



The Henley College Corporation

**MINUTES of the Meeting of the Finance & Resources Committee
held on Monday 14 June 2021 at 09.00
via remote participation**

<p>Members present: James Lingard Trevor Watkins Vince Maltese Chris Murray</p> <p>In attendance: Eric Burrow Eamonn Egan Ashok Patel Jacky Gearey</p>	<p>Independent Member Independent Member/Chair of Corporation Independent Member Independent Member</p> <p>Head of HR Vice Principal Finance Director Clerk</p>	
Agenda Item	Minutes	Action by
4.1	<p>Opening of meeting The meeting was opened at 09.08. The Board Chair conducted the meeting. The Chair was absent due to a miscommunication regarding start time for which the Clerk apologised.</p>	
4.2	<p>Apologies for Absence 1. Satwant Deol – trustee meeting There were no other apologies.</p>	
4.3	<p>Declaration of Interests No interests were declared.</p>	
4.4	<p>Minutes of Previous Meeting: (i) Minutes of the meeting of 8 March 2021</p> <p style="text-align: center;">Resolved that the Committee agreed that the minutes were an accurate record of the meetings held 8 March 2021</p>	
4.5	<p>Matters Arising from the Minutes (including review of actions) All actions had been closed off and there were no further actions outstanding.</p>	
4.6	<p>Estates & Infrastructure Projects – Update FD updated the committee saying that there had been good progress made against each element of the Estates and Infrastructure Strategy which was approved in March 21.</p> <p>R2 building – the design has been completed after a thorough consultation period with all user/stakeholder groups. From the tenders received, the College and Peter Marsh Consulting, the professional advisors are recommending that Bellrock be selected as the main contractor. The committee agreed for Bellrock to undertake the work at the price tendered.</p> <p>Eamon Egan joined at 09.14</p>	



The Henley College Corporation

	<p>The urgent IT equipment purchases have been identified following a significant review of need, specifications and intensive quotation process. The summer spend approved is approx. £182k. The committee asked about the specification on the IT equipment and whether the College look at any of the financing deals that many suppliers offered. The FD said that if the College was short of cash, they would do this however as this was not the case there was no requirement to do this. Moreover the aim going forward was to encourage students to bring their own devices and so this option would unlikely not be pursued unless it was to help some students purchase their own equipment. "Bring your own devices" is something that is being developed and would mean that there will be a reduced requirement to buy outright from the vendor. For reassurance the FD said that the ongoing IT strategy is looking at this.</p> <p>The Student Record System replacement is underway following a full quotation exercise and the preferred supplier was Civica and the product is REMs. The project is currently on track to be delivered and functioning in all key requirements in time for the 2021-22 student intake. The committee asked about the data transfer and the FD reassured the committee that the data will be backed up.</p> <p>The ESFA capital Expansion fund bid for R2 is to be 14 June 2021 and the College has applied for 80% of the refurbishment costs although whether this qualifies is not clear as the guidance is uncertain. The FD did comment that the likelihood of success was very low.</p> <p>Resolved that the Estates & Infrastructure Projects Update was received by the committee</p>	
4.7	<p>Management Accounts 31 May 2021</p> <p>FD wanted to express his thanks to the finance team for getting these accounts out so quickly and this had been endorsed by the recent FEC visit. There were no direct recommendations arising from the paper presented with the committee being asked to note that the College is currently performing slightly better than expectations with a positive outturn for the 20-21 financial year. The FD further explained that the College had planned to deliver a small operating deficit of £204k this financial year due to some positive income and expenditure positions but that the revised outturn position will be a small operating surplus in the region of £100k. Further details on shifts in income and expenditure were provided to the committee in particular the original budget plan for 21-22, which will be subject to refinement once the projected final learner number position is established and the curriculum plan is finalised. See item 4.7.</p> <p>The FD raised the issue of staff annual leave alerting the committee to the fact that staff would be allowed to carry forward 5 days and a financial provision has to be made for this going forward although currently the College was unsure of the amount. The Board Chair asked if the staff would lose these days if not taken and FD affirmed that this would be the case unless there were exceptional circumstances i.e. sickness due to Covid.</p> <p>The committee asked if there were any other risks and the FD assured the committee that there were no other concerns. This issue of the government's funding position, the possibility of any cutbacks and whether the College had any mitigations in place were raised. In answer to these points, the FD said that there was a directive to look at the expansion of the 16-18 year sector and therefore funding should be protected. In addition the College was becoming much more efficient in its running costs with pay costs more in</p>	



The Henley College Corporation

	<p>line with the sector norm. However the FD confirmed that the College will be testing various scenarios.</p> <p>Resolved that the Management Accounts 31 May 2021 were received and noted by the committee</p>	
4.8	<p>Budget and Financial Forecast - 2021/22 & 2022/23</p> <p>The FD advised that the overall financial and solvency positions of the College were much improved and this was predicated on a shift in the overall financial strategy adopted in 2018. This strategy would continue to deliver and maintain the strong financial position currently enjoyed by the College, however it is also evident that if the College were not to invest in futureproofing the organisation and delivering the curriculum plan, and the needed investment in infrastructure, then the medium/long term scenario may in fact weaken the outlook.</p> <p>Under the recommended plan, there is a likelihood that the College will incur a small operating deficit for 2021/22 of around £151k resulting from the unfunded planned growth in over 90 learners and the associated recruitment costs for additional staff. This was a realistic assessment and would have little impact on the overall solvency position or financial health of the College. For reassurance the curriculum plan has addressed this potential increase in learners and the following year there would be an uplift of funding in excess of £400k. Should the planned deficit go above this figure the College will come back to the F&R committee.</p> <p>The Board Chair asked about a staff pay rise for the following year and the FD said that a pay rise has not been built into the plan and the current staff pay is now in the upper quartile for the sector</p> <p>The committee was therefore asked to approve the small operating deficit budget for 21/22 of £151k and the financial forecast for 22/23 which is expected to deliver a small operating surplus. The financial returns to the ESFA in July will be built around this budget and forecast scenario. The committee agreed this and would recommend to the Board for approval.</p> <p>Resolved that:</p> <ul style="list-style-type: none"> (i) the Budget and Financial Forecast - 21/22 & 22/2 was received by the committee (ii) the operation deficit budget for 2021-2022 of £151k and the financial forecast for 22/23 to be recommended to the Board for approval 	
4.9	<p>ESFA Financial health & benchmarking feedback</p> <p>The committee was asked to note that the College is currently performing well against benchmarks, especially in relation to other similar sector Colleges with the FD advising that this was an annual feedback response from the ESFA who confirmed the College's own self-assessed financial health position as "outstanding" for 2019-20 & 2020-21. THC is currently outperforming the national benchmarks on all key ratios. The Board Chair asked that in reviewing this information, where the College ranked in the country. The FD said he would provide some analysis on this at the next meeting and that the dashboard only shows comparisons with other sixth form colleges but not the rankings.</p> <p>Resolved that</p>	



The Henley College Corporation

	<p>(i) ESFA Financial health & benchmarking feedback was received by the committee</p> <p>(ii) FD to provide at the next meeting further analysis of the rankings within the sixth from sector.</p>	
4.10	<p>Premise Hire Charges FD said that due to the pandemic hiring of the premises had been suspended this academic year and although there is pressure to open this up the College was waiting for the latest government announcement. The committee felt that there was money to be earned from hiring out premises and FD confirmed that £60-70k was received pre-pandemic and not only was it a good marketing strategy to hire out the premises but supported the local community. The committee agreed and said that there was no reason to amend the charges.</p> <p>Resolved that the verbal update on the Premise Hire Charges was received by the committee</p>	
4.11	<p>HR & Employment Law Updates Covid The HR report advised that the additional costs for cleaning, security and testing have been balanced by reduced costs of running the estates and reduced use of materials during the lockdown period. With regards to on-site testing the College has received two payments from the Department of Education which covered the additional costs of agency workers to staff the testing system in March.</p> <p>Board Chair asked about the rate of infection and the VP said that within the College home testing was continuing for all staff and students and that so far only 2 students and 1 staff member had tested positive since March 2021.</p> <p>Employment Law update As a result of the continued pandemic there has only been minor employment law changes around updating statutory pay rates. One change from 21 June 2021 is that Right to Work checks will return to pre-pandemic conditions.</p> <p>Resolved that the update on HR & Employment Law was received by the committee</p>	
4.12	<p>Review and Approval of:</p> <p>(i) Standing Agenda – the following changes were proposed:</p> <p>Each Meeting: - Latest management accounts Summer Term:-</p> <ul style="list-style-type: none"> • now two year forecast including outturn forecast for current year for submission to funding bodies – was three years • Cash flow forecast two years – was three years • Capital and Infrastructure projects – addition of Infrastructure <p>As Required:- Estates and Infrastructure - addition of Infrastructure</p> <p>(ii) Terms of Reference – there were no changes</p> <p>Resolved that the standing agenda and terms of reference were received by the committee and that the terms of reference be put forward to the Board for approval</p>	



The Henley College Corporation

4.13	<p>Committee self-assessment The Board Chair asked the committee members to complete the self-assessment forms at their earliest convenience and returned to the Clerk.</p> <p>Resolved that the committee self-assessment form had been received by the committee and the completed form to be returned to the Clerk</p>	
4.14	<p>Any Other Business</p> <p>There was no other business</p>	
4.15	<p>Items to be taken forward to next Corporation Meeting for approval:</p> <ul style="list-style-type: none"> (i) Operation deficit budget for 2021-2022 of £151k (ii) Financial forecast for 2022- 2023 (iii) Terms of Reference 	
	<p>Date and Time of Next Meeting The next scheduled meeting is Monday 16 November 2021 at 09.00</p>	
	<p>Meeting Closure The meeting closed at 09.34</p>	
	<p>MINUTES of the meeting held on Monday 14 June 2021 were agreed and accepted as a true and accurate record and signed by the Chair.</p> <p>..... on</p>	