

Waltham Forest College



THE CORPORATION OF WALTHAM FOREST COLLEGE

MINUTES OF THE MEETING HELD ON 6 APRIL 2017

MEMBERS OF THE CORPORATION

Youness Abidou	present	Member
Steve Besley	<i>apologies</i>	Member and Vice Chair of the Corporation
Paul Butler	present	Member, Chair of the Corporation and Safeguarding Champion
Elaine Colquhoun OBE	<i>apologies</i>	Member
Danelio Gjoka	<i>apologies</i>	Student Member
Alison Karahan	<i>apologies</i>	Student Member
Fenella Magnus	<i>apologies</i>	Staff Member
Renatta Nzomono	present	Member
Jacqueline Sheehy	present	Member and Safeguarding Champion
Tim Strong	<i>apologies</i>	Member
Kalim Uddin	present	Staff Member
Kapil Wadhwani	present	Member
Terry Wheeler	present	Member
Graham Woolnough	present	Member and Vice Chair of the Corporation
Penny Wycherley	present	Member, Principal and Chief Executive

CLERK TO THE CORPORATION

Val Bartlett Clerk to the Corporation

IN ATTENDANCE

Peter Doble Director of Finance
Briony Parker- Brown Assistant Principal: Adult Learning and Core Skills

29.17 APOLOGIES FOR ABSENCE

Apologies had been received and accepted from:
Steve Besley – work commitment
Elaine Colquhoun – annual leave
Danelio Gjoka – spring break
Alison Karahan – spring break
Fenella Magnus – spring leave
Tim Strong – prior commitment

30.17 DECLARATION OF INTERESTS

The Members of the Corporation confirmed that there were no items on the agenda for the meeting in which they had a personal interest.

31.17 MINUTES OF THE MEETINGS OF THE CORPORATION HELD ON 20 FEBRUARY 2017 and 14 MARCH 2017

The Minutes of the Corporation meetings held on 20 February 2017 and 14 March 2017 were approved by the Corporation and signed by the Chair as a correct record.

32.17 MATTERS ARISING

109.16 – Big Creative. The Director of Finance informed the Corporation that Big Creative is still awaiting final approval of their capital development project from the Greater London Authority (GLA).



33.17 ENGLISH AND MATHS UPDATE

The Corporation received a presentation from the Assistant Principal: Adult Learning and Core Skills.

Up to date data was provided on the overall position for Functional Skills Entry to Level 2: English and for Maths and also for level 2 English and maths which are indicating a much improved picture compared to last year.

In response to a Governor's question regarding the reasons for this major improvement, it was explained that there is now more integration of English and maths into the curriculum areas, purposeful support for students and the teaching team and a more evident positive attitude from both students and staff. There has been tighter performance management, a range of developmental interventions and individual students are regularly assessed and targets set.

The long term sustainability of this improvement was queried and it was noted that the staff in English and maths are nearly all permanent appointments (i.e. very few agency staff) and receive very good student feedback.

The 16-18 Study Programme students who have DD for GCSE English and maths and who are required as a condition of funding to study both, will start the second GCSEs from June. However, it was noted that the DfE has recognised the unrealistic expectation of re-sits and that a Functional Skills option may be a better fit in terms of a vocational programme and employability skills for future students. Guidance is awaited.

The Corporation receive and noted the update on English and maths and asked that thanks be passed to the team for their good work.

34.17 RE-APPOINTMENT OF GRANT THORNTON – FINANCIAL STATEMENTS AND REGULATORY AUDITORS FOR 2016-17

The Corporation noted the performance of Grant Thornton in 2015/16 and approved their re-appointment as the College's Financial Statements and Regularity Auditor for the 2016/17 financial year.

The Corporation agreed to move to Agenda Item 11

36.17 FINANCIAL UPDATE

The Corporation received the Income and Expenditure Budget 2016/17, Management Accounts as at 28 February 2017 and a financial update report relating to 2016/17 and 2017/18.

It was noted that the summary position for 2016/17 is, as has been previously reported, an underlying deficit of £400k, however, due to continuous management scrutiny, tight control and some underspend it is anticipated this may be reduced by the year end.

The Director of Finance then explained that in order to set a budget in 2017/18 which maintains at least 'satisfactory' financial health, the College will have to incur additional severance costs which may be as high as c.£300k, which would add a further £160k to the College's deficit in 2016/17, the current severance budget being £140k. However, this is a worst case projection.

The financial planning is based on the assumption that the College will remain an independent standalone institution during 2017-18. The base deficit in 2017/18 is £1.325m consisting mainly of a rollover of the projected £400k deficit in 2016/17 plus a £900k reduction in EFA grant as a result of under-recruitment of 16-18 year olds in 2016/17. A high level proposal was then presented outlining the strategy to close most of this budget deficit in 2017/18 and still retain 'satisfactory' financial health. The strategy would include retaining a budget deficit of £325k in 2017/18.

The 2017/18 budget will be prudent and make no assumptions about growth in income although the target is to grow back the College's 16-18 numbers to between 2015/16 and 2016/17 volumes.

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In 2018/19 the aim is to return to 'good' financial health as long as growth has been achieved in 16-18 student numbers in 2017/18. The evidence to date, though early, is positive that enrolment for 16-18 year olds is likely to exceed that of 2016/17 recruitment and the Principal provided Governors with the current number of applications and offers which are significantly above 2016-17 for the two main cohorts of Student Programme students and Access students on Level 3 loans.

It was noted that in order to close the budget gap, the majority of savings will need to come from staffing as this is the largest proportion of expenditure and the Corporation noted the summary of the broad areas in which these savings have been identified and that it was anticipated that natural turnover would be a major source of these savings. It was noted that a number of vacant posts had already been identified for costs savings including a Director role and the Deputy Principal role.

Governors were reassured that reductions in staff will be made on a business interest case only. The pleasing higher levels of student applications were discussed and it was noted that these have been via marketing/advertising including use of Ofsted comments about the College, improved processes, word of mouth, a good local view of the College, better results and retention and identification of more progressing students. It was agreed that the Principal discuss the local vocational offer with the Borough and the neighbouring Sixth Form College.

The point was made that as costs have already been cut and there is a tight workforce, how may any future cuts affect staff. The Principal indicated that the College cannot keep on cutting costs as this is not sustainable in the longer term and therefore, the proposed budget is, in reality, a one or two year option.

The issue of the apprenticeship levy was discussed and it was noted that the College is on the Register of Training providers.

The Director of Finance then drew attention to the cash flow which is tight in itself and is exacerbated by the STEM project and the deferred payments of capital grant by the GLA. There has been some slippage in the STEM project which means that the most adverse impact on the cashflow will now be in June/July. If there is an overdraft at the year end this will be covered by the £1m overdraft facility with Barclays and will be cleared in August 2017 once the GLA grant claim has been reimbursed.

The Corporation:

1. Received and noted the Management Accounts as at 28 February 2017;
2. Noted the key financial risks being managed by the College;
3. Noted the current status of the financial performance indicators;
4. Received and noted the financial update report;
5. Noted that the 2016/17 budget deficit may increase to £560k as a result of potential additional severance costs;
6. Confirmed the College should plan for a budget deficit of £325k in 2017/18 and to be in 'Satisfactory' financial health; and
7. Noted the confirmation letter from the SFA that the College's Financial Health for 2015/16 was 'good'.

37.16 LONDON AREA REVIEW- FINAL REPORT

The Corporation received and noted the East and South East London Area Review final report.

38.17 COLLEGE RISK REGISTER

The Corporation received and noted the half termly update on the College Risk Register with the risks arising from the implementation plan for merger continuing to be the top risk.

39.17 CONFIDENTIAL ITEM - MERGER UPDATE

The Corporation agreed that this item be classed as Confidential.

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40.17 CORPORATION STRATEGY SESSION 20 MARCH 2017

The Corporation noted the update from the Strategy session.

41.17 SEARCH COMMITTEE MEETING – 20 MARCH 2017

The Corporation approved the recommendation from the Search Committee the re appointments of both Jacqueline Sheehy and Renatta Nzomono for a further term of four (4) years.

42.17 INSOLVENCY REGIME

The Corporation noted the update on the College insolvency regime due to be introduced in 2018.

21:15 PW/KU/PD left the meeting

43.17 ANY OTHER BUSINESS

The Chair informed the Corporation that given the above decision regarding the merger, the senior management infrastructure now needs to be revisited as there are interim contracts in place. Corporation approval was given to the Chair to hold discussions with relevant parties and to report back to the Corporation via the Remuneration Committee.

These minutes have been approved by the Corporation and signed by the Chair as a correct record.

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SIGNED

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DATE