



## The Henley College Corporation

### MINUTES of the Meeting of the Finance & Resources Committee held on Wednesday 15 January 2020 at 09.00

<p><b>Members present:</b> Charles Wiggin Satwant Deol Ruth Hubbard Trevor Watkins</p> <p><b>In attendance:</b> Ashok Patel Eric Burrow Jacky Gearey</p>	<p>Chair Principal/Ex Officio Member Parent governor Independent Member/Chair of Corporation</p> <p>Director of Finance Head of HR Clerk</p>	
Agenda Item	Minutes	Action by
2.1	<p><b>Opening of meeting</b> The meeting was opened at 09.02</p>	
2.2	<p><b>Apologies for Absence</b> James Lingard – work meeting There were no other apologies.</p>	
2.3	<p><b>Declaration of Interests</b> No interests were declared.</p>	
2.4	<p><b>Minutes of Previous Meeting:</b> The minutes of the Meeting of 11 November 2019 were agreed and approved.</p> <p><b>Resolved: the Committee agreed that the minutes were an accurate record of the meeting of 11 November 2019 and the minutes were signed by the Chair.</b></p>	
2.5	<p><b>Matters Arising from the Minutes (including review of actions)</b> The Chair raised the issue of the restricted fund and asked for clarity regarding what constitutes capital expenditure from the restricted fund and the DoF explained how the College uses this money under direction from the ESFA. The Chair asked a committee member to read from the Department for Education's guidance the uses that the restricted fund could be put to. It was agreed that the Chair of the governing board/Principal would seek clarity from the ESFA. The DoF informed the committee that any issues raised regarding the use of the restricted fund could affect the funding from the LEP. The committee said that they understood. There were no further actions outstanding.</p> <p><b>Resolved that the Chair of the Governing board/Principal would write to ESFA asking for clarity on what constitutes capital expenditure from the restricted fund.</b></p>	
2.6	<p><b>Latest Management Accounts and LGPS Pension</b> <b>(i) Management Accounts for 30 November 2019</b> The DoF advised the committee that the College is working towards a break-even operating position for the financial year. There are no critical items or issues to note, other than the learner number position is slightly down on internal targets by approx. 11, which is 114 learners short of the ESFA contract. Reassurance was given that there were no immediate implications or risks associated to the current financial position and the November accounts do not show any signs of concern. The College will consider carefully the impact of the learner number position when it reviews the curriculum plan and associated financial plan for 2020-21. This will be undertaken at the mid-year stage.</p>	



## The Henley College Corporation

	<p>The Chair asked about the projected deficit of £315k and whether this was due to lagged funding and DoF said yes.</p> <p>The committee asked about the pay award and the LGPS pension valuation and DoF confirmed that the December management accounts will show the pay award but not the LGPS as this had only just been advised. The committee asked if this would be built into the forecast and the DoF said that the pension would be added post January accounts.</p> <p>Principal wanted the committee to note that there were 6 positions vacant which were proving difficult to fill.</p> <p><b>(ii) LGPS Pension Valuation</b></p> <p>The Local Government Pension Scheme (LGPS) Actuarial Valuation takes place every three years and the latest valuation for March 2019 has just been released. The draft report confirms a number of asset and liability valuation outcomes, but critically for the College, the employer contribution rate is to be increased from 17.1% to 21.4% wef April 2020. This will have a direct negative financial impact on the 2019-20 outturn position (approx. £26k) and will add approx. £80k pa to future years. This contribution rate would normally apply until the next valuation outcome which would be around January 2023. The financial impact for the College is as follows:</p> <ul style="list-style-type: none"> <li>• 2019/20 - £26k additional cost</li> <li>• 2020/21 &amp; beyond - £80k additional cost</li> </ul> <p>Whilst this is still a draft position report, it is unlikely to change</p> <p><b>Resolved that:</b></p> <p><b>(i) the managements accounts for 30 November 2019 were received by the committee</b></p> <p><b>(ii) the LGPS Pension Valuation was received by the committee</b></p>	
2.7	<p><b>Integrated Finance Model for Colleges (IFMC)</b></p> <p>The DoF advised the committee that the Integrated Financial Model for Colleges (IFMC) had been launched 26 November 2019 and that the model aimed to bring together the existing financial returns from colleges while providing enough financial information to understand the current and forecast financial position of colleges.</p> <p>From January 2020 the model replaces four existing templates: the College Financial Plan; the College Financial Record; the Cash flow available for debt servicing (CFADS); and the monthly cash flow template. It will also enable the ESFA to speed up the consolidation of data from all colleges, reducing the time taken to produce the college dashboard and benchmarking reports from months to weeks.</p> <p>The model also introduced several new features:</p> <ul style="list-style-type: none"> <li>• Monthly financial information allowing colleges to express forecast monthly cash position for at least the next 24 months</li> <li>• Semi-automated inputs allowing monthly profiling of income and expenditure to ease completion and improve accuracy</li> <li>• A blend of actuals and forecasts so it can be completed consistently at any point in the current year</li> <li>• Clarity on joint ventures and subcontracting as well as under-delivery of ESFA funding.</li> </ul> <p>The deadline for colleges to submit the IFMC to the ESFA is the 28 February 2020. The ESFA have taken the decision to move the submission deadline back in-line with the length of time the release had been delayed by. From 2021 the return date will revert back to the 31st January on an annual basis. All colleges will still be required to submit audited Financial Statements, auditor's management letters and copies of college audit committee reports at the end of December annually but the introduction of this new financial model is the first step to simplifying the detailed</p>	



## The Henley College Corporation

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	<p>financial returns across the ESFA. The ESFA requires all college boards to approve the IFMC and therefore the committee is asked to approve and recommend to the Corporation the IFMC. Recent advice from Eversheds, was that even if I &amp;As permitted delegation is that Corporation must approve the document as it's a funding agreement requirement and any attempts to delegate authority to a Committee may therefore be regarded as a breach of the funding agreement.</p> <p><b>Resolved that the IFMC be recommended for approval by the Corporation at their meeting 27 January 2020.</b></p>	
2.8	<p><b>HR Update</b>  <b>Employment Law updates</b> – the Head of HR advised the committee that there had been no new changes in Employment Law as both Brexit and the General Election has taken up parliamentary time. Any changes are usually April and October. There was discussion about ethical veganism due to the recent ruling and the head of HR said that any relevant policies will be updated accordingly if require, in addition he confirmed that the College provides vegan food.</p> <p><b>Pulse Survey</b> – the Head of HR notified the committee that a shortened Employee Engagement Survey ("Pulse Survey" covering the areas identified from June where there was the greatest levels of dissatisfaction) would be carried out week commencing 27 January with a week's window of completion and the results will be analysed and reported to the Corporation at the March meeting.</p> <p><b>Resolved that:</b>          (i) <b>the HR reports on Employment Law and the Pulse Survey were received by the committee</b></p>	
2.11	<p><b>Any Other Business</b>          Principal advised the committee that she and the Chair had met the ESFA prior to Christmas and they were sympathetic to the College regarding their objection to the Ofsted grading regarding apprenticeships but confirmed that they could do nothing to help.</p> <p>There was no other business.</p>	
2.9	<p><b>Items to be taken forward to next Corporation Meeting for approval:</b>          (i) IFMC</p>	
2.10	<p><b>Date and Time of Next Meeting</b>          The next scheduled meeting is 9 March 2020 at 09.00</p> <p><b>Meeting Closure</b>          The meeting closed at 10.30</p>	
	<p>MINUTES of the meeting held on <b>Wednesday 15 January 2020</b> were agreed and accepted as a true and accurate record and signed by the Chair.</p> <p>..... on .....</p>	