



## The Henley College Corporation

### MINUTES of the Meeting of the Finance & Resources Committee held on Monday 9 March 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>	
Agen da Item	Minutes	Action by
3.1	<p><b>Opening of meeting</b> The meeting was opened at 09.02</p>	
3.2	<p><b>Apologies for Absence</b> James Lingard – work meeting There were no other apologies.</p>	
3.3	<p><b>Declaration of Interests</b> No interests were declared.</p>	
3.4	<p><b>Minutes of Previous Meeting:</b></p> <p style="padding-left: 20px;">(i) The minutes of the Meeting of 15 January 2020 were agreed subject to the following amendment to item 2.5 under Matters Arising: <i>“The Chair asked a committee member to read from the Department for Education’s guidance re what constitutes ‘investment in school buildings’ (i.e. capital estates expenditure) for the purposes of the DFC grant”</i> and three lines further down: <i>“It being agreed that the accounts were materially correct, and that there would be no movements on the Restricted Fund Account without prior F&amp;R/Board approval, it was decided that the committee would recommend the annual accounts to the Board for approval on 27<sup>th</sup> January. The committee would further recommend that the Chair of the governing board should write to EFSA clarifying the circumstances surrounding the sign-off of the accounts”.</i></p> <p><b>Resolved: the Committee agreed that the minutes were an accurate record of the meeting of 15 January 2020 subject to the amendment above and the minutes were signed by the Chair.</b></p> <p style="padding-left: 20px;">(ii) Confidential Minutes of 15 January 2020</p> <p><b>Resolved: the Committee agreed that the confidential minutes were an accurate record of the meeting of 15 January November 2019 and the minutes were signed by the Chair.</b></p>	
3.5	<p><b>Matters Arising from the Minutes (including review of actions)</b></p> <p><b>Item 1.8</b> - FD advised the committee that having spoken to the external auditors in the main colleges do not set up charitable PTAs. However in discussing how additional fundraising could be achieved, it was agreed that the FD would speak to HMRC regarding Gift Aid which is a government scheme that allows charities and exempted charities like the College to claim back the basic rate tax that donors have already paid on the money they donate. By claiming Gift Aid, for every pound donated, the college could possibly receive an extra 20p from the taxman. The scheme only covers UK individual tax-payers and not companies. The FD said that this would be a two stage process, firstly to agree a process with the Inland Revenue and secondly to agree a form of words to go out to parents/sponsors.</p>	



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	<p><b>Resolved that FD to contact HMRC regarding setting up gift aid and will be a two stage process.</b></p> <p>There were no further actions outstanding.</p>	
3.6	<p><b>Capital Projects Report – D1 and D4</b></p> <p>The College successfully achieved approval to deliver four key projects to the value of £1million over the period 2018 to 2020. The College had already delivered phase 1 in 2018 and has now delivered projects 2 &amp; 3 during the summer 2019 period.</p> <p>In relation to project D1 &amp; R4, the overall budget estimate was approx. £563k and currently, with the final account in from the main contractor and other supplier, the actual cost has come in at approx. £553k. This would indicate a successful outcome on projects that were both extremely challenging. Both completed facilities have been well received by staff, students and other stakeholders. An initial funding claim has been submitted to the LEP for £387k, which is the cost up to December 2019 transactions and includes the 2018 project.</p> <p>Both completed facilities (D1 &amp; R4) offer good teaching and learning spaces with innovation at the heart of it and has been well received. The project has been completed with incurring minimal risk and the College has taken the opportunity to carryout associated remedial work, therefore avoiding some future damage or extra cost.</p> <p>Committee asked about the plans for the library including the top floor– FD said that this was being looked at imminently with a meeting with stakeholders and Peter Marsh Consulting, and the College will come back with a summer projects programme at the next meeting.</p> <p>Committee asked about what the students wanted. Principal said the strategy at the moment is to leave the library as it is as it works well for the A level students. The College needs to get feedback from the staff and it is also dependent on LEP funding.</p> <p>Committee asked about curriculum review – VP advised that this is to be presented to QS meeting 23 March and then afterwards to the Board.</p> <p>Chair wanted reassurance from the College regarding the overall £1m spend from budget, how was the earlier spend financed, the FD explained that the project spend in 2018 would have come from what is now deemed “restricted fund” but that this will be claimed back as ‘match fund’ to the overall £1million total project fund. The two projects delivered in 2019 (projects 2 and 3) are funded from general reserve and the final project to be delivered this summer, will also be funded via general reserves. In some respects the committee can decide which reserves it wishes to spend against. The total amount to hope to get back from the OxLEP is £500k.</p> <p>Committee asked about the sports plan in particular costings for fencing of the sports field. VP said that College has been concentrating on the strategy and other facilities solidifying contacts and partnerships e.g Ealing Trail Finders and Henley Hawks which entailed using their facilities. These organisations have been very keen on working with the College. VP said that the sports strategy was to go to the QS committee first. In addition the Principal said the quality of the pitch meant that it cannot be fenced. Chair said it would depend on whether this is elite sport or regular sport. Principal said that for elite sport there is requirement for more additional sport support e.g. physio etc.</p> <p><b>Resolved that the Capital Projects Report – D1 and D4 was received by the committee</b></p>	
3.7	<p><b>Tuition and other Fees for next financial year</b></p> <p>The College does not have many fee paying students so this policy is not considered to be of material concern. However, it is good practice to have established a policy and fee level for appropriate courses and/or levels. The committee asked if these were the same fees as last year and FD confirmed that this was the case.</p> <p><b>Resolved that the Tuition and other Fees for next financial year were received and approved by the committee</b></p>	
3.8	<p><b>Review of Premises Hire Charges</b></p>	



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	<p>The College operates an internally run system for hiring/rental of surplus space which is run mainly via the Estates Manager and his team. The key control over this activity is disclosed in the attached Premises Hire Agreement.</p> <p>The College has not adopted any significant push to substantially increase rental activity and income, as the estates has some upgrading to achieve before facilities can be deemed more commercially viable. The Committee is asked to consider the current strategy regarding hiring of spaces and note the current pricing and financial performance.</p> <p>Recommendations</p> <ol style="list-style-type: none"> <li>1. To approve the continued strategy for premises hire and pricing.</li> <li>2. All 'significant discounts' (i.e. 25% of original rate) or 'rental free' decisions to be agreed by SLT</li> <li>3. To develop new opportunities which arise, as a result of estates development over medium term.</li> </ol> <p>FD said that the College has to be careful with the pricing strategy. The college is currently looking at other potential users leading to a £35-40k activity. The FD also pointed out that with learner numbers having dropped there is additional space within the college but it is not diversified enough. College needs to run more programmes as opposed just the ones through the local community. More work needed to be done throughout the college on zoning to make the use of space more energy efficient. Consequently the college has decided to look at the accommodation changes before reviewing hire charges.</p> <p>Committee mentioned about external advertising about the hire of the facilities with perhaps the offer of free use for any of the town's local societies, the Principal said that this would be considered.</p> <p><b>Resolved that the Premise hire review update was received by the committee</b></p>	
3.9	<p><b>Latest Management Accounts</b></p> <p><b>(i) Management Accounts for 31 January 2020</b></p> <p>The College is working towards a break-even operating position for the 19/20 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. This mid-year position and outturn projection was also used as a basis for the ESFA Integrated Financial Model (IFM) submission on 28<sup>th</sup> February 2020. The FD went through the key the key movements in both income and expenditure:</p> <p>Income:</p> <ul style="list-style-type: none"> <li>• work placement funding which continues for 2019-2020;</li> <li>• increase in Local Authority High Needs; and</li> <li>• Reduction in Apprentices and loss of AEB.</li> </ul> <p>Committee asked about the DFC grant and FD confirmed that there was no change to net position as any grant release would be matched to an increase in depreciation. Regarding less students taking transport the committee asked why and FD said it was not price sensitive but could not offer any other reasons. The Committee asked if this could be considered after a random survey was carried out. The FD said that there would be a further exercise on this and the Principal suggested that this should be done again.</p> <p>Expenditure:</p> <ul style="list-style-type: none"> <li>• pay award;</li> <li>• increase pension liability as the teachers' pension is funded but the Local government Pension Scheme for support staff is not.</li> <li>• Pay and non pay saving re not delivering apprentice starts and AEB sub contracting.</li> <li>• Agency and interim staffing</li> <li>• Other pay – more costs and hours associated with high needs</li> </ul> <p>The FD did confirm that the estimates for redundancy associated with apprenticeships will be lower as some staff have left and others will be redeployed across the College.</p>	



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	<p>There are no immediate implications or risks associated to the current financial position and the mid-year position does not show any material signs of concern. The College will consider carefully the impact of the learner number position when it reviews the detailed curriculum plan and associated financial plan for 2020-21. This will be undertaken, once the curriculum plan is finalised and the ESFA funding allocation for 2020/21 is known.</p> <p>College is still working towards breakeven and the Chair said the figures presented were marginal and asked if this would move from a negative to positive. FD said that the redundancy costs had been over estimated, so potentially there was already a small operating surplus possible.</p> <p>The FD also advised the committee that the coronavirus had affected an overseas trip costing the College £11k and the possibility of another trip to the US which would be around £90k.</p> <p>The FD advised that after the curriculum strategy has been presented, the financial planning budget will be presented at the next F&amp;R meeting when the new income funding stream is finalised. The FD asked that there be a short meeting arranged to discuss the summer work projects as the June meeting was too late for this. The committee agreed for a conference call to be arranged the first week May to discuss this.</p> <p>The Chair thanked the FD regarding the explanation of lagged funding.</p> <p><b>Resolved that:</b></p> <ul style="list-style-type: none"> <li>(i) <b>the managements accounts for 31 January 2020 were received by the committee</b></li> <li>(ii) <b>Clerk to set up a conference call to discuss summer works project the first week May Monday 1<sup>st</sup>.</b></li> </ul>	
3.10	<p><b>Restricted Fund</b></p> <p>The FD provided a brief verbal feedback on the restricted fund namely that there has been no movement since 1 August 2019 and confirmed the committee's request that interest on this fund now be accrued monthly.</p> <p>Regarding any future proposed expenditure from this fund, the FD said that this was not known at this stage.</p> <p><b>Resolved that the verbal update on the Restricted Fund was received by the committee</b></p>	
3.11	<p><b>HR Update</b></p> <p><b>Employment Law updates</b> – the Head of HR advised the committee that the following employment law changes would take effect in April and October with some changes confirmed from 6 April 2020 as outlined below:</p> <ul style="list-style-type: none"> <li>(i) <b>Parental Bereavement (Leave and Pay) Act 2020 – effective 6 April 2020.</b></li> </ul> <p>It gives employees who lose a child under the age of 18, or suffer a stillbirth from the 24th week of pregnancy, the right to two weeks' leave as a 'day one' employment right. The leave, which can be taken as one block or as two one week blocks, will be available as a "day 1" right, but statutory bereavement pay, which will be paid at the same statutory rate as other family friendly rights such as Maternity Pay (see below) is only available once the employee has 26 weeks' service. An employee with less than 26 weeks' service can still take the Bereavement Leave as unpaid leave. Parental bereavement leave can be taken any time during the first year after the child's death.</p> <p>Employed parents are already entitled as a "day 1" right to take a reasonable amount of unpaid time off to deal with emergencies involving a dependent, including dealing with a dependent's death. The College's compassionate leave policy provides a maximum of 15 days in the event of a partner or child in any 12 month period, pro-rata for part-time staff.</p> <p>The Head of HR asked in light of the above should the statutory parental bereavement leave be allowed in addition to, or incorporated into, the College's existing provision. The committee agreed that it should be incorporated in to the College's provision.</p> <ul style="list-style-type: none"> <li>(ii) <b>Statutory Payments</b> <ul style="list-style-type: none"> <li>(a) From April the weekly rate of Statutory Maternity Pay, Statutory Adoption Pay, Statutory Paternity Pay and Shared Parental Pay will rise from £148.68 to £151.20.</li> </ul> </li> </ul>	



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	<p>(b) Statutory Sickness Pay will rise from £94.25 to £95.85 per week.  (c) The weekly cap for calculating statutory redundancy pay remains at £525 per week.  (d) Statutory redundancy to be increased from £525 to £538.</p> <p><b>(iii) Termination Payments</b>  From 6 April, any termination payment over the sum of £30,000 will be subject to employer NICs. This change was delayed from 2018.</p> <p><b>Pulse Survey</b> – As the Head of HR was absent the launch of the survey was delayed and only went out to staff over half-term with a return date of 28 February. Analysis will be provided at the Corporation meeting 23 March 2020. Committee asked if there were fewer questions and Head of HR said yes with a fuller one at the end of the academic year to ensure a comparison with the previous year.</p> <p><b>Performance Appraisal Scheme</b>  The committee thought that the new scheme was fair and Head of HR said that it had been well received. The Principal advised that meetings with unions were going well with many more positive comments and suggestions having now been provided.</p> <p><b>Resolved that:</b></p> <p>(i) <b>the HR reports on Employment Law and the Pulse Survey were received by the committee</b>  (ii) <b>that statutory parental bereavement leave be incorporated into the College's existing provision</b></p>	
3.12	<p><b>Any Other Business</b></p> <p>There was no other business.</p>	
3.13	<p><b>Items to be taken forward to next Corporation Meeting for approval:</b></p> <p>There were no items to be taken forward to the board meeting.</p>	
3.14	<p><b>Date and Time of Next Meeting</b></p> <p>The next scheduled meeting is 15 June 2020 at 09.00</p>	
	<p><b>Meeting Closure</b></p> <p>The meeting closed at 10.44</p>	
	<p>MINUTES of the meeting held on <b>Monday 9 March 2020</b> were agreed and accepted as a true and accurate record and signed by the Chair.</p> <p>..... on .....</p>	