



Minutes of a Resources Committee meeting held on 7th May 2019 at 4.00pm

Held at Henley Campus

Present:

Peter Matthews (Independent Governor)
Adam Wheatley (Independent Governor)
Tony Minhas (Independent Governor) (Chair)
Sue Noyes (Chair of the Corporation)
Joe Holland (Co-opted Governor)

In Attendance:

Faye Grundy (Head of Governance)
Gill Banks (Interim Chief Executive Officer)
Mark Payne (Vice Principal Finance and Resources)
Debbie Wright (Assistant Principal People Services)
Gemma Knott (Assistant Principal Business Development)

R68/19 Apologies for Absence

Apologies for absence were received from Helena Marston and Ieuan Blackmore.

R69/19 Declarations of Interest

There were no declarations of interest.

R70/19 Minutes of the Last Meeting held on 16th April 2019

The minutes of the last meeting held on 16th April 2019 were approved as a true record subject to the numbering error in R64/19 being amended.

R71/19 Matters Arising

The following matters arising were addressed as not appearing in the Agenda:

- i. Minute R61/19 - It was confirmed that the benchmarking exercise would be completed after the budget process had been completed. Governors asked why this timeframe was preferred and were advised that given a funding audit had also been commissioned the benchmarking exercise would provide the most useful information at this point in the calendar. Governors asked if they would have sight of the instructions and it was confirmed that they would.
- ii. Minute R63/19 - Governors asked whether insolvency was covered by the indemnity insurance provided by the College. The VP Finance and Resources undertook to seek clarification on this point.

It was resolved that the Committee commence an Action Log to record actions agreed by the Committee, together with progress.

R72/19 Management Accounts

1. The Vice Principal Finance and Resources presented the latest management accounts.
2. The Committee were advised that the February figures provided an operating deficit of up to £250,000 to a break even position. It was confirmed that the College was working to £250,000 deficit and the position would be no worse. Governors were advised that finance were in the process of meeting with budget holders to realise end of year savings and it was confirmed that the College's financial health status would remain at satisfactory based on these figures.
3. It was noted that the income profile was more favourable in the final quarter and that accruals had not been realised as yet. Governors challenged management as to the reasons for the deficit. Management advised that this was had been due to a significant shortfall in income of £1.6 million. Next year that shortfall in students crystallises in funding terms and therefore the College has tried to balance this during the 2018/19 academic year. Governors further challenged as to what controls had been in place to prevent this happening. Management confirmed that a this was a question that needed to be raised in relation to the robustness of the planning process which will be resolved in future years. Governors queried the reasons as to why the budget had not been followed by staff, was this symptomatic of the assumptions being incorrect. Assurance was provided that this again would be resolved through the planning process in future years and that Governors could be reassured that efficiencies were being found. Governors asked that a waterfall bar chart being produced which showed variance.
Action: It was agreed that a waterfall bar chart would be produced and circulated.
4. Governors asked for assurance as to the use of the Maths Premium Grant and were advised that all maths premium grant had been utilised for the specific purpose of the grant.
5. Governors queried what money was in the other agency income, management advised that this was money which was not recurrent and linked to any activity. Governors challenged whether that money was generally at risk and if so, should it be shown differently in the budget. Governors were advised that some money was at risk, such as Apprenticeships.
6. Governors were advised that they can be better assured this year as to the financial assumptions and budget for a variety of reasons but specifically because; the data is more accurate this year and the College is also using sector trend data, the curriculum plan would inform the budget as this will inform how many teachers required and associated support services, the planning timeframe has been coordinated, the team are structured to deliver the budget and the financial assumptions have been agreed.
7. After due consideration, Governors resolved:-
 - i) to approve the management accounts.

R73/19 Financial Action Plan and Updated Financial Scenarios

1. The Vice Principal Finance and Resources presented the financial action plan and updated financial scenarios. Governors were advised that management had been working with managers to reduce spend, protect the curriculum offer and maintain quality. The total savings targeted are £2.2 million, governors noted the indicative figures. The savings in non pay spend were outlined as £185,000 but this was caveated by the need to be safe. The marketing spend would be taken back to baseline and therefore gives a £150,000 headline. The security contract would also be terminated as enhanced level security was not required.
2. It was reported that a review of the harmonisation proposal had been undertaken and following discussion at SLT it had been agreed to remove the broader offerings which provided £146,000.

Governors were advised that there would be a Curriculum Plan review, Student Services Review, International Income Review, Programme Manager Post Review. There would be a review of support team structures, apprenticeship case loading and review of staffing. It was reported that market forces payments were not at risk as making those payments was more efficient and effective than paying agency staff.

3. Governors asked for assurance that once the non pay spend had been removed that it would not creep back. Governors were advised that the College would not provide definitive assurance and that some areas would not be removed indefinitely, however there was a very keen and engaged commitment from budget holders.
4. Governors asked how staff will feel in relation to the revised harmonisation proposals. Governors were assured that there would not be a significant impact, many of teams to be reviewed had been expecting a review due to management changes. The Union were also reported as being supportive.
5. Governors confirmed that three quarters of savings were staff savings and therefore asked whether £70,000 could be saved on non-pay spend and this saving be directed to provide free car parking at City Campus. Management agreed that this would be progressed.
6. Governors challenged how, given the £500,000 capital expenditure commitment, return on investment was valued. Management advised that staff bid for funds against a set criterion, management then take a view as to where money will be directed and reported that curriculum will be a key priority. Governors asked for assurance that the College would be investing in quality and requested that as the curriculum plan develops a quality impact assessment be undertaken, documented and tested.
Action: It was agreed that a quality assessment be undertaken.
7. The Vice-Principal Finance and Resources provided an outline of the financial options as presented and advised that there was very little in terms of difference with the exception of timings and savings. The Executive therefore proposed option 1A for Governor approval but advised that the numbers were still being refined and therefore requested a two stage approach. Governors resolved to approve and endorse option 1A together with the staged approach. Governors asked what would happen in order to get to a final position and were advised that there would continue to be meetings held with budget holders to refine the figures, confirm staff budgets and agency budgets. It was noted as being an arduous iterative process. It was confirmed that Governors would be provided with greater clarity at their meeting on 14th June. Governors asked for assurance as to the feasibility of savings identified and execution. Management advised that staff had been tested and had engaged with the process with a high level of detail.
Action:
8. Governors asked that for the Corporation Meeting on 21st May that the document be updated and savings be identified as firm, anticipated, at risk and rag rated accordingly ahead of final approval on 2nd July.
9. Governors resolved:-
 - i) to request that the Financial Plan be presented to the May meeting of the Corporation for final approval at the June Resources Committee.

R74/19 Key Performance Indicators

1. The Vice-Principal Finance and Resources provided Governors with the Key Performance Indicators identified by the College. Governors were advised that many of the red rated KPI's had their roots in income shortfall and therefore impacted on the financial KPI's.

2. Staff utilisation figures were explained and Governors were advised of the individual staff targets. Room utilisations figures and the associated calculation was explained. It was reported that this is not linked to the required software and therefore did not provide an accurate figure. The software will be working by 1st August, although the figure was likely below target, with Henley slightly better than City campus.

Action: It was agreed that room utilisation needs to be progressed and scoped for income generation opportunities. Governors asked that a strategy for use of facilities be developed and presented to Resources.

3. Governors resolved: -

- i) to approve the current position;
- ii) to agree the actions identified in R74/19 (2).

R75/19 Risk Register

1. The Vice Principal Finance and Resources presented Governors with the Risk Register and advised that there would be a full refresh of the document prior to Corporation Board Meeting and therefore the Committee would focus upon Resources items.
2. Governors were provided with an update as to the meeting with the Bank in relation to the College banking covenants. Governors were advised that the meeting had been a positive one and that the next step would be either to move into the bank's business support function or a desk top exercise to determine what level of support required. Following Resources Committee, the Financial Plan would be sent to the Bank for their consideration. The outcome will then be either a waiver of the current covenants or rewrite of the covenants. The College will need to review what bank facility it uses.

Action: Governors asked that a Column be inserted into the Register to identify when risk last updated.

3. After due consideration, Governors resolved:-

- i) to approve the Risk Register.

R76/19 Impact of Brexit and Action Plan

1. The Vice Principal Finance and Resources presented the College an outline of mitigation to support the College during the Brexit period which had been based on advice from the Association of Colleges and Department for Education. It was noted that robust finances would be required to be well placed to deal with significant impact on economy.

2. Governors questioned whether all College staff have settled status.

Action: The Assistant Principal People Services agreed to look at the status of all staff and implications.

Action: Governors asked that the College's top three suppliers be contacted and asked to provide assurance of their supply chain contingency plans in the event of Brexit.

3. After due consideration, Governors resolved: -

- i) to agree the Brexit Action Plan;
- ii) to agree the actions as described in R76/19.

R77/19 HR Update

1. The Assistant Principal People Services confirmed that the harmonisation plan would come to Resources in November and February. The focus had been to provide equality to staff, the key issues being single pay scale and minimum uplift, remission arrangements, annual leave and teaching qualifications. It was reported that the teaching hours' target had been reduced by one hour. Business support staff would be offered a 1.6% pay uplift, renewal of car parking expenses and family friendly working arrangements.
2. Staff would be provided with the following update to the harmonisation package
 - i. Single pay scales with minimum increase
 - ii. Teaching hours' reduction
 - iii. Remission arrangements
 - iv. Annual leave revisited, additional 4 days to all
 - v. Back dated qualifications payment to teaching staff
 - vi. Mileage harmonisation
 - vii. Family friendly working arrangements
3. The Assistant Principal People Services advised that the Union had been supportive and understood that we could not provide pay award for all staff and could not provide free parking. Governors asked what the most contentious item would be, management advised that this was likely to be the car parking item. Governors asked whether there was a way this could be resolved, whether it would be fair to introduce a charge a Henley to provide parity of approach. It was agreed that the executive would continue to try and find a solution to this and would agree to commit to free staff car parking at City Campus from the start of the new academic year. It was noted a scheme would need to be developed to manage the card access system at the car part.

R78/19 Health and Safety Update

1. The Vice Principal Finance and Resources provided the Resources Committee with an update of the work of the Health and Safety Committee, noting the changes in membership and updated policy. The Policy would be sent to the Corporation Board for consideration and approval. It was reported that inspections would commence in June and would be categorised as high, medium and low risk areas. Strategic Safeguarding Group will have health and safety as a risk.
2. It was reported that there had not been any new incidents since the last meeting of the Resources Committee.
3. Health and Safety was confirmed as an amber risk, which recognised that more could be done. It is likely that a post will developed as a Health and Safety lead within the College, which will be fractional post and who will be the contact for local teams. Governors acknowledged that this was a journey and not a destination.
4. Governors also referenced the wider health agenda, such as mental health which was discussed, the need to sign up to time to change and the broader wellbeing agenda was agreed. Governors were advised that the College had pledged a commitment to raise the awareness of mental health in the workplace and the associated stigmas.

R79/19 Any Other Business

1. Governors asked that papers be presented in PDF.
2. Governors requested that Governor access to Board Intelligence be progressed.

R80/19 Date of the next meeting

The date of the next meeting was confirmed for Tuesday 18th June 2019 4.00pm at the City campus.

R67/19 Publication of Documents

The publication of documents was approved with the exception of Document 4 because of its commercially sensitive content.

Meeting commenced 4.00pm

Meeting closed 7.45pm

FG