



The Henley College Corporation

**MINUTES of the Meeting of the Finance & Resources Committee
held on Wednesday 9 March 2022 at 09.00
via remote participation**

<p>Members present: Charles Wiggin James Lingard Vince Maltese Satwant Deol Mike Ashton</p> <p>In attendance: Eamonn Egan Mark Griggs Roxy Iqbal Ashok Patel Jacky Gearey</p>	<p>Independent Member/Chair Independent Member Independent Member Principal and ex officio Board Chair and ex officio</p> <p>Vice Principal Incumbent Financial Controller HR Advisor Finance Director Clerk</p>	
Agenda Item	Minutes	Action by
	<p>Opening of meeting</p> <p>The meeting was opened at 09.03. The Chair welcomed Mark Griggs as the incumbent financial controller and advised that Chris Reeve would be joining the committee going forward as a co-opted member with extensive estates knowledge and experience.</p> <p>Apologies for Absence</p> <p>There were no apologies.</p> <p>Declaration of Interests</p> <p>No interests were declared.</p>	
2.1	<p>Minutes of Previous Meeting</p> <p>(i) Minutes of the meeting of 16 November 2021</p> <p>Resolved that the Committee agreed that the minutes were an accurate record of the meeting held 16 November 2021</p>	
2.2	<p>Matters Arising from the Minutes (including review of actions)</p> <p>All actions had been closed off and there were no further matters arising.</p>	
2.3(a)	<p>Management Accounts for January 2022</p> <p>The FD advised that the College was expecting a positive outturn for 21-22 year due to the 2021-22 additional ESFA in-year growth funding. A deficit budget of £153k had been prepared prior to the start of the financial year based on delivering 1,677 learners. A revised financial plan was prepared to support a significant rate/learner increase for 22-23 of 1,900 plus. The revised deficit budget was in the region of £438k, approved at the</p>	



The Henley College Corporation

	<p>Corporation meeting in October 2021. The ESFA has now agreed to meet in-year growth funding which is circa £600k which will result in a projected outturn around break-even for the financial year. Additionally the cash position has improved with the injection of additional ESFA grant funding and the unexpected capital grant receipt circa £340k. Of note is that staff pay has fallen behind with recruitment not only being very challenging but there was currently an increased difficulty in competing in the marketplace especially for certain subject areas – this to be further discussed under item 3.5.</p> <p>The other pressures facing the College were non-pay increases in RPI and the cost of utilities for the next academic year with the Chair asking how this would impact the College. The FD reassured the committee that the College was locked into a good utilities contract for this year, however this might change next year due to the current global crisis, but this has been reflected in the budget. Finally the Chair asked if there were any issues regarding lagged funding with the FD confirming that there were none.</p> <p>Resolved that the Management Accounts for January 2022 were received and noted by the committee</p>	
2.3(b)	<p>Financial Planning</p> <p>The FD advised that the College is planning the 2022-23 budget around good stability in a number of aspects, including:</p> <ul style="list-style-type: none"> • financial health rating “outstanding” • strong balance sheet • significant learner growth 2021-22 and applications for 22/23 looking strong • positive outcomes from capital bid applications • ESFA funding improved plus a significant rate/learner increase for 22-23. <p>The final approval of the budget is dependent on the confirmation of the final ESFA funding allocation, which is likely to be better than currently disclosed and a concluding review of the curriculum/quality plan.</p> <p>The FD asked the committee to note the following key elements:</p> <ul style="list-style-type: none"> • consider the financial strategy adopted in previous years and confirm its continued relevance • current Income & Expenditure and Balance Sheet plan for 22/23, however this may improve if the final ESFA funding allocation is better than expected. • pay costs, with the aim not to exceed 70% pay cost ratio in the medium term. All costs are full year costs although in some areas no decision may need to be made until after the 2022 census date to ensure that the plans are sustainable for 2023. It will be important to prioritise additional staff related funding because some costs are unavoidable e.g. increase in NI contributions, pension contributions, incremental progression payments, and others are completely discretionary e.g. restructuring to improve effectiveness. This was further discussed referring to a table covering groups 1-4 where group 1 is unavoidable, group 2 is effectively no discretion, group 3 some discretion and group 4 total discretionary costs. For information a pay award is circa £67k for each 1% increase and there will be further increased pressure on this. <p>There followed a detailed discussion on these groups and their financial impacts, especially looking at additional hours for full funding.</p>	

Approved by Chair



The Henley College Corporation

	<p>The Chair said looking at the outturn for 2022-23, was a breakeven still possible. FD said that all things considered for group 1-3 it was affordable and for group 4, it would be whether the College goes ahead with creating additional posts at an estimated cost of £305,450.</p> <p>Vince Maltese left the meeting at 09.26 due to another meeting.</p> <p>Discussion followed on the number of cash days which the FD said the College was well in excess of the 25 days recommended by the FEC and clarification on the total reserves figures which the FD provided. Finally the Chair asked about the working capital requirements and the ratios where the College was at 4.22. FD explained that the FEC requirement was greater than 1.4 and the College was in the upper quartile of colleges of similar size and when the benchmark data comes out this will be demonstrated.</p> <p>The Chair thanked the FD for his comprehensive report.</p> <p>Resolved that:</p> <ul style="list-style-type: none"> (i) Financial Planning Report for 2022-23 was received and noted by the committee (ii) FD to provide benchmark data on ratios for all colleges of similar size when available 	
2.4	<p>Estates & Infrastructure Projects – Update</p> <p>The College has already secured approximately £109k under Wave Three to develop the hospital ward facility in D5 ready for the start of the 22/23 academic year. For the Wave Four bid, three new T level offers were being developed in Engineering, Business and Digital, for 2023/24 at a cost of approximately £1.3m and the College would pay 50% of the total cost i.e. £650k. The FD and VP both said that the curriculum plan recognises that T levels form part of the future curriculum delivery and students expect to be enrolling on such programmes, therefore the College must adapt its curriculum to this and provide the facilities necessary to be successful at attracting students creating the 'work/business' type environments that are essential to success. This bid application needed to be submitted by 11 March 2022 in order to qualify for consideration. The committee approved the bid application.</p> <p>The FD went through: the financial assessment; timelines for future projects including the zoning exercise which established the best fit approach to curriculum delivery begun during 2021 and their respective priorities with costs of approximately £705k identified (£805k if Deanfield refectory is included). These costs to be supported with capital grants of approximately £263, leaving £442k to be supported by college reserves. The committee approved the spend.</p> <p>The Chair said if the College were to cover all proposals using the reserves it was feasible. However the FD said that a lot more could be done but advised that it was about timing, contracts, construction costs and managing business framework. The Board Chair said that there would need to be feasibility plan on the desired pace without damaging the financial position with the Chair asking when this would be raised again and suggested quarterly. The FD concurred and explained the rationale of increasing reserves stressing that this would be a better strategy and to stick to the spend on essential projects as mentioned. The Chair and committee agreed.</p>	

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The Henley College Corporation

	<p>Principal wanted to thank the FD, VP and all the staff for the work that had been done regarding this. The Chair and committee members re-iterated this.</p> <p>Resolved that the committee:</p> <ul style="list-style-type: none"> (i) received and noted the Estates & Infrastructure Projects Update (ii) approved the bid application to secure funding for the three new T levels at approx. £1.3m (iii) noted that the likely approval would be at 50% of the total cost i.e. £650k; (iv) approve other Infrastructure spending amounting to £705k (£805k if Deanfield refectory is included) with capital bids of £263k offsetting the total cost 	
2.5	<p>Pay Award – Financial Year 2021-22</p> <p>As previously mentioned, the College financial performance in 20-21 was strong and whilst the original forecast was for an operating deficit of circa £450k, the in-year allocation of ESFA approximately £600k will potentially reverse the planned deficit. A 1.5% pay award would cost approx. £105k, with the College able to prepare for a better award for 2022-23. Whilst the AoC recommended 1%, the 1.5% discussed was affordable and a positive pay variance and at a ratio of 69% the overall pay cost ratio will remain within the benchmark range 65 -70% for a College in this financial health category. The award to be backdated to the start of the academic year i.e. September 21, with implementation in the March 2022 payroll to fit into the correct tax period and for ease of pension administration.</p> <p>The Board Chair said that the messaging to the staff of the 50% increase of £35k above the recommended level was critical and asked when the staff could be advised of this. Whilst the HR Manager advised that some public sectors were offering in the main 3%, the FD said that in the next round, the College may be able to offer a higher percentage when there is more clarity on the curriculum planning and this could happen in June/July of this year. The committee recommended the pay award for Board approval.</p> <p>James Lingard left meeting at 10.22</p> <p>Due to the strict time constraints, Board approval of the proposed staff pay award would be sought by the Clerk following this meeting via a remote decision.</p> <p>Resolved that:</p> <ul style="list-style-type: none"> (i) Report on the Pay Award – Financial Year 2021-22 was received and recommended to the Board for approval by the committee (ii) Board Approval of the staff pay award of 1.5% back dated to September 2021 to be sought via remote decision immediately after the meeting 	



The Henley College Corporation

2.6	<p>HR Report & Employment Law update Staff Survey The HR Manager presented the staff survey highlighting the following:</p> <ul style="list-style-type: none"> • questions are the same as in previous years • survey will be anonymous, but the questions will ascertain if staff are Teaching or Support, and whether Managers or not • responses are mandatory for each question • survey to go out this week with focus groups to be held with HR • survey will be open for 8 days • collated and analysed results for Board meeting in July <p>The Board Chair asked about the surety of anonymity of survey responses as this had been a previous board concern and also the review date. HR confirmed that only IT would be able to do this if asked and that the review date should be the end of March identifying the key themes, events and training. Going forward the HR Manager said that going forward the use of an external agency provider should be considered.</p> <p>HR Employment Law Update From April 2022 National Minimum Wage Increases, Increases to the statutory rates for maternity, paternity, shared parental pay, adoption and sick pay</p> <p>Resolved that HR Report & Employment Law update was received and noted by the committee</p>	
2.7	<p>HR Policies</p> <p>The following HR policies were presented for review and approval with the HR Manger outlining the changes to each of the policies as follows:</p> <p>DBS Policy and Procedure</p> <ul style="list-style-type: none"> • Includes references to KCSIE and Safeguarding Policy • Renewal of DBS every 3 years for all permanent staff from the issue date • Includes details of the breaches of policy • Includes HR processes update <p>Staff Code of Conduct This had been approved by the Board recently and now included links to safeguarding and KCSIE.</p> <p>Smoking Free Policy Updates on electronic smoking</p> <p>The committee asked about the requirements for all HR polices to be approved by the Board and were advised that the Finance & Resources terms of reference can be amended to cover this issue. Board approval of any amended Terms of Reference would be sought at the July Board meeting.</p> <p>Resolved that:</p> <p style="padding-left: 20px;">(i) the following polices were received and recommended to the Board for approval:</p> <ul style="list-style-type: none"> • DBS policy and procedure 	



The Henley College Corporation

	<ul style="list-style-type: none"> • Staff Code of Conduct • Smoking Free Policy <p>(ii) the Terms of Reference to be reviewed at the June meeting to consider which policies can be approved by the committee and for this to be put forward to the Board for approval in July</p>	
2.8	<p>Any Other Business</p> <p>There was no other business</p>	
2.9	<p>Items to be taken forward to next Corporation Meeting for approval:</p> <ul style="list-style-type: none"> (i) DBS policy and procedure (ii) Staff code of Conduct (iii) Smoke Free Policy 	
	<p>Date and Time of Next Meeting</p> <p>The next scheduled meeting is 14 June 2022 at 09.00</p>	
	<p>Meeting Closure</p> <p>The meeting closed at 10.52</p>	