

1. PRELIMINARY PROCEDURAL MATTERS

1.1 Attendance & Apologies for Absence

Membership: Tracey Critchley
Nick Davies (Chair)
Mark Eastwood
Sandra Ernstoff
Tony Medhurst
Steve Owen
Sachin Shah
Mumtaz Van Der Vord
Elizabeth Warriner
Antonio Weiss

In attendance: Judith Abbott
Pat Carvalho
Jayne Chaplin (Clerk)

Apologies: Kanwal Munir
Manisha Raval

Absent: Ketan Sheth

1.2 Confidential Items

It was **RESOLVED** for Item 2.2.2a to be taken as a confidential item.

1.3 Declarations of Interest

Declarations of Interest were received from:

- Sachin Shah as a Councillor for Harrow Council
- Sandra Ernstoff as a consultant for the EFA

2. ITEMS REQUIRING FORMAL REVIEW OR APPROVAL

2.1 Financial Reporting

2.1.1 College Reforecast Budget

The Reforecast Budget was presented.

Confirmation was welcomed that, in-line with the first year of the College three-year plan, the reforecast proposed for the budgeted deficit of £(100)k to remain unchanged. Members were advised that were there plans to exceed this and to achieve breakeven or better but that with uncertainties still surrounding such plans the reforecast budget just reflective of known activity to date.

There was review of income and expenditure status, key variances and risks, in particular:

- The shortfall in EFA and SFA Learner Numbers and Funding, noting that whilst the nature of the lagged learner funding model would result in no impact on funding for 2014/15, there would be implications for 2015/16 with modelling currently taking place to assess the precise impact on the 2015/16 budget; and noting the reductions in the Project and Tuition Fee income in the reforecast budget to £386k and £230k respectively.
- Overall pay expenditure budget remain reported to remain unchanged at £13,854k, despite the increase in activity and income delivery and noting, at the reforecast budget level of income, the pay cost to income ratio of 63% compared with target of 64%.
- The higher than original budget non-pay costs of £590k, which members were advised were attributed primarily to increased income, together with a transfer of budget from pay costs to professional fees.
- Cash Flow welcoming confirmation that whilst the bottom line income and expenditure position remained unchanged, the operating cash position for the year would be slightly improved compared with the original budget.

There was further discussion of:

- EFA and SFA Learner Numbers and Funding and opportunities to increase numbers noting that whilst applications to date for the next academic year were improved it was currently too early to know whether this represented timing differences or a genuinely positive trend.
- The reduced Project income and likely opportunities to mitigate the slow start of the ERDF-funded Gateway Asia project reporting the subsequent securing of additional funding as a subcontractor to deliver an ESF-funded project for improving English and Mathematics skills in the workplace; and noting that it was worth up to £171k although the College did not yet have plans to deliver it in its entirety.
- The overall progress made on structural pay costs and the belief that the full restructuring provision this year would not be required with a budgetary reduction to be made accordingly.

After discussion it was **RESOLVED** to:

- **APPROVE** the Reforecast Budget for 2014/15

2.1.2 Reforecast Capital Budget

The reforecast capital budget was presented

Advising members of an internal target to under-spend in order to preserve cash the details of planned expenditure were noted.

After consideration it was **RESOLVED** to:

- **APPROVE** the Capital Budget for 2014/15.

2.2 Estate Mater Plan: Progress Reporting

2.2.1 Current Capital Projects:

Prepared by the Project Managers, the Highlight Reports for the College's current capital projects were presented along with an oral update on developments following circulation of the papers:

2.2.1a Harrow on the Hill - Business Enterprise Centre

Progress was summarised, welcoming confirmation that the project remained on track for completion by 24 August 2015 in-line with the revised budget and noting the most significant of the key issues and risks identified.

Following discussion, the report was noted.

2.2.1b Harrow Weald - LLDD Building

Progress was summarised, welcoming confirmation that overall project costs remained within budget with practical completion still expected for 28 August 2015.

After confirming the current status of the most significant of the key risks identified and discussing any potential further developments, members were advised that in due course a formal decision would be required regarding the fit out of the 3d floor confirming, in response to questioning, that this would occur through the process of client initiated changes.

Following discussion, the report was noted.

2.2.2 Future projects:

Reports on opportunities for potential capital projects were presented along with an oral update on developments following circulation of the papers:

2.2.2a CONFIDENTIAL MINUTE

2.2.2b LEP FE Capital Investment Fund Round 2 Expression of Interest (Brunel Building)

Following the LEP's recent invitation for expressions of interest for a further round of Capital Investment Fund allocations members were advised that the College had made a second submission for improvements to Brunel building.

There was consideration of:

- The financial implications associated with the submission, advising members that £1,140k had been requested with no offer of match-funding. Observing that the lack of any match-funding could prove unattractive, it was reported and that the prospectus had indicated that submissions for a lower match funding commitment than the usual 2:1 might be considered in circumstances where the proportion of a college's estate was in poor condition, such as in the case of the Brunel Building.
- The submission detail in the context of the condition of the Brunel Building noting that it essentially proposed the continuation of the work started with the SFA College Condition Fund grant awarded in the summer of 2014, ultimately to then return the majority of Brunel building from its current SFA classification D to category B status.

After discussion it was **RESOLVED:**

- To **APPROVE** the submission to the LEP of the Expression of Interest for improvements to Brunel building.

2.2.2c LEP FE Capital Investment Fund Full Bid (Health & Social Care Building)

Following approval at the last meeting, for the submission to the LEP of a full proposal for funding from Further Education Capital Investment Fund for a Health and Social Care facility at the Harrow Weald site, confirmation was welcomed that the bid had been submitted for the 30th January 2015 deadline.

2.2.2d Free School Application

In the context of and following on from discussions of strategic options at the Corporation's Annual Conference, it was **RESOLVED:**

- **NOT TO PROCEED** with proposals for the further development of an application for the establishment of an alternative free school or free school in Harrow for submission to the Department of Education in May 2015.

3. OTHER BUSINESS, MEETING EVALUATION & DATE OF NEXT MEETING

3.1 Any Other Business

There was none.

3.2 Date of Next Meeting

Corporation Meeting, Wednesday 25 March 2015

3.3 Meeting Evaluation

Members completed the meeting evaluation forms and the meeting closed.