



The Henley College Corporation

MINUTES of the Meeting of the Finance & Resources Committee held on Tuesday 14 November 2023 at 09.00 via remote participation

<p>Members present: Charles Wiggin Mike Ashton Vince Maltese Chris Reeve</p> <p>In attendance: Eamonn Egan Mark Griggs Liz Guerin Jacky Gearey</p>	<p>Independent Member/Chair Board Chair and ex officio Independent Member Co-opted</p> <p>Vice Principal Finance & Resources & Control (FRC) Director of HR and Organisational Change for item 1.9 Director of Governance</p>	
Agenda Item	Minutes	Action by
	<p>Opening of meeting The meeting opened at 09.0</p> <p>Apologies for Absence 1. Satwant Deol – AoC Conference 2. James Lingard – work incident</p> <p>There were no other apologies for absence.</p> <p>Declaration of Interests There were no declarations of interests.</p>	
1.1	<p>Minutes of Meeting (i) Minutes of the meeting of 13 June 2023 The committee approved as an accurate record the minutes of the meeting held 13 June 2023. Resolved that the Committee agreed that the minutes were an accurate record of the meeting held 13 June 2023</p>	
1.2	<p>Matters Arising from the Minutes (including review of actions Item 5.6 to provide an estate strategy tracker for all future estates' items – covered under item 1.8.</p> <p>All other actions had been closed off and there were no further matters arising.</p>	
1.3	<p>Draft Statutory accounts for 2022-2023 The Statutory Accounts were prepared by the College and audited by Buzzacott and were broadly consistent with the management accounts that have been seen by the committee, subject to the final adjustments associated to FRS102 pension adjustment. Subject to those 'exceptional' adjustments, which are not within the College's overall control, the financial operating surplus was better than expected because of the slight increase in ESFA income and cost savings in-year resulting mainly from the reduction in pay costs. The outcome was that these accounts were 'unqualified' in terms of audit opinion. It was stressed that the Audit Findings Report was considered by the Audit Committee at their meeting on 6 November 2023 and there are no recommendations. The key highlights were:</p>	

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	<ul style="list-style-type: none"> A surplus for the year after Local Government Pension Scheme (LGPS) adjustments of £1,454k was reported. The underlying operating surplus for the year excluding LGPS adjustments was £118k. There was a further adjustment to account for the actuarial gain on the pensions scheme plus an FRS 102 adjustment but as this is not recoverable by the College the FRS 102 valuation on 31 July 2023 has been capped at nil balance in the financial statements. ISA 315 revised – this implements a minimum requirement for auditors to document their understanding of the role of IT in the transactions and processes relevant for the audit. There was an advisory comment recommending the implementation of cyber essentials plus. The College already has achieved cyber essentials accreditation. The auditors concurred with the financial assessment of 'outstanding'. <p>Additionally the FRC drew the committee's attention to changes in the following Notes to the Financial Statements:</p> <ul style="list-style-type: none"> Note 7 – reference to the Principal's total remuneration and salary as a multiple of the <i>median</i> of all staff which replaced the <i>mean</i> previously used. Note 22 - reference to related party transactions concerning one of the governors. <p>The Chair said that this was a good set of accounts, there were no further comments and the Chair thanked both the FRC and the finance team for all their work in preparing this. The committee recommended the accounts to the Board for approval.</p> <p>Resolved that Draft Statutory accounts for 2022-2023 was received by the committee and recommended to the Board for approval and sign off</p>	
1.4	<p>Management Accounts for September 2023</p> <p>The College has set a budget to deliver an operating deficit for the year amounting to £249k, based on a turnover of £12.2m. The ESFA have provided a revised funding statement which provides an uplift to the current year's funding to support the increased costs facing the College. This will be reflected along with a revision to pay and non-pay costs in the near future. Non-pay expenditure, the current actual position is broadly as planned, but there remains significant challenges in ensuring sufficient resources are allocated to all areas of the College to maintain the quality of provision, experience for the students, support for staff and maintaining a fit for purpose estate. The College Balance Sheet remains strong and builds on the success of delivering good financial outturns in recent years, including 2022-23. The previous negative position on the income & expenditure reserve was reversed in 2021-22 due to the changing outlook on pension provisions. This was also reflected in the 2022-23 Balance Sheet, where the pension valuation resulted in a surplus position, which eliminated the pension liability provision. The College continued to maintain its "outstanding" financial health position.</p> <p>The committee had no questions.</p> <p>Resolved that the Management Accounts for September 2023 were received and noted by the committee</p>	
1.5	<p>Student Union Accounts for 2022-2023</p> <p>The FRC explained that due to the nature of the rolling student programme, the student body has only recently elected a formal executive committee to take day to day control</p>	

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	<p>over the union funding and bank account. With the expenses for the students' summer picnic along with bank charges (£60), and a small amount of sundry income, the year ended with deficit of £116 for the year, and a year-end bank balance of £7,143. The committee commented that this was a lot of money to hold and asked the College to support the students in their use of this money. VP confirmed that this was being brought into the discussion with the students.</p> <p>Resolved that the Student Union Accounts for 2022-2023 were received and noted by the committee</p>	
1.6	<p>Update on Financial Regulations The FRC provided a brief verbal update explaining that as part of an incomplete action from the internal audit work in a previous year, the Finance Team is still reviewing the Financial Regulations, especially in the light of the recent ONS reclassification. The revised Financial Regulations will be brought to the next meeting in March 2024.</p> <p>Resolved that:</p> <ul style="list-style-type: none"> (i) the Update on Financial Regulations was received and noted by the committee (ii) the revised Financial Regulations to be brought to the meeting in March 2024 <p>Liz Guerin joined meeting at 09.22</p>	FRC
1.7	<p>Policies for approval Reserves' Policy – an existing policy which had been reviewed and there were no changes currently. Insolvency Policy – an existing policy which had amendments covering the Managing Public Money (MPM) requirements resulting from the ONS reclassification. Environmental Sustainability Policy – new policy This policy is the College's commitment to certain standards that will help it meet its legal, social and environmental obligations. It outlines how the College intends to promote more responsible operations and reduce its impact on the environment and its local community. The Board Chair said that this was a good start and asked if this included the strategy in line with the Climate Action Roadmap for FE Colleges. FRC advised that at the next ESG meeting, the aim will be to identify the various KPIs both short and long term and to incorporate benchmarks into the strategic plan. The Chair felt that reference to KPIs was very relevant, and Board Chair wanted to ensure that this also provided a benefit to the College.</p> <p>The committee approved the two policies (amended and new) as presented.</p> <p>Resolved that:</p> <ul style="list-style-type: none"> (i) the Reserves Policy policies was received and noted by the committee (ii) The Insolvency and Environmental Sustainability Policies were received and recommend to the Board for approval 	
1.8	<p>Estates and Infrastructure Strategy update The FRC went through the progress over the last twelve months on Estates and IT projects and provided an indication of the major capital projects for consideration between 2023-24 to 2025-26. The FRC asked if the committee wanted to see a tabular sum of the projects against budget which the Chair felt would be really useful.</p>	FRC

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	<p>Capital Expenditure 2022-23 In year, the final confirmed expenditure on capital was £642k.</p> <p>Capital Expenditure 2023-24 The proposed spending for the year would be £2.45m, of which £1.32m would be grant funded and £1.13m funded from reserves to include a range of initiatives e.g. T-Level specialist equipment, boiler upgrades in Rotherfield, the purchase of another minibus, installation of fibre optic cable between both campuses and replacement of Deanfield virtual servers. The Board Chair asked about the development of the sports field located behind the Rotherfield campus. The VP explained that following consultation with RFU representatives, the College has engaged with contractors experienced in developing high quality 4G sports pitches. This will enhance the students' enrichment experiences, support the development of elite sports provision and open up opportunities to offer facilities to the local community.</p> <p>Finally as part of the 2024-28 Strategic Planning, an updated Estates Strategy will be provided to support the future growth.</p> <p>Resolved that:</p> <ul style="list-style-type: none"> (i) the Estates and Infrastructure Strategy update was received and noted by the committee (ii) FRC to provide capital expenditure of projects against budget in a tabular form 	
1.9	<p>HR & Employment Law The Director of HR and Organisational Change presented the paper covering recent and imminent changes to employment law, of note was the following: Calculation of holiday pay for casual staff (e.g. invigilators) - workers are legally entitled to 5.6 weeks' paid holiday per year. This entitlement is derived from the Working Time Regulations 1998. The amount of pay that a worker receives for the holiday they take depends on the number of hours they work and how they are paid for those hours. The principle is that pay received by a worker while they are on holiday should reflect what they would have earned if they had been at work and working.</p> <p>The HR update had been already covered at the October Board meeting but was presented for noting.</p> <p>Staff Pay Award The FRC provided an update to the proposed staff pay award for 23-24. The 2023-24 budget originally included a 2% pay award, reflecting the uplift in government funding for the year, however at the beginning of September 2023, the revised funding statement provided an additional uplift of £420k, amounting to an additional 4% funded income. This additional uplift has provided a supplementary 4% for the 2023-24 pay award. As the Sixth Form Colleges Association (SFCA) has recommended a 6.5% pay award, the committee endorsed this pay award in line with the SCFA's recommendations. The extra 0.5% equates to an extra £40k which will be found from efficiencies within non-pay costs. For information data received from other colleges is that most are paying 6.5%. The Chair asked for the bottom line effect for doing this with FRC confirming that the deficit was slightly less than originally budgeted and had no detrimental effect on the budget. Taking into account the financial implications above, the committee unanimously agreed</p>	

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	<p>that a 6.5% pay award is to be recommended to the Board for approval backdated to 1 September 2023. Approval by the Board to be sought by remote decision to expedite payments to staff for the November payroll as the next board meeting is in December.</p> <p>The committee discussed how this would be communicated to staff to ensure clarity that the 6.5% pay award was based on last year's pay and that this did not take into account the one off bonus payment. D of HR confirmed that a statement would be prepared.</p> <p>Resolved that:</p> <ul style="list-style-type: none"> (i) HR & Employment Law updates were received and noted by the committee (ii) The Staff pay award of 6.5% was agreed by the committee and recommended to the Board for approval to take effect 1 September 2023, approval to be sought via a remote decision (iii) D of HR to prepare a communiqué regarding the 6.5% pay award. 	<p>D of G</p> <p>D of HR</p>
1.10	<p>Annual Report on the use of the College Seal</p> <p>The Director of Governance confirmed that there has been no use of the College Seal for the academic year 2022 - 2023.</p> <p>Resolved that Annual report on the use of the College Seal was received and noted by the committee</p>	
1.11	<p>Committee Self-Assessment Report</p> <p>The committee self-assessment response rate was 100%. Attendance rate 86%. All members agreed were in full agreement that the committee had the appropriate mix of skill with perhaps the addition of FE, although not seen as critical, there were clear ToRs, and the Chair was effective, efficient and enabled robust discussion.</p> <p>Resolved that the Committee Self-assessment Report was received and noted by the committee</p>	
1.12	<p>Any Other Business</p> <p>There was no other business.</p>	
1.13	<p>Items to be taken forward to next Corporation Meeting:</p> <ul style="list-style-type: none"> 1. Financial Statements 2022-2023 2. Insolvency and Environmental Sustainability policies 3. Use of the College Seal 	
	<p>Date and Time of Next Meeting</p> <p>The next scheduled meeting is 12 March 2024 at 09.00</p>	
	<p>Meeting Closure</p> <p>The meeting closed at 09.55</p>	

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