

**HARROW COLLEGE FURTHER EDUCATION CORPORATION**  
**MINUTES OF THE MEETING OF THE**  
**RESOURCES COMMITTEE**  
**TUESDAY 12 FEBRUARY 2008**

**1 PRELIMINARY PROCEDURAL MATTERS**

**1.1 Attendance, Apologies For Absence & Chair**

**Membership:** Barbara Field (Principal)  
Clifford Hurst (Chair)  
John Steady

**In Attendance:** Jayne Chaplin (Clerk)  
Rena Prindiville  
Bob Vesey

**Apologies:** Gillian Eldridge  
Jayshree Radia

It was noted that the new Chair, Gillian Eldridge, had submitted apologies and it was agreed that Mr Hurst would Chair the meeting.

**1.2 Declarations Of Interest**

There were no declarations of interest declared.

**1.3 Minutes of Previous Meeting**

The Minutes of the Meeting held on 13 November 2007 were confirmed as a correct record, and were signed by the Chair.

**1.4 Matters Arising**

**Franchise & Partnership Provision 2007/08**

It was reported that, on the advice of the auditors, the agreement of the LSC had been sought for the direct provision arrangements with North London ItcC.

It was noted that the matter was largely as formality and that no issues with regard to their approval were anticipated.

**2 FINANCIAL MATTERS**

**2.1 Management Accounts**

The Management Accounts for January 2008 were tabled and members were advised the Management Accounts had been superseded by the re-forecast budget.

**2.2 Progress on Targets: Term 1 Update Report**

A report and brief presentation was received outlining progress on targets and the strategies already implemented and planned to address the shortfall in numbers.

It was reported that the under-recruitment in September 2007 meant that LSC targets were not met, particularly for 16-18 funding stream, and that steps had been introduced to close the gap by recruiting throughout the year, where possible.

- 2.2.1 Changes in patterns of recruitment required the college to continue to view 16 to 18 recruitment as a continuous activity.
- 2.2.2 There was a need to build stronger partnerships. It was noted that historically relations with external agencies, such as Connexions, had not been as positive as they could have been and that the College was looking to strengthen future relationships by addressing misconceptions about the nature of the College's curriculum provision.
- 2.2.3 Curriculum change was a key strategic requirement if the college was to deal effectively with the changes in LSC funding and increased competition in the local area
- 2.2.4 The Recruitment gap would need to be closed to minimise impact on allocation for 2008-09 and to close income gap for the current year.

It was reported that although the shortfall had now been reduced to 224 learners as a result of the strategies implemented, a number of other initiatives were also being introduced including additional curriculum to support late starters and engagement strategies with employers.

It was noted that there had been a meeting with the LSC to submit the College's bid for growth in 2008/09. Members were advised that:

- 2.2.5 With regard to 16-18, growth had been based on three scenarios ranging from 2,500 up to 2,700 learners.
- 2.2.6 Adult provision was expected to remain at current levels, albeit with growth anticipated in levels 2 and 3 provision.
- 2.2.7 It was anticipated that the College's more conservative bid of 2,500 would be the LSC's favoured bid and that a response to the college's bid was expected shortly.

There was a discussion of the current learner numbers and the strategies used and being introduced and the proposed bid for growth in 2008/09.

After consideration it was **RESOLVED**:

- 2.2.8 To **NOTE** the report.

### **2.3 Re-forecast Budget 2007/08**

A report was received advising the Committee of the reforecast income and expenditure budget proposal for 2007/2008 for the college, and the underlying assumptions underpinning the reforecast.

It was noted that the Corporation had originally approved a budgeted surplus of £56K and that a number of positive and negative budget changes had resulted in a re-forecast budget of £225K.

Members were advised of the assumptions underpinning the reforecast, that:

- 2.3.1 The College was struggling to achieve its 16-18 student targets for numbers and funding – currently short by 224 students and £1.2m funding;
- 2.3.2 The LSC had advised the College that there would be no claw-back in funding this year, but that a negative impact in 2008-2009 was likely;
- 2.3.3 Although there was a drop in 19+ full-time learners, the College was likely to achieve overall targets for 19+ learners and funding;
- 2.3.4 Additional LSC project funding would bring total project funding to £543k – over £400k of which relating to projects carried forward from 2006-2007, with the remainder for Initial Teacher Training Project and Capacity Building Funding;
- 2.3.5 Learn direct funding forecast was to reduce by £80k (from £200k down to £120k);

- 2.3.6 Additional learner support funds of £40k would also be matched by associated funding;
- 2.3.7 There was a drop in Contract income of £27k;
- 2.3.8 Tuition fees for adults and overseas students were prudently forecast to be £150k higher than target, with possibility of further increase after Summer term enrolments;
- 2.3.9 There was a marginal increase of £15k for materials income and £30k for bank interest;
- 2.3.10 Following careful monitoring and review, pay costs were forecast to be £250k lower than planned;
- 2.3.11 There was an increase of £283k associated with LSC project funding;
- 2.3.12 There was an increase of £50k associated with recruitment costs;
- 2.3.13 There was an increase of £150k associated with North London ITeC project;

There was a discussion of the detailed assumptions underpinning the re-forecast including:

- 2.3.14 The claw back expected for 2008/09 and the financial implications.
- 2.3.15 The anticipated change in profile for Work Based Learning and e2e provision.
- 2.3.16 The College's current and future policy regarding the charging of tuition fees, which it was considered should be the subject of a further consideration at a future meeting.

Members welcomed confirmation of the revised and positive re-forecast and that the position would be closely monitored.

After consideration it was **RESOLVED** to:

- 2.3.17 **RECOMMEND** to the Corporation the **APPROVAL** of the proposed reforecast budget for 2007-2008.

## 2.4 Development Priorities for 2008/09

A report, accompanied by a presentation, was received on the LSC's Statement of Priorities and their implications.

It was reported that:

- 2.4.1 Since the College was heavily dependent upon LSC funding, the priorities set annually by the LSC formed the major component of the College's development priorities in any year.
- 2.4.2 The LSC's Statement of Priorities outlined how it will work with its partners to deliver these by focusing on three key priorities:
  - Creating demand for learning and skills.
  - Transforming the FE System to meet demand.
  - Delivering better skills, better lives, better jobs.

It was noted that in London that there was an additional priority to secure the Olympics legacy, with more people benefiting from new skills and jobs.

- 2.4.3 With regard to Young People the priorities were to:

- Increase the proportion of young people achieving Level 2 or Level 3 at age 19.
- Reduce the percentage of 16-18-year-olds classified as NEET to increase participation in education and training among 17-year-olds

2.4.4 The priorities in relation to Adult Skills were:

- An additional 597,000 people of working age to achieve a first Level 1 (or above) literacy qualification, and
- For 390,000 to achieve a first Entry Level 3 (or above) numeracy qualification.

It was noted that in addition the LSC was also committed to increasing the number of Apprenticeships available and to ensuring an increase in the number of people moving into sustainable employment.

It was noted that, the College's development priorities for 2008-2009 responded to LSC's Statement of Priorities accordingly by:

2.4.5 Including the offer of an increased number of vocational programmes for young people and adults linked, wherever practicable, to embedding a legacy from the Olympics in 2012.

2.4.6 Continued development of the personalised programmes offered to the NEET category

2.4.7 The development and embedding of vocational skills into ESOL programmes to ensure job-readiness.

2.4.8 The development and trialling of appropriate programmes to deliver numeracy qualifications.

Members were advised that the LSC contract was College's main source of funding and that there were significant changes to the funding methodology being introduced from 2008, which would have implications for the College. It was noted that there would be three different budgets for 2008-2009 (16-18, adult, employer) that would operate in three different ways:

2.4.9 The 16-18 and adult formula would operate in a similar way but with different values for the national rate and for the provider factor.

2.4.10 The employer responsive formula will be slightly more distinct – reflecting the difficulties that the LSC has been having harmonising Train to Gain and work-based learning funding.-2009

There was a discussion of the development priorities and how the College was responding the them, the new funding methodology and the implications for the College in respect of its future cash-flow, especially during the One Harrow Project.

After further consideration it was **RESOLVED** to:

2.4.11 **NOTE** the report.

### **3 HR MATTERS**

#### **3.1 HR Report**

The HR Report was received updating members on current developments in Human Resources.

With regard to:

3.1.1 The appointment of the Principal, it was reported that following his appointment as the next Principal of Harrow College, it had been agreed that Tony Medhurst would be released by the College of North West London to take up his new post on 7<sup>th</sup> April, immediately after the current Principal's retirement. It was noted that Tony would also be released for a short Harrow familiarisation programme during the Principal's last two working weeks, from 25<sup>th</sup> March to 4<sup>th</sup> April.

- 3.1.2 The contracts of employment for lecturers, there had been no substantial modifications to the Harrow College Lecturer Contract of Employment since the College was established in 1999. It was reported that the College had now reached agreement with the two recognised trade unions for lecturers on a number of changes and updates, predominantly to bring the contracts into line with the legislative changes and developments in the sector that have taken place since the initial contract was agreed. It was noted that the College and the trade unions were in agreement that these did not amount to significant changes to terms and conditions of employment for Harrow College lecturers.

Members were advised that it was proposed to reach agreement with the relevant trades unions on similar amendments to the Business Support and Manager contracts. It was noted that progress in reaching agreement had been delayed following changes in the trade union personnel and that a report would be put to the Committee upon the completion of the process.

- 3.1.3 Staff recruitment, it was noted that a strict control of recruitment remained a key strategic element in contributing to the reduction of the potential deficit from loss of income derived from student numbers in the current year and in 2008 - 2009.

Members were advised that it had been policy for a considerable time for all vacancies that arise remaining subject to review before being re-advertised. It was reported that since September 2007 an extremely rigorous process of prioritisation had been carried out with posts only being filled in response to very specific skills set requirements and where a decision not to replace would lead to significant cut back in the services provided.

- 3.1.4 Policies and Procedures, the College's Discipline and Grievance policies had been revised in consultation with the trade unions, bringing them into line with changes in legislation.

There was a discussion of the various changes to policies in response to legislative changes and good practice in general, and in particular:

- The changes that the College was making to its monitoring of equality and diversity.
- Social networking sites and the changes that the College would need to look at concerning its current policies to address IT and Internet usage and data protection and child protection issues.

After further consideration it was **RESOLVED** to:

- 3.1.5 **NOTE** the HR Report.

## 3.2 HR Policies

See item 3.1

## 4 PROJECT REPORTS

### 4.1 NWLCC Update Report

A verbal report was received updating the Committee on NWLCC's progress following the Corporation's agreement to a debenture at its October meeting.

Members were advised that the Company's business operations remained busy and that it was maintaining a positive cash-flow. It was reported that the Board were looking at the ways in which the Company could operate on a more stable financial basis, including its current premises, which were occupied on a very costly lease basis.

It was agreed, that strategically it would be prudent to look at how the Company could operate on a more stable financial basis longer term to reduce or avoid reliance on the need for debentures in the event of cash flow issues in the future.

After discussion it was **RESOLVED** to:

4.1.1 **NOTE** the report.

## **5 COLLEGE BUSINESS**

### **5.1 Annual Report on Insurance Claims 2006/07**

The Annual Report on insurance claims for 2006/07 was received.

It was reported that the College insurance provision was tendered for the renewal from 1 August 2006 and that, although insurance premiums had begun to decrease, as the market had become more competitive, significant savings had been made for 2007/08 after negotiating a long-term agreement with the insurance provider.

The premiums, level of cover, including the cover during planned for the duration of the One Harrow Project, and current claims were considered.

After discussion it was **RESOLVED** to:

5.1.1 **NOTE** the report.

### **5.2 Development of a Memorandum of Co-operation with Stanmore College**

A report and the draft Memorandum of Co-operation with Stanmore College were received.

It was noted that historically the Colleges had worked at various levels of collaboration and that to date it had been in loose affiliation for the most part, although there had been periods in which there has been co-ordinated activity; within a collaborative subsidiary (NWLCC Ltd.), a joint venture company owned by these two colleges along with College of North West London and St Dominic's Sixth Form College.

Members were advised that:

5.2.1 The current climate was one of reducing 16-18 demographics, expansion of the supply of 16-18 places through presumption schools and academies and stasis in LSC funding for this age group coupled with a dramatic reduction in funding for traditional adult courses and growth in work on employer premises (Train to Gain).

5.2.2 In addition, there was an urgent need for the renewal of the estates of both colleges.

5.2.3 The Principals of the two colleges had been called together to meet with LSC officers in July, 2007, at which it was made clear that the LSC required a Memorandum of Co-operation to be agreed between the two colleges before any property proposal from Stanmore College would be considered.

5.2.4 A draft agreement was considered in detail at a meeting comprising the Chair of Stanmore's Board, the Vice-Chairs of the two Boards, members of each College's Senior Management in addition to the two Principals. Members were reminded that the outcome of this meeting had been reported to the Corporation Board at its meeting on 4<sup>th</sup>. December, 2007.

It was noted that this group had recommended some changes to the draft document, which were subsequently incorporated, and that, prior to going before the Corporation at its next meeting, the documents had been considered by both the Curriculum, Quality and Standards and Resources Committees.

After consideration it was **RESOLVED** to endorse the Memorandum subject to the:

5.4.5 **PROPOSAL** that it would be prudent to obtain legal advice on those aspects of the Memorandum of Understanding that related to competition law.

**6 ANY OTHER BUSINESS & MEETING EVALUATION**

**6.1 Any other business**

No other business was raised.

**6.2 Date of Next Meeting**

**Wednesday 2 July 2008.**

**6.3 Meeting Evaluation**

Members completed the meeting evaluation forms and the meeting closed.

 2.7.08