.

Funding for 18 year olds has been reduced by £250k.

The College will have a £857k reduction to its 16 – 18 EFA budget next year. A reduction in this funding had been planned and built into the budget.

- 16 – 18 apprenticeships:

The College's allocation for 2015 – 2016 is £1.449m, which is the same as the current year. There is the potential to earn more funding, if the College recruits more apprentices.

- Adult Funding:

The College had planned for a 15% cut, however, nationally, a 24% cut has been made. Qualification tariffs have been changed therefore colleges have to deliver more for less funding.

There is the potential to earn more funding, if the College recruits more adult apprentices.

- Personal and Community Development Learning:

The College's allocation of £415k remains unchanged for 2015-2016.

- 24+ Loans

The College's allocation has increased by £3k and is set at £246k. There is potential for this to grow and the College could submit a case to receive additional funding.

- Higher Education:

The College will receive an allocation from ARU and an allocation direct from HEFCE. If the College recruits sufficient learners, the £2m income target is achievable and the College has the potential to earn up to £2.6m.

Recruitment for HNDs and HNCs is looking positive.

The College is reviewing its strategy for delivering higher education and looking at ways of maximising this income stream.

- Project work:

Project work is an area which has grown this year and has the potential to grow next year with new projects being developed and delivered.

The Resources Committee noted the report on future funding 2015-2016.

## **623 Any Other Business**

There were no other items of business.

## **624 Dates of Future Meetings**

Summer Term	Thursday 18 June 2015	08.30am
-------------	-----------------------	---------

*Joint meeting with the Standards Committee*