



The Henley College Corporation

MINUTES of the Meeting of the Finance & Resources Committee held on Wednesday 15 November 2022 at 09.00 via remote participation

<p>Members present: Charles Wiggin Vince Maltese Mike Ashton Chris Reeve</p> <p>In attendance: Eamonn Egan Mark Griggs Ashok Patel Jacky Gearey</p>	<p>Independent Member/Chair Independent Member Board Chair and ex officio Co-opted</p> <p>Vice Principal Finance Resources & Control (FRC) Finance & Estates Strategy Consultant Clerk</p>	
Agenda Item	Minutes	Action by
	<p>Opening of meeting The meeting opened at 09.03.</p> <p>Apologies for Absence 1. Satwant Deol - conference 2. James Lingard - travelling</p> <p>There were no other apologies for absence.</p> <p>Declaration of Interests There were no declarations of interests.</p>	
3.1	<p>Minutes of Meeting (i) Confidential Minutes of the meeting of 3 November 2022 The committee approved as an accurate record the minutes of the meeting held 3 November 2022. Resolved that the Committee agreed that the confidential minutes were an accurate record of the meeting held 3 November 2022</p>	
3.2	<p>Matters Arising from the Minutes (including review of actions) The one action had been closed off and there were no further matters arising.</p>	
3.3	<p>Draft Statutory accounts for 2021-2022 The Statutory Accounts were prepared by the College and audited by Buzzacott and are broadly consistent with the management accounts that have been seen by the committee, subject to the final adjustments associated to FRS102 pension adjustment. Subject to those 'exceptional' adjustments, which are not within the College's overall control, the financial operating surplus is better than expected because of the slight increase in ESFA income and cost savings in-year resulting mainly from the staff vacancy position. The outcome is that these accounts are 'unqualified' in terms of audit opinion. It was stressed that the Audit Findings Report was considered by the Audit Committee at their meeting on 7 November 2022 and there are no recommendations. The key highlights are:</p>	

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	<ul style="list-style-type: none"> • Strong 'underlying' operating surplus of £353k (2021 - £110k) • Improved cash/solvency and cash days positions • Improved working capital position • An adjustment to the defined benefit pension liability resulted in an income and expenditure adjustment of £6,199k. The FRC explained that once the actuarial valuation adjustments were removed, the actual operational surplus was £353k. • Investment of £740k+ in fixed assets covering buildings & equipment • Delivered unqualified 'internal' and 'external' audit outcomes • Maintained 'outstanding' financial health position as confirmed by the external auditors, Buzzacott. Clarification was confirmed regarding the commentary relating to their Appendix 3 in their post-audit management report concerning the to the proposed financial health calculator. <p>The Board Chair asked if further clarification could be provided regarding the following:</p> <ul style="list-style-type: none"> • Page 4 – look at changing the wording of the College's vision and remove the mission; • Page 5 – under stakeholder – include reference to and explanation of LSIPS; • Page 6 - put in the strategic objectives to replace the guiding principles; and • Page 7 – under financial strategy – the introduction needs to be amended to reflect that the KPIs are for 2021-2022. • Page 11 – change the typo Principle to Principal <p>As a comment the consultant said that the impending Autumn statement will indicate what funding will be available going forward, and therefore the College will look at the revenue streams in the new year.</p> <p>There were no further comments and the Chair thanked both the FRC and Ashok Patel and the finance team for all their work in preparing this. The committee recommended the accounts to the Board for approval.</p> <p>Resolved that Draft Statutory accounts for 2021-2022 was received by the committee and recommended to the Board for approval and sign off</p>	
3.4	<p>Management Accounts for September 2022</p> <p>The College has planned to deliver a small operating surplus of £44k and whilst there are significant inflation factors impacting on non-pay costs especially, the FRC said it was too early in the financial year to assess the full impact. For reassurance the current financial position and health has the capacity to deal with any minor negative positions resulting from the cost of living/inflation issues. The consultant explained that the positive variance on pay costs was due to the built-in pay award which would normally have been awarded in September and the other positive variances on income are around transport income. The FRC confirmed that 50% of the cost was recovered from parents with 5 out of the 7 routes running at maximum capacity.</p> <p>Resolved that the Management Accounts for September 2022 were received and noted by the committee</p>	
3.5	<p>Student Union Accounts for 2021-2022</p>	

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	<p>There had been no student union activity due to Covid-19 issues and the resultant period of lockdown. As in previous years the Finance team at the College takes care of the day to day control of the bank account and maintains the accounting records. The Student Union executive committee propose fundraising events to finance their planned events and the only activity in the year related to a small amount of bank interest received and bank charges. As at the start of the year, the balance at year end remains at £7,259.</p> <p>Resolved that the Student Union Accounts for 2021-2022 were received and noted by the committee</p>	
3.6	<p>Update on Financial Regulations</p> <p>The FRC provided a brief verbal update explaining that as part of an incomplete action from the internal audit work in a previous year, the Finance Team is reviewing the Financial Regulations, which were last approved by the Corporation back in 2018. The main activity is reviewing the financial limits of authorisation for approval with benchmarking being carried out with other colleges regarding their financial limits. For reassurance the Chair of the Finance and Resource Committee will be involved in the discussion regarding the Financial Regulations, for feedback to ensure reasonableness and sensibility.</p> <p>Resolved that the Update on Financial Regulations were received and noted by the committee</p> <p>Eamonn Egan left the meeting at 09.30</p>	
3.7	<p>Estates and Infrastructure Strategy update</p> <p>The Consultant updated the committee on the current position outlining the progress made over the last twelve months on Estates and IT projects concerning several items associated to the Estates and Infrastructure Strategy during the 2021-2022 financial year. These were:</p> <ul style="list-style-type: none"> • Building R2 – Complete refurbishment of this building which has resulted in a revitalised building to deliver sports and public sector provision. This building now has DDA compliant access. • D5 – T level mock hospital ward, a first stage of the development of new innovative T level delivery facility in this building delivered on time and within budget. • R1 Refectory/Social spaces for students – This was essential following the significant growth in student numbers at Rotherfield and is now complete, the only issue here had been the replacement of the fire doors at a cost of £8k • Continued investment in the IT infrastructure and equipment to better secure the College systems and provide good accessibility for students and staff. • Continued work to the 'betterment' of college estates generally with a focus on minor projects e.g. lighting, decorating, heating & ventilation etc. <p>Discussion then covered capital projects, the College's contribution set at 15% for the proposed D6 project, which puts the College in a better position and show an element of commitment leaving the government to put in the remaining 85%. This is a reflection of the inflationary building and supplier costs, compliance with new building regulations and the costs of refurbishment per square metre, having increased by a third. The Consultant advised that there was an emphasis on the provision of T-Levels and this will drive</p>	

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	<p>applications. The need to continue investment was essential. Targeting areas of need and where possible, securing capital grants will ensure that all of the estate is improved over time.</p> <p>The Board Chair asked about the security doors for D2 which he was advised would be completed shortly. Finally the FRC advised that the conditional report survey of the estate by DfE has been received by the College and this will help shape the estates strategy.</p> <p>Resolved the Estates and Infrastructure Strategy update was received and noted by the committee</p>	
3.8	<p>Annual report on the use of the College Seal</p> <p>The clerk confirmed that there has been no use of the seal for the academic year 2021 - 2022.</p> <p>Resolved that Annual report on the use of the College Seal was received and noted by the committee</p>	
3.9	<p>Committee Self-Assessment</p> <p>The committee self-assessment response rate was 100%.</p> <p>All members agreed that:</p> <ul style="list-style-type: none"> • the committee has the appropriate mix of skills; • additional skills needed: FE • meetings are robust; • Chair was effective and efficient and enabled robust discussion • Clear ToRs defining the role and to which the committee adheres to • Normally sufficient number of meetings <p>The only comments made concerned the information provided to the committee. Recommendation for the SLT to note the comments and action where possible.</p>	
3.10	<p>Any Other Business</p> <p>The FRC advised the committee that GEP Environmental, a leading provider of energy and environmental consultancy services has been contacted regarding sustainability foundation and to provide a starting point re carbon footprint. The Board Chair recommended that a paper goes to the Board in the New Year.</p> <p>Although there were no HR items on the agenda, it was re-iterated that communications and engagement are part of an HR strategy. As this was vitally important it was asked that this be put as an agenda item for the next Board meeting.</p> <p>Resolved that:</p> <ul style="list-style-type: none"> (i) A paper on sustainability foundation be presented to the Board at the next meeting in January 2023 (ii) Actions around communications and engagement to be on the next Board agenda <p>There was no other business</p>	
3.11	<p>Items to be taken forward to next Corporation Meeting:</p> <ol style="list-style-type: none"> 1. Financial Statements 2021-2022 2. Use of the College Seal 3. Actions around communications and engagement 	
	Date and Time of Next Meeting	

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	The next scheduled meeting is 7 March 2023 at 09.00	
	Meeting Closure The meeting closed 10.06	