

Waltham Forest College

THE CORPORATION OF WALTHAM FOREST COLLEGE

MINUTES OF THE MEETING HELD ON 21 DECEMBER 2020

MEMBERS OF THE CORPORATION

Youness Abidou	present	Member
Nadia Ahmed	present	Member
Shania-Latoya Ambrose	<i>absent</i>	Student Member
Paul Butler	present	Member, Chair of the Corporation, Safeguarding Champion
Gary Davies	present	Member
Michael Eichhorn	present	Member
Janet Gardner	present	Member, Principal & Chief Executive
Shamik Ghosh	present	Member
Alison Morris	present	Member, Careers Champion
Renatta Nzomono	present	Member, Chair Audit Committee
Frank Royle	present	Staff Member
Tim Strong	present	Member, Chair of Search Committee & Remuneration Committee, Health & Safety Champion
Neil Taylor	present	Member
Graham Woolnough	present	Member, Corporation Vice Chair
Jacqueline Young	present	Member
Yvonne Yau	present	Member

CLERK TO THE CORPORATION

Val Bartlett	present	Clerk to the Corporation
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IN ATTENDANCE

Andy Cottrell (AC)	present	Deputy Principal Corporate Resources (DPCR)
Abena Rodman-Tay (AR-T)	present	Director of Finance & Estates (DF&E)
Ron Matthews	present	FEC Advisor and observer to the meeting

Due to the Coronavirus pandemic (Covid-19) the Corporation agreed that meetings may be held using Teams videoconferencing as per the Waltham Forest College Instrument & Articles, Instrument 1 (g).

The Chair welcomed Ron Matthews (FEC Governance Advisor undertaking a Board review) as an observer to the meeting.

99.20 APOLOGIES FOR ABSENCE

No apologies for absence had been received.

100.20 DECLARATION OF INTERESTS

Neil Taylor reminded the Corporation of his employment with Leyton Orient Trust; a sub-contractor of the College.

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

101.20 MINUTES OF THE CORPORATION MEETING HELD ON 10 NOVEMBER 2020

The Minutes of the meeting held on 10 November 2020 were agreed by the Corporation and signed by the Chair as a true record.

102.20 MATTERS ARISING

94.20 Further Education Capital Allocation – Chairs Action

The College has been awarded £876,039 to undertake remedial work and upgrade the condition of the Estate and, following a tender process, Fusion was appointed to undertake the project management work, develop a project plan and support the College in appointing contractors.

As per the Financial Regulations, contracts for capital expenditure above the value of £150,000, require Corporation approval.

However, due to the tight timescales that are now being worked to, and to ensure that all work is completed by the 31 March 2021 deadline, the Corporation had approved at its meeting held on 10 November 2020, that, where there is urgent necessity, Chairs Action may be used regarding any contracts above the £150,000 threshold.

Calsan builders have been appointed for the construction work for the Lowery Building and the East Wing. The value of the contract is £155,730 gross and Chairs Action was used to approve this appointment.

The Corporation ratified the use of Chairs Action regarding the appointment of Calsan Builders.

103.20 PRINCIPAL'S COLLEGE UPDATE

The Principal updated the Corporation on a number of matters and the following was noted in particular.

The College has continued to make good progress against both the Quality and the Financial KPI's, despite the ongoing challenges of Covid and the considerable activity of this first term including:

- Significant growth in recruitment for 16-18, 19+ and High Needs learners.
- Several successful bids for additional funding.
- Developed a strategic partnership with the Department for Work and Pensions.
- FEC Diagnostic Assessment visit.
- Ofsted Monitoring visit.
- Environmental Health Agency visit.
- First FE College nationally to become a Covid testing centre and a high-profile visit by the Mayor of London to the College.
- Considerable progress made against the financial savings plan.

The Principal highlighted that all of the above demonstrate the ability of the College to continue to positively and successfully respond to numerous and differing challenges.

The Principal then informed the Board that the arrangements, systems and processes in place at the College to mitigate the risk of Covid continue to be effective and that reassuringly, to date, the numbers of staff and students affected continue to be quite low. The College has been piloting rapid lateral flow testing on the campus in collaboration with the LBWF and the roll out will be scaled up significantly early in the New Year. The Principal continues to keep the Chair informed of all Government decisions, advice and guidance regarding the closure of schools and colleges due to Covid.

The Board was updated on the Ofsted monitoring visit which was to assess how well the College has been able to adapt and meet the needs of its learners during lockdown and so far this academic year. No judgements are made by Ofsted and the initial feedback indicates a very positive outcome including noting the 'unity' across the College and the highly responsive hard work and effective support which is being provided to learners. Governors will be sent the finalised report in January 2021.

Waltham Forest College

Governors then noted the current and good progress of the Quality KPI's for 2020/21, with all indicators being strong. Attendance is 5.6% above the final outturn for 2019/20 and 1.4% below the target for 2020/21. More detailed monitoring of the KPI's continue to be scrutinised by the Curriculum and Standards Working Group.

Key projects were then noted including:

- ETF Outstanding Teaching, Learning and Assessment project. This action research project is due to complete in June 2021 with a final, nationwide event and publication of the findings in July 2021.
- Princes' Trust external review assessed the overall quality and impact of this provision as Grade 1, Outstanding.
- The College was 'Highly Commended' for its high standard of work in promoting Careers by the London Enterprise Adviser Network, part of the GLA.

In terms of growth, the Board was informed that the College is making good progress against its financial plan and KPI's. Additional funding opportunities continue to be sought out and SLT are driving the work needed to ensure that the required savings are made; including those now required due to the fixed asset issue. Staff costs are being maintained and more detailed monitoring of the savings against the financial plan continue to be scrutinised by the Finance Working Group (FWG).

The College has been successful in another bid of £290k which will largely be spent on additional laptops for learners.

The Capital Works programme has started and will conclude by 31 March 2021 in line with the funding criteria. Progress and spend will continue to be monitored by the FWG and at Board meetings.

The Principal then highlighted meetings she has attended with numerous external stakeholders thereby helping to further raise the profile and reputation of the College.

Governors then discussed the Principal's College report further.

A question was posed regarding national issues and criticism concerning the Covid testing as raised by AoC and Unions in particular. The Principal assured Governors that using the College as pilot Covid testing centre had been discussed with the SLT, Curriculum Managers and Unions and all parties were agreeable to this being set-up. Currently this is seen as an optional facility but, in time, may well be imposed on all Colleges, therefore, the plan is to scale up this facility, including training some staff and students to be able to undertake the testing. A Governor noted that at the University where he works, some students have been trained to do the testing which is seen as very a good experience for them.

A query regarding the issue and priority allocation of laptops and digital poverty was then raised. The Principal informed Governors that the LRC in the College has open access, additional laptops have been ordered and IT equipment and access continue to be under constant review.

A Governor then queried if and when a full Ofsted inspection may be expected. The Principal advised that current Ofsted guidance is that full graded inspections have been paused whilst interim monitoring visits were being conducted in term 1 and short 1-day reviews for study programmes from term 2 but this is subject to change. Ofsted visits are risk rated e.g. change in senior leadership but given that the College has now had an encouraging FEC diagnostic assessment visit and also a positive Ofsted monitoring visit, the College may not be viewed as being high risk because of a change of leadership but other risk indicators could still remain.

A Governor asked the Principal for a view of the recent College of the Future report. The Principal responded by highlighting that the College already has in place some of the reports' recommendations and reinforces the College's position as an anchor institution, working and collaborating with key stakeholders. This report will help shape the future strategic planning alongside the White Paper on F.E. which is now expected in early 2021.

A Governor noted the positive increase in student recruitment and queried how attendance was holding up. The Principal explained that considerable work has been undertaken on attendance including strength testing and engaging with learners. Students are making good progress and engaging better with a combination of blended learning. Lessons learnt from the first lockdown have been acted upon including that not all learners may wish to learn on-line and may prefer face-to-face teaching and support, therefore, each group or area is adapting to particular student needs which continue to be under constant review.

The Corporation:

- Noted the good progress the College is making against the Quality KPI's.
- **Approved** that more detailed progress against the Quality KPI's is scrutinised and closely monitored by the Curriculum and Standards Working Group.
- Noted the good progress the College is making against the Financial KPI's.
- **Approved** that more detailed progress against the Financial KPI's is scrutinised and closely monitored by the Finance Working Group.
- Noted the significant progress the College has made overall, particularly given the challenges in the first term.

104.20 REPORT FROM FURTHER EDUCATION COMMISSIONER VISIT 7-8 OCTOBER 2020

The Principal updated the Board on outcome of the Further Education Commissioner (FEC) Diagnostic Assessment review and subsequent final report.

Following a downturn in the College's financial position in 2018/19 the financial health score grade dropped to 'requires improvement' which prompted a diagnostic assessment by the FEC, originally planned for March 2020, but, due to the impact of Covid, was subsequently delayed until 7-8 October 2020.

A Governor made the point that due to swift and positive actions having already been taken, the issues identified by the FEC prior to their visit have, in the main, been addressed or no longer exist.

The FEC reviewed the plans, performance and impact of the actions being taken by the College and gained assurance on the capacity of the College to further improve.

Four recommendations were made by the FEC and a College Action Plan has been drawn up with progress to be regularly monitored by both the Board and the ESFA.

One of the recommendations was for an ETF review of governance to be completed by May 2021 and this is now underway.

Of the three remaining actions, one has been fully completed, and the other two have been actioned and are awaiting approval or sign off.

The Corporation:

- Noted the good progress highlighted by the FEC.
- Noted the FEC recommendations and timescales.
- **Approved** the Action Plan to meet the recommendations
- **Approved** delegated responsibility to the Chair to approve progress updates before ESFA meetings which will then be reported at the following Corporation meetings.

105.20 COLLEGE SELF-ASSESSMENT REPORT 2019-20

The Principal informed Governors that the Self-Assessment Report (SAR) presented to the Corporation on 10 November 2020 was still subject to external validation.

Following the recent external validation and the evidence provided, revisions were made to the SAR, and it was confirmed that Behaviours and Attitudes grade is 'Good' and Education for Young People grade is 'Good'.

The Chair of the Curriculum & Standards Working Group reported that she had reviewed the evidence in detail and had discussed this with the external validator and concurred with the external validation. It was noted that work on the SAR is ongoing.

The Corporation agreed to review and approve the final version of the SAR following amends agreed at the validation panel and subsequently at the Board meeting in January 2021.

106.20 AUDIT COMMITTEE MEETING – 16 DECEMBER 2020

The Vice Chair of the Audit Committee provided the Board with an update on the Audit Committee meeting of 16 December 2020.

The Corporation duly ratified the appointments of Renatta Nzomono as Audit Committee Chair and Graham Woolnough as Vice Chair for 2020/21.

The Corporation was informed that, as per an FEC recommendation, the Audit Committee Terms of Reference had been amended to include the following:
Members of the Audit Committee may not also be members of the Corporation Finance Working Group or a Corporation Finance Committee.

The Corporation approved the Audit Committee Terms of Reference for 2020/21 for immediate application.

The Corporation then considered the Internal Audit Annual Report for 2019/20 and noted the internal audit opinion that the College has:

- Adequate and effective risk management processes.
- Adequate and effective governance processes.
- Adequate and effective control processes; and
- Adequate and effective processes surrounding efficiency and effectiveness.

Good progress has been made regarding the implementation of the outstanding Internal Audit recommendations.

The Corporation approved the Internal Audit Annual Report for 2019/20.

The Corporation then considered the Annual Report of the Audit Committee for 2019/20 and noted that the Audit Committee recommends the Financial Statements 2019/20 and Letter of Representation for approval.

The Chair of the Corporation thanked Graham Woolnough for all his hard work and lengthy term as Audit Chair during a somewhat difficult period as there had been a need for a necessary level of continuity.

The Corporation noted the update from the Audit Committee.

107.20 FINANCIAL STATEMENTS 2019/20

The DPCR introduced the College Financial Statements (FS) to the Board with the highlights including:

- The College generated a deficit before other gains and losses in the year of £562k (restated 2018/19 deficit of £877k) from total income of £22,167k.
- Excluding FRS102 pension adjustments and restructuring costs, there was a much-improved Operating Surplus of £411k.
- The 2018/19 result has been restated due to prior year adjustment relating to depreciation and write-off of fixed assets.
- Balance Sheet liabilities of (£12,619k).
- Pension liability increases to £27,656k.
- Cash position improved to £1,491k with net cash generated of £944k in-year.

It was noted that the draft FS had been scrutinised by both the FWG and the Audit Committee members.

The issue regarding the Local Government Pension Scheme (LGPS) liability had been discussed in detail at the recent FWG meeting including risks and impact. It was noted that pension liability is a common issue amongst many Colleges and is being addressed at national AoC level. It is significant that the College does not have a large amount of Bank debt and that this is viewed as a positive when considering Going Concern.

The Chair of the FWG highlighted the far better financial position for 2019/20 than in the previous year, which is testament to the work of the SLT and this was acknowledged by the Corporation.

In addition, the Bank has now written to the College confirming it is no longer deemed to be 'high risk' and will revert back to being managed by its relationship Manager which is a very positive position.

The Chair thanked the Chair of FWG for his work with the SLT and Board members. In addition, the Principal acknowledged the support from the Board which was needed to help steer the finances through a difficult period.

Meanwhile, the Board and the FWG will continue to scrutinise and support the SLT where appropriate.

The Corporation then received and considered the Regularity Self -Assessment questionnaire (SARQ) for 2019/20.

It was noted that this questionnaire incorporates references to the Anti-Fraud framework and the updated Financial Regulations. In addition, Annex A has been added as a requirement regarding Covid compliance, procurement and the job retention scheme.

The Audit Findings Report issued by the Financial Statements auditors was then discussed.

The assessments of the significant findings – revenue recognition, estimates and judgements and Going Concern - were all rated 'green'.

It was highlighted that the Going Concern position has much improved compared to last year and that the auditors had not raised any issues of immediate concern.

A prior period adjustment of £520k was made to the opening reserve balances as at 1 August 2019 in respect of a number of items of fixed asset expenditure dating back to 2014/15 which had either not been depreciated or required write-off. The College itself had identified this issue and duly notified and discussed this with the ESFA.

The Corporation noted the Audit Findings Report 2019/20.

The Corporation approved the Chair and Principal to sign:

- **The College Financial Statements for 2019/20.**
- **The Regularity Self-Assessment Report for 2019/20.**
- **The Letter of Representation.**

108.20 RISK MANAGEMENT

The DPCR provided the Board with an update on Risk Management.

It was noted that the Risk Register had been reviewed by the Audit Committee on 16 December 2020 and the top 5 risks in particular were scrutinised. A member of the Audit Committee made the point that much work had been undertaken last year to review all risks and mitigating actions.

Discussion was then held regarding a potential cyber security attack and the Principal confirmed that this issue has already been included in the Risk Register.

The Corporation received and noted the College Risk Register and the Risk Management Annual Report for 2019/20.

109.20 MONTHLY MANAGEMENT ACCOUNTS – 31 OCTOBER 2020

The Corporation received and considered the Management Accounts to 31 October 2020.

The following was noted.

- The year to date surplus is indicating a favourable movement of £163k compared to the budget of £112k. A favourable movement of £51k.
- The year-end forecast for 2020/21 is £279k surplus compared to a budget of £96k i.e. a favourable movement of £183k.
- Since August 2020, the College has been awarded total extra funding of £774k from the ESFA and GLA.
- Enrolment numbers for 16-19 are up by 9.2% compared to 2019/20 allocation and adult 19+ number are up by 8.9% compared with the same period last year.
- The savings tracker indicates actual savings achieved and banked of £735k against a budgeted in-year savings target of £945k. Additional in-year savings required are £210k with £110k pipeline savings identified by Curriculum and Catering of £35k, leaving a £65k shortfall.
- This shortfall allows for the extra depreciation of £178k chargeable in-year.

The full year impact of savings generated arises in 2021/22

- The full-year savings requirement is £1,112k against which banked savings of £821k have been achieved.
- Additional full-year savings of £291k are required
- Curriculum has identified £244k pipeline savings and Catering £59k, achieved from 2012/22 onwards
- The additional savings target is then met with £12k headroom

Attention was then drawn to the Financial KPI's, and Governors were informed that the College is indicating 'Good' financial health. It was noted that this is based on a number of assumptions, the key one being to reduce pay as a % of income and increase operating surplus. This will ensure that the College has sufficient cash, can invest in capital and staff and remain viable in the long term.

Governors then noted the Capital Expenditure table which indicates an ESFA grant of £876,039, a GLA Covid response grant of £70k and a GLA Emergency Recovery support fund grant of £200k.

A Governor queried if there may be potential for a pay award which is acknowledged as being long overdue. The Principal reported that a pay award was not included in the original budget, but if the good progress against savings continues to be met, then a pay award may be seriously considered. It is also the intention to make pay awards part of the budget planning going forwards.

The Chair of the FWG acknowledged that a pay award is a very positive statement and the SLT are being very proactive in monitoring and managing costs which is resulting in positive monthly management accounts. The FWG continues to closely scrutinise the accounts and has also offered some pointers regarding their presentation which will be reflected in the November accounts.

The Principal highlighted that controls have been tightened and continue to be reviewed for further strengthening and that whilst there have been costs regarding the additional growth, these are kept to a minimum, with a growth bid for this year being worked on.

In addition, the unknowns around the implications from Covid continue including additional resources, staff cover, front line services and the subsequent impact on the year-end forecast. Whilst recognising the work of the SLT, the Principal assured Governors that they were not complacent regarding the challenges for the rest of the year ahead, particularly with such an uncertain environment.

A Governor queried the cleaning contract and the DF&E assured all that the first full year review is taking place and the KPI's to be agreed on 18 January 2021 will be reported back along with an update on performance.

The Chair thanked the Finance Team for their hard work, and it was noted that the November Management Accounts will be presented to the FWG meeting in January 2021 for scrutiny.

The Corporation:

- Noted the management accounts to 31 October 2020.
- Noted the key financial risks being managed by the College and the mitigating actions being taken.

110.20 GOVERNANCE ISSUES

The Clerk updated the Corporation on a number of matters.

The Search Committee had met on 16 December 2020 and, having reviewed the membership, agreed that all Governors complete a new Skills Audit to aid recruitment and succession planning.

Governors then discussed the role and appointment process for Staff Governors noting that the current custom and practice is for one Support Staff Governor and one Teaching Staff Governor, to be respectively elected by either teaching or support staff and to serve for a four-year term.

The Corporation then reflected on the above and Instrument 2 (4) (b) i.e. all staff may be nominated and elected by all staff, thereby affording an opportunity for all staff to engage when a vacancy arises.

The Chair has offered to meet informally with any staff member who may be interested in this position.

Given the status of this highly recognised and trusted position, the Corporation also agreed that it was pragmatic to review the length of the term of this office from the current 4-year term to a 2-year term (with an initial one-year term), thereby providing an increased opportunity for more staff to consider serving and contributing to the strategic direction of the College.

Given the current vacancy for a Staff Governor:

The Corporation approved that all staff may be nominated and elected by all staff for a 2-year term.

As a result of a recommendation arising from the FEC Diagnostic Assessment report the Finance Working Group Terms of Reference have been amended:

3.3 Members of this Working Group (or any Finance Committee) may not also be members of the Audit Committee.

The Corporation approved the revised Terms of Reference for the Finance Working Group.

Governors were requested to complete the ETF survey to help inform the FEC Board review. A meeting date for this review in January is to be circulated to all.

The Corporation noted that the scheduled Board meeting for 26 January 2021 has been cancelled.

The Corporation approved the Strategy Day be held on Saturday 27 February 2021.

All Governors were reminded to complete the safeguarding training.



111.20 ANY OTHER BUSINESS

- **Appointment of Director of Corporate Governance**
The Chair informed the Board that following a recruitment and interview process, the selection panel recommended Naomi Shoffman as the new Director of Corporate Governance.
The Corporation approved the appointment of Naomi Shoffman as Director of Corporate Governance.

As Naomi is unable to take up this post until 1 April 2021, the Chair is in discussion with the current Clerk regarding delaying her date of retirement.

The Chair then reflected that this had been a challenging year for the College, and it was very pleasing to now see the College in a more successful position at the year end. In addition to supporting the SLT, the Board has appointed a number of new members to aid succession planning and provide additional and valuable expertise.

The appointment of the new Principal has had an immediate and positive impact with very good engagement with the SLT and the Board. The way in which the SLT and staff have managed a very challenging first term is testament to their drive and commitment to our learners.

The Principal thanked the Board for their support which is very much appreciated.

These minutes have been approved by the Corporation as a correct record.	
CHAIR:	DATE:
	REMOTE CONFIRMATION:
	OR SIGNED:

The meeting closed at 20:50

20:08 RM/AC/AR-T left the meeting