



## The Henley College Corporation

### MINUTES of the Meeting of the Finance & Resources Committee held on Monday 20 November 2017 at 09.00

<p><b>Members present:</b>  <b>Charles Wiggin</b>          Peter le Conte          Satwant Deol          Mia Tritton          Martin Unsworth          Trevor Watkins</p> <p><b>In attendance:</b>          Eva Dixon          Jacky Gearey</p>	<p><b>Chair</b>          Independent Member/Chair of Corporation          Principal/Ex Officio Member          Independent Member          Staff Governor          Independent Member</p> <p>Interim Director of Finance          Corporation Secretary</p>	
Agenda Item	Minutes	Action by
1.1	<p><b>Opening of meeting</b>          The meeting was opened at 09.08. The Chair welcomed everyone and gave a brief personal introduction – as a highly experienced Chartered Accountant and business adviser, having qualified with and worked for KPMG in UK and then Price Waterhouse Coopers in Europe. He set up his own accountancy practice specialising in providing financial solutions to growing and challenged businesses.</p>	
1.2	<p><b>Apologies for Absence</b>          Apologies were received from:              1. Caroline Pickup - HR              2. Sam Juthani -Governor</p>	
1.3	<p><b>Declaration of Interests</b>          The Principal, Staff Governor and Corporation Secretary declared an interest in item 1.8 otherwise no other interests were declared.</p>	
1.4	<p><b>Election of Chair &amp; Vice Chair</b>          The committee fully supported Charles Wiggin as the Chair and Trevor Watkins as Vice chair</p> <p><b>Resolved: Charles Wiggin duly elected as Chair and Trevor Watkins as Vice Chair of the committee</b></p>	
1.5	<p><b>Minutes of the Meeting of 12 June 2017</b></p> <p><b>Resolved: the Committee agreed that the minutes were an accurate record of the meeting of 12 June 2017 and the minutes were signed by the Chair.</b></p>	
1.6	<p><b>Matters Arising from the Minutes (including review of actions)</b>          All matters had been actioned and there were no matters arising.</p>	
1.7	<p><b>Draft Statutory accounts for previous financial year 2016 - 2017</b>          The DoF said that these accounts were to be reviewed by the Audit committee later that afternoon as the meeting had to be rescheduled to a later date. The Chair directed the committee to page 32 where the actual figures start.          The Chair said that there were significant changes to both income and expenditure compared to the previous year and that this was unacceptable albeit the causes were known– increased staffing costs and reduced income funding. Income has to be matched with resources otherwise this is not operationally viable. In the Financial Memorandum the ESFA clearly states that the lagged funding approach for 16-18 provision is a mechanism for determining the funding for the college and is not a regime for funding a year in arrears, However under the new financial</p>	



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	<p>reporting regime, FRS 102 it is mandatory to accrue the income in 2016/17 for students registered in excess of the numbers attributable to the figures attributable to lagged funding and the risk was that income for the year would be incorrectly accounted for and therefore understated. The auditors are of the opinion that the inclusion of income for 16-18 year students should be accounted for on the basis of lagged funding.</p> <p>The Chair also asked the DoF to include an explanatory note on the restricted reserve and what it meant.</p> <p><b>Resolved: to recommend to the Corporation the approval of the Report and Financial Statements for the year end 31 July 2017 subject to the DoF ensuring the inclusion of an explanatory note on the Restricted Reserve.</b></p>	<b>Director of Finance</b>
1.8	<b>Pay Award for current year – now covered under item 1.16(b) pay negotiations 2017/2018</b>	
1.9	<p><b>Student Union Accounts for previous financial year</b></p> <p>The Students Union accounts were received by the committee. The income received from Student Union Activity was mainly due to sale of NUS cards. There was a slight decrease compared to 2015/16 mainly due to the introduction of 3 year NUS cards in 2015/16. There were no student union organised trips during the year leading to a reduction in contribution for any trips. The students Union funded part of the refurbishment of Deanfield refectory, £5.4k to create extra areas for students. There was also a contribution of £6k made towards counselling services but it is thought that this will be the last year that they will be able to contribute, alternative funding for this provision is being sought. The Chair asked if the students themselves were going to do any fund raising and the DoF said she was unsure but would find out.</p> <p><b>Resolved:</b></p> <p><b>(i) to recommend to the Corporation the approval of the Student Union accounts for the year end 31 July 2017</b></p> <p><b>(ii) DoF to find out if students are/or intending to hold any fund raising events</b></p>	<b>Director of Finance</b>
1.10	<p><b>Student Enrolment Analysis and financial implications for current financial year</b></p> <p>The DoF updated this verbally saying that the financial target is measured from 24 October (last date of attendance is 1907 (71 above last year's figures) so the College should be comfortably ahead of this when the ILR (individual learner record) is finalised 6 December. The financial implications are actually in the updated finance budgets prepared by Director of Finance and to note that any 19+ students are excluded as this is for full time students, the data for HCT is more difficult to predict and their students start at different times of the year.</p>	
1.11	<p><b>Discretionary Learner Support Funds for current financial year</b></p> <p>The College was allocated £110,068 in 2017/2018. The YTD allocation as at November 2017 shows an unclaimed amount at the end of the financial period of £25,271; this is likely to be spent during the year. The number of students being supported is currently 168.</p> <p>During the financial period end July 2017, the unclaimed balance was £14,054. The spend was on 203 learners. The unclaimed balance has been accrued in the year end accounts and it is anticipated that the ESFA will reclaim this in the January 2018 monthly remittance. A review of this will be carried out during the year to ascertain whether there is scope to maximise the funds and reduce the unclaimed amounts.</p> <p><b>Resolved:</b></p> <p><b>(i) the Discretionary Learner Support Funds report was received by the committee.</b></p> <p><b>(ii) DoF to review the Discretionary Learner Support Funds regarding maximising use of funds and reducing the unclaimed amounts</b></p>	<b>Director of Finance</b>
1.12	<b>Interest on Fixed Deposits</b>	



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	<p>The DoF briefed the committee on the amount of money that the College had as cash in hand and in the bank. Of this amount half was on a 32 notice account earning an interest of 0.32%. Following the rise in base rate, the interest now earned is 0.57%. Money in the College's current account is now earning minimal interest. The Chair asked the DoF to look at profiling the cash reserves on the basis that funds required later in the financial year could be held in an account with a longer access period and therefore earning a higher rate of interest and to report back to him.</p> <p><b>Resolve:</b>  <b>(i) the report on the Fixed deposits was received by the committee</b>  <b>(ii) DoF to look at cash reserve profiling and report back to Chair of Finance &amp; Resources</b></p>	<b>Director of Finance</b>
1.13	<p><b>Update on Financial Regulations and Procedures</b>  The update to the Financial Regulations covered the change in HR post title.  <b>Resolved: to recommend to the Corporation the approval of the Report on the Financial Regulations and Procedures for 2016/2017</b></p>	
1.14	<p><b>Annual report on the use of the College Seal</b>  The Corporation Secretary presented a report on the authorised use of the College Seal since the last meeting. This report is provided as a safeguard against potential fraud. The seal had not been used for 2016-2017.</p> <p><b>Resolved: the Annual report on the use of the College Seal was received by the committee.</b></p>	
1.15	<p><b>Annual HR policies and reports</b>  The DoF submitted the annual staff statistics report for October 2017 and briefed the committee on the HR department issues namely that there have been significant unplanned changes in the HR management staff which have resulted in a significant shortfall in capacity within HR. A consultant had been brought in for 2 days a week working to appoint an HR Officer to deal with many of the transactional functions that are not otherwise easily covered. Once appointed this person will need to be inducted and will then need to review and develop the operations within the college.</p> <p><b>HR policies</b>  The Return to Work Interview Form is a new policy which requires approval by the committee.</p> <p><b>Resolved: to recommend to the Corporation the approval of the Return to Work Interview Form</b></p> <p>In addition there is a wide range of policies which are in the process of review for routine updates e.g. job title changes of persons responsible for action and statutory changes. Any necessary changes will be reflected in use as appropriate. Most changes anticipated are insignificant. However the College Redundancy Policy needs to be reviewed to include a clear, fair and objective selection procedure to support an effective redundancy consultation process.</p> <p><b>Resolved: HR to review the Redundancy Policy by December 2017</b>  <b>HR with SLT to consider which policies need to be prioritised for review</b>  <b>HR to review key policies and procedures by March 2018 prior to the next F &amp; R meeting</b></p> <p>As a result of the reduced HR capacity the following cannot be provided for this meeting:</p> <ul style="list-style-type: none"> <li>• Report on annual staff training/continuous professional development</li> <li>• Report on the annual observation of staff teaching and learning</li> <li>• Report on annual staff changes</li> <li>• Report on staff succession planning</li> </ul> <p><b>Resolved:</b>  <b>For the Corporation to note the following to be undertaken at the next Finance &amp; Resources meeting in March 2018:</b></p>	<b>Head of HR</b>



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	<ul style="list-style-type: none"> <li>• <b>Report on annual staff training/continuous professional development</b></li> <li>• <b>Report on the annual observation of staff teaching and learning</b></li> <li>• <b>Report on annual staff changes</b></li> <li>• <b>Report on staff succession planning</b></li> </ul> <p>Pensions Administration has been moved from HR to Finance. Training organised with Capita and a demonstration from Cintra to ascertain an HR system to be used going forward. Self-service is one of the key features required. Finally recruitment policies were being reviewed with a view of automation to reduce resource requirement.</p>	
1.16	<p><b>HR &amp; Employment Law updates:</b></p> <p><b>(a) Employment Law and legislation changes in 2017</b> The DoF submitted a report on the current employment legislation changes in 2017. Apprenticeship levy and IR35 tax rules both have had financial impacts from April 2017.</p> <p><b>Resolved: the Employment Law and legislation changes in 2017 report was received by the committee</b></p> <p><b>(b) Pay negotiations 2017/2018</b> Support staff tended to be on an Association of Colleges (AoC) model contract whilst teaching staff were in the main on a Sixth Form Colleges Association (SFCA) contract. The Employers' Side of the National Joint Council (NJC) offered an across the board increase of 1% to both the support staff pay spine and teaching staff effective 1 September 2017. This offer is at the limit of what is affordable for colleges and some colleges would struggle to meet even this level of pay increase for 2017/2018. As yet no pay increase has been agreed. The College is already facing difficulty in setting a balanced budget for next year and staff costs account for 77%. It will be difficult to find sufficient funds in the budget for a 1% increase therefore the committee cannot recommend any pay award to staff for 2017-2018. The Principal then said that she would be speaking to the Interim Head of HR to rationalise staffing costs by January 2018.</p> <p><b>Resolved: to recommend to the Corporation not to approve a pay award for staff 2017/2018.</b></p> <p><b>(c) Annual Staff satisfaction survey</b> The staff satisfaction survey has not been undertaken and has been postponed until the new structure and working arrangements have been implemented with the spring/summer of 2018 as the potential target date for the survey.</p> <p><b>Resolved: the Annual Staff Satisfaction survey to be sent out in the Spring term 2018</b></p> <p><b>(d) HR Services</b> Unplanned changes in HR management staff have resulted in a significant shortfall in capacity within HR. The interim Head of HR is supporting the college to appoint an HR officer on a fixed term basis to end of March 2018 to deal with many of the transactional functions that are not easily covered. Other changes made to address this shortfall include additional hours within the finance function including the day to day supervisory responsibility by the Finance Manager for the HR team.</p>	
1.17	<p><b>Any Other Business</b> The Principal and Chair of Governors had both been at the recent AoC Conference and that the feedback was that most colleges were experiencing financial difficulties especially with apprenticeships. A new restructuring fund for colleges electing to standalone was supposed to be available however as yet there is little information on this but the College will continue to chase on this.</p>	
	<p><b>Confidential Agenda items – 10.20</b></p>	



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<p>1.25</p>	<p><b>Items to be taken forward to next Corporation Meeting for approval:</b></p> <ol style="list-style-type: none"> <li>1. the Report and Financial Statements for the year end 31 July 2017</li> <li>2. the Report on the Financial Regulations and Procedures for 2016/17</li> <li>3. the Student Union accounts for the year end 31 July 2017</li> <li>4. the Return to Work Form; and</li> <li>5. Not to approve the Annual Staff Pay Award 2017/2018</li> </ol> <p><b>For the Corporation to note the following to be undertaken at the next meeting in March 2018:</b></p> <ul style="list-style-type: none"> <li>• Report on Annual Staff training/continuous professional development</li> <li>• Report on the annual observation of staff teaching and learning</li> <li>• Report on annual staff changes</li> <li>• Report on staff succession planning</li> <li>• Annual staff satisfaction survey to be sent out</li> <li>• Annual review of HR policies</li> </ul>	<p><b>Corp Secretary</b></p>
<p>1.26</p>	<p><b>Date and Time of Next Meeting</b> The next scheduled meeting is Monday 19 March 2018 at 09.00</p>	
	<p><b>Meeting Closure</b> The meeting closed at 12.15 pm</p>	
	<p>MINUTES of the meeting held on <b>Monday 20 November 2017</b> were agreed and accepted as a true and accurate record and signed by the Chair</p> <p>..... on .....</p>	