



The Henley College Corporation

MINUTES of the Meeting of the Finance & Resources Committee held on Tuesday 16 June 2020 at 10.00

<p>Members present: Charles Wiggin Satwant Deol Ruth Hubbard James Lingard Trevor Watkins Vince Maltese</p> <p>In attendance: Ashok Patel Eric Burrow Jacky Gearey</p>	<p>Chair Principal/Ex Officio Member Parent governor Independent Member Independent Member/Chair of Corporation Independent Member</p> <p>Finance Director Head of HR Clerk</p>	
Agen da Item	Minutes	Action by
6.1	<p>Opening of meeting The meeting was opened at 10.02</p>	
6.2	<p>Apologies for Absence There were no other apologies.</p>	
6.3	<p>Declaration of Interests No interests were declared.</p>	
6.4	<p>Minutes of Previous Meeting:</p> <p>(i) The minutes of the Meeting of 9 March 2020</p> <p>Resolved: the Committee agreed that the minutes were an accurate record of the meeting of 9 March 2020 and the minutes to be signed by the Chair.</p> <p>The committee pointed out that the figure on page 2 D1 563K typo para page 2.</p> <p>(i) The minutes of the Meeting of 4 May 2020</p> <p>Decision on 5.4 – not version approved – 500-600K reference to R at 265k</p> <p>Resolved: the Committee agreed that the minutes were an accurate record of the meeting of 4 May 2020 and the minutes were signed by the Chair.</p>	
6.5	<p>Matters Arising from the Minutes (including review of actions) Item 1.8 -</p> <p>There were no further actions outstanding.</p>	
6.6	<p>Estates - Summer Works Planning Update FD said that since the previous update to the committee 4 May 20, the College has completed the following tasks:</p> <ul style="list-style-type: none"> • Initial detailed plans for both R1 & R3 have been developed and agreed after a consultation with staff/managers • The tender process is underway - four contractors interested with returns expected 24 June20 • LEP have agreed to allow a shift of the LRC project & funding originally for Deanfield to be transferred to the R3 project 	



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	<p>IT & Infrastructure Project – the College is still drawing up plans for investment but needs to consider any steer from the IT security/back-up systems.</p> <p>The College detailed the costs incurred with PMC and the estimated cost for dealing with the tender process itself both of which not be more than £10k. FE confirmed that this was the maximum financial exposure if the project has to be aborted however should this not go ahead the current design work would be used for resurrecting the projects.</p> <p>Chair asked what would be reasons for not proceeding? FD said that costs would be a barrier - all assessments suggest that there is a correct budget against this - and safety regarding returning students D2 from 22 June and D1 (only 3 areas) from 29 June. Rotherfield is not going to be used because of refurbishment. However, the FD did confirm that should costs increase then he would come back to the committee. Chair agreed with this but said it was not necessary if the cost increase was marginal. Committee asked if R1 was a listed building and would need additional consent and FD said that this was not the case as confirmed by the Principal.</p> <p>Resolved that the verbal update on the Estates - Summer Works Planning was received by the committee</p>	
6.7	<p>Management Accounts 31 May 2020</p> <p>The FD advised that the College had planned to deliver a small operating surplus at the start of the financial year and was likely to deliver an operating surplus in excess of £100k. The FD reassured the committee that the current financial position has the capacity to deal with any negative positions on Covid-19 and the IT virus attack, especially in terms of dealing with enhancing the IT infrastructure as necessary. The only income loss currently was due to not hiring the college's facilities and some refunds on transport costs.</p> <p>The College is reviewing its position in terms of enhancing the overall IT security and back-up systems and these costs whilst not significant for 2019/20, could be for 20/21 and beyond. This means that the overall strength and the financial health position, should remain secure with "outstanding" for the end of year position. The positive ESFA funding grant allocation for 2020/21 has been confirmed and this position should be sustained into 20/21. The College continues to have:</p> <ul style="list-style-type: none"> • good level of cash days and healthy working capital ratio, both tracking the plan • YTD position is slightly stronger than forecast, but expected to fall back to the outturn projection by year end • other key ratios remain as planned or close to the plan <p>In essence the balance sheet was strong as the College has no exposure to apprenticeships and had received the LEP money.</p> <p>FD asked for any questions.</p> <p>Committee asked about the cashflow erosion of £600k for next year 2021 and the FD explained about the reserve and general cash amounts. The chair was happy with the explanation. The Principal wanted to thank the FD regarding his work with the LEP.</p> <p>Resolved that the Management Accounts 31 May 2020 were received and approved by the committee</p>	
6.8	<p>Financial Planning - Draft for 2020/21 & 21/22</p> <p>The FD advised that the overall financial and solvency positions of the College is much improved in the last couple of years (including current year) and this was predicated on a shift in the overall financial strategy adopted in 2018. In the medium/long term, the outlook may weaken if the College does not invest in futureproofing the organisation, delivering the curriculum plan and importantly invest in infrastructure (as previously highlighted). Essential planning of a return to site for students and staff will be challenging and possibly have a cost – this is as yet unknown and the ESFA have asked all college to send a further financial return because of the Covid pandemic.</p>	



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	<p>Financial strategy – this needs now to centre on growing numbers and part of this will be through the curriculum plan. Under the recommended plan, there is a likelihood of incurring a small operating deficit of around £200k, but this would have little or no impact on the overall solvency position or financial health of the College. Whilst the funding position for 2020/21 is secured and possibly also for 21/22, thereafter the FE sector may experience a funding squeeze as experienced after the last economic crash during 2008/9. It could be argued that the College should try and consolidate its financial/solvency position and try to deal with any funding cuts as and when they arise. The concern with this would be that if the College were to lose grant funding, then the College would not have 'other' income to support it.</p> <p>Chair asked for questions – the committee asked about possible staff reductions. The FD and VP said that this was not the time to cut staff to reduce the deficit as the aim has to be to create a balance with an investment.</p> <p>The committee asked about the benefits of using online and in particular blended learning. FD and Principal said that there will be a shift in the use of an online platform and that going forward this can be an opportunity but currently the College is in a transition phase.</p> <p>Committee wanted to know about the possibility of cost savings through online. VP said that this would be discussed in more detail at the next QS meeting.</p> <p>Committee asked about saving support staff costs – FD said that if there are savings by using IT, the College would look at the future to enhance these opportunities. Principal explained that support staff had already been reduced through streamlining in admissions, exams and other areas. However, there will still be a requirement for counsellors and support for students.</p> <p>Committee asked VP about staff to be recruited for the new courses and would these be fractional. VP confirmed that this was the case and would be 3.3FTE in total.</p> <p>Regarding the £204k budgeted deficit, the Chair agreed that there has to be investment in the college. FD said that had it not been for Covid student numbers would have grown. The target is around 3% which was felt to be reasonable and 80% of the programmes have been planned for an optimum class size.</p> <p>Chair felt that the plan was good and asked about the risk of base funding dropping. FD said that it would not drop but may stand still but that the college still had to prepare for the worse case scenario. Principal said that in addition the college was looking at the estates' strategy going forward. The FD said that transport costs may suffer a downturn in the first term initially, but the service still needed to be offered. Chair asked about the transport costs and FD explained that there was likely to be nervousness about using public transport, but no one actually know but had been factored in. Bus routes would only be pulled if there was no requirement for this.</p> <p>Committee asked about the blended learning and whether this will have an effect on the numbers coming into the college Principal said that this was being reviewed likewise the requirements to provide transport around rural areas. Ultimately the VP said that students want to come for the college experience and that if they study online they might as well stay at their current school.</p> <p>The Chair thanked the FD for this report.</p> <p>Resolved that:</p> <ul style="list-style-type: none"> (i) the Financial Planning - Draft for 2020/21 & 21/22 was received by the committee (ii) the Financial Planning - Draft for 2020/21 & 21/22 was recommended to the board for approval 	
6.9	<p>HR & Employment Law Update</p> <p>The Head of HR advised the committee that the effect of the pandemic has meant that the main employment law issue has been the Government's Coronavirus Job Retention Scheme and he went through this information highlighting that some staff are concerned about returning to work due to their personal circumstances. This led to a discussion about students and teachers.</p> <p>Chair asked about the gap between students getting online teaching and the availability of teachers. The VP said that teachers will engage with Year 12 students preparing for next year's work with some teachers having been asked to be mentors for some students. There is no gap in the number of teaching hours compared to any other year.</p>	



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	<p>Chair asked if students were able to cover curriculum and VP reassured the committee that this was the case but would be in a different way. Unfortunately some students were not engaging and the Chair asked how many, Principal said that it was not a significant number. Head of HR said that the gaps would cover the practical elements e.g. engineering and creative arts and VP reinforced this message saying that curriculum planning was addressing this.</p> <p>Committee asked if all staff would be back in September unless they were particularly vulnerable. Head of HR said he could not comment as yet as no one knew what the rules and guidance will be at the start of term.</p> <p>Committee asked if any occupational health support was being engaged – Head of HR said that the college was following the guidelines but that the next step of the risk assessment planning would incorporate this.</p> <p>Committee asked if this information has been shared with parents – Principal reassured that all first year parents and students had been contacted before end of May advising them on what the college was planning and further communications were planned to go out to give parents and students an idea of what the college will look like in September.</p> <p>Resolved that:</p> <p style="padding-left: 20px;">(i) the HR reports on Employment Law and the Polices update were received by the committee</p>	
6.10	<p>IT Recovery – Position & Costs</p> <p>The FD advised that there were no direct recommendations arising from this update, but the committee were asked to note that this recovery is still on-going and that some costs will continue to be incurred and that some costs are not covered by insurance.</p> <p>Given the severity of the IT virus attack on the College, the difficulties of the damage caused and having to work remotely due to Covid-19, the college had made a good recovery.</p> <p>The FD re-iterated that the relatively swift initial recovery was only possibly due to the exceptional support of various staff and external agencies. The claims process will continue as long as the project remains live and the insurers have been very supportive throughout.</p> <p>At this stage, it would appear that there will be a small element of costs to be picked up by the College.</p> <p>An action timeline was presented to the committee and the FD said that the College will need to invest more than other similar size entities, simply because the College has been subject to a sustained attack. The exact financial liability will be better known once the quotation process is complete, but it is clear that it will be substantially more than what was incurred prior to this attack.</p> <p>The interim measures put in place are secure and robust and have provided a level of confidence to the internal team so that other associated work can proceed. FD want to reassure the committee that no data has left the organisation nor could it be used against the college at a later date. There was general discussion about viruses and the protection about this but the committee were happy with the actions being taken but also asked about whether training of staff was planned. Head of HR confirmed that the new Smart log training course - E-Security addressed this and had been sent all staff and governors.</p> <p>Resolved that the update report on the IT issues was received by the committee</p>	
6.11	<p>Review and Approval of:</p> <p>(i) Standing Agenda – no changes</p> <p>(ii) Terms of Reference: these were reviewed with the following amendments: Updating of role titles and the following clause regarding the appointment of the Chair: (b) Chair – to be appointed by the Board.</p> <p>The Clerk explained that the Governance & Search committee reviews all members skills and experience and are therefore best place to make a recommendation to the board This ensures</p>	



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	<p>that there are no occasions where a committee is without a chair and utilises the skills set appropriate to that committee.</p> <p>Resolved that</p> <p>(i) the Standing Agenda and Terms of Reference were received by the committee.</p> <p>(ii) The Terms of Reference as amended to be put forward to the Board for approval.</p>	
6.12	<p>Committee self-assessment</p> <p>The Clerk requested that the committee return the self-assessment by 30 June 2020 and agreed to send the assessment out as a separate paper.</p> <p>Resolved that :</p> <p>(i) the Committee self-assessment was received by the committee</p> <p>(ii) members to complete and return to the Clerk by 30 June 2020</p> <p>(iii) Clerk to send this evaluation as a separate document to committee members</p>	
6.13	<p>Any Other Business</p> <p>There was no other business.</p>	
6.14	<p>Items to be taken forward to next Corporation Meeting for approval:</p> <p>(i) Draft Financial Plan for 2020-2022</p> <p>(ii) Committee terms of reference.</p>	
6.15	<p>Date and Time of Next Meeting</p> <p>The next scheduled meeting is Monday 16 November 2020 at 09.00</p>	
	<p>Meeting Closure</p> <p>The meeting closed at 11.27.</p>	
	<p>MINUTES of the meeting held on Tuesday 16 June 2020 were agreed and accepted as a true and accurate record and signed by the Chair.</p> <p>..... on</p>	