

Waltham Forest College

THE CORPORATION OF WALTHAM FOREST COLLEGE

MINUTES OF THE MEETING HELD ON 27 JANUARY 2021

MEMBERS OF THE CORPORATION

Youness Abidou	present	Member
Nadia Ahmed	present	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
Vanessa Georgieva	present	Student Member
Shamik Ghosh	<i>apologies</i>	Member
Alison Morris	present	Member, Careers Champion
Renatta Nzomono	present	Member, Chair of 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	Student 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)
Stella Fleming	present	Director of Curriculum
John Newton	present	Director of Curriculum
Amir Ahmed	present	Director of Services to Students
Nadeem Khalifa	present	Director of BDU
Ron Matthews	present	FEC Governance Advisor

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) to the meeting.

01.21 APOLOGIES FOR ABSENCE

Apologies for absence had been received from Shamik Ghosh – work commitment

02.21 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 items on the agenda for the meeting in which they had a personal interest.

03.21 APPOINTMENT OF STUDENT GOVERNOR

The Corporation was informed that Shania- Latoya Ambrose had stepped down from her role as Student Union President and that Yvonne Yau has now taken up this position.

Vanessa Georgieva has been appointed as the Student Union Vice President and, therefore, becomes the second Student Governor.

The Corporation ratified the appointment of Vanessa Georgieva as a Student Governor, with immediate effect, until 31 July 2021.

04.21 ETF BOARD REVIEW SESSION

Following a Further Education Commissioner (FEC) Diagnostic Assessment review, one of the four recommendations made by the FEC was for an ETF review of governance to be completed by May 2021.

Ron Matthews was engaged by the ETF to facilitate this Board review and Governors had completed an on-line ETF governance survey in advance of this review session.

The review session took place immediately before this Corporation meeting and included group discussions and feedback with the following being highlighted in particular:

- Given the quasi Carver/committee structure currently being operated, a move to a full traditional Board and Committee structure was acceptable.
- Preparatory work will need to be undertaken on the frequency of meetings, timings, committee structures and terms of reference, reporting mechanisms and communications.
- Involvement of the Senior team in this new way of engagement is to be considered.
- Skills, training and succession planning to continue to be a key focus.

It was acknowledged that the current structure, including Working Groups, was suitable and appropriate at the time, and that it is now opportune for reflection and review.

The facilitator will now prepare a report which will be sent to the Chair and Principal for comment before then being validated by the ETF and forwarding on to the FEC and DfE.

The Corporation thanked Ron for his helpful contribution to this review and members agreed to discuss governance structures further once the final report has been received.

*NS & RM left the meeting
AC,AR-T,SF,JN,AA,NK joined the meeting*

05.21 PRINCIPAL'S COLLEGE UPDATE

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

The College is continuing to respond proactively to the ever-changing Government guidance relating to Covid19, including recruiting PHD students from London Metropolitan University to assist with the on-site testing of staff and students.

Governors were informed that, following the FE Commissioner's (FEC) recommendations, an additional internal audit on Fixed Assets and the Month-End process has now been undertaken. To avoid incurring an additional cost for this supplementary audit, it is proposed to amend the Internal Audit Plan for 2020/21 and remove the budgeting process audit for this year.

The rationale for this change is that the budgeting process was included in the audit plan last year and did not identify any concerns and there has not been an annual budget process since the last audit.

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The College continues to be involved in the Erasmus project including adapting different ways to engage students as the impact of Covid means that students are unable to travel abroad.

The curriculum continues to support learners to adapt to the move to full virtual learning with quality processes also having reverted to being virtual, including observations and learning walks.

The current quality KPI's were then highlighted, noting that the overall retention remains positive at 0.8% above the same time last year. However, retention for 16-18 learners is currently 1.8% below the same period for 2019/20 where it was at 100%. It was noted that the current data is likely to be a reflection of more robust monitoring and accuracy of information rather than a decline in performance.

Attendance has dropped by around 5% overall since lockdown although this does not include those learners who are engaging outside of their planned lesson times.

The College has had successful recognition in the Careers and Enterprise Awards at the East London Skills Board, which is made up of eight London Boroughs. In addition, there was a special mention for the College as being one of only a handful of colleges in the country to achieve 100% on all eight national benchmarks for good careers progression. Congratulations was given to all involved.

Governors were then updated on the impact of Covid on finances, the College Estate, the Curriculum and Health & Safety. In particular, the impact on the well-being of both staff and students is being closely monitored and appropriately supported including counselling, financial assistance and a specific well-being staff Development Day which was held in December.

Attention was then drawn to the Financial KPI's which are positive, with the November 2020 Management Accounts forecasting an end of year surplus of £293k before end of year adjustments and a financial health score of 'Good'.

Cash balances at 30th November were £4,232k and 77 cash days, against the College target of more than 25 cash days. This includes the capital funding of £876k which is due to be spent by 31 March 2021. Cash days without this additional fund would have been 59 cash days actual in November 2020.

It was then highlighted that it is anticipated the ongoing lockdown will present some challenges to college business, including recruitment for term two. The financial position is being monitored closely and Governors acknowledged the mitigating actions being taken by the SLT to further reduce costs such as furloughing some staff, scaling back cleaning during partial closure and realigning opening hours to reduce utilities usage and relevant staff cover.

The FEDC Capital works programme is continuing and on track for completion by the 31 March 2021 with progress being monitored by the Finance Working Group. Details for the next round of capital funding has just been released from the DfE and this is a competitive tender process with bids to be 50% match funded. The bid submission date is 15 March 2021 and the College will be working with some external support to make a submission.

The Principal then drew attention to the recently released White Paper on F.E. which will inform part of the discussions at the forthcoming Strategy Day on 27 February 2021.

Governors then discussed the above in further detail.

A Governor queried the effect of Brexit on the Erasmus project. The Principal informed the Board that this project began in 2018 and the associated funding has not yet been fully utilised and that, due to lockdown, the project has been extended. The College has also successfully bid for another round of Erasmus project funding. Governors were assured that student safety remains paramount.

Discussion was then held on helping with foodbanks and IT equipment. It was noted that Government technical support is yet to be rolled out to colleges and so, in the meantime,

the College is accessing pockets of funding predominantly for laptops. Any support Governors can offer with their networks regarding donations and recycling of IT equipment was welcomed. The College remains open for vulnerable students, those unable to access IT equipment and the internet and for a few specialist curriculum areas.

Governors acknowledged the stress on both staff and students regarding the impact of Covid and lockdown on learners and staff supporting learners.

Governors were assured that student welfare remains paramount with strong multi agency links being accessed for all relevant referrals. The Chair reported that he had attended a recent College Safeguarding Board meeting and had also been contacted as part of the Internal Audit on Safeguarding which was very positive including the level of support the College provides to vulnerable learners.

The Corporation:

1. **Approved** the amendment to the Internal Audit plan to accommodate the additional audit work completed to meet the FEC recommendation.
2. **Note** the current progress against Quality KPIs for 2020/21
3. **Note** the current progress against Financial KPIs for 2020/21

06.21 COLLEGE SELF-ASSESSMENT REPORT 2019-20

The Principal reminded Governors that the College Self-Assessment Report (SAR) presented to the Corporation on 10 November 2020 was, at that point, 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'.

Behaviour and Attitudes includes attendance which, whilst there are still concerns, has improved significantly.

Education for Young People is indicating that, whilst acknowledging that the achievement rates in a few particular courses need to improve, the overall weighting for all areas supports this 'good' grading.

The Chair of the Curriculum & Standards Working Group reported that she had reviewed the evidence in detail and concurred with the external validation.

The Corporation approved the College Self-Assessment Report for 2019-20.

07.21 MONTHLY MANAGEMENT ACCOUNTS – 30 NOVEMBER 2020

The Corporation received and considered the Management Accounts to 30 November 2020 and the following was noted.

- The Finance Working Group had scrutinised the Accounts at its meeting held on 21 January 2021.
- The year to date financial result shows a surplus of £168k compared to year to date budget of £92k as at the end of November 2020. There is a favourable movement of £76k.
- Year-end forecast for 2020/21 is £293k surplus compared to a budget of £96k. This is a favourable movement of £197k.
- Enrolment Numbers for 16-19 student numbers have increased by 9.6% at 1,734 compared to 2020/21 allocation of 1,582. This could potentially generate lagged funding in 2021/22 of £866k using the 2020/21 Programme Funding Formula rate of £5,700 per learner. Where necessary, additional staffing cost has been provided for in the staffing forecast to ensure the student experience is not compromised.
- Adult 19+ enrolment is up by 1.2% compared to November 2019 (R04) in 2019/20.
- The savings tracker indicates good progress is being made with actual savings achieved and banked of £732k against a budgeted in-year savings target of £945k.

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Additional in-year savings required are £210k with £110k pipeline savings identified by Curriculum and Catering of £35k, leaving a £65k shortfall which is under constant review.

Attention was then drawn to an income sensitivity analysis which assessed the likely impact of Covid on cashflow regarding potential lower enrolment in term two. Under the GLA Adult Education Budget (AEB) a 10% reduction in enrolment affects the revenue in the current year but not the cash flow as the College is paid on a profile basis. If the College delivers 90% or more of the AEB curriculum, then there is no clawback. This tolerance level is currently under review. Assurance was provided that the position is being closely monitored by the Senior Team.

The Financial KPI's were then noted 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 were then advised that enrolment for term two remains a key risk area and may have a financial impact, therefore, it is being very closely monitored, including by the FWG.

Assurance was provided by the Principal that monthly performance meetings are held for each area, where income is investigated line by line, alongside plans for delivery, with any shortfalls and movements being accounted for.

The Corporation:

- Noted the Management Accounts to 30 November 2020.
- Noted the key financial risks being managed by the College and the mitigating actions being taken.

08.21 FINANCE RECORD

The ESFA requires all colleges to complete and submit, by 31 January 2021, a Finance Record once the annual accounts have been signed off. The ESFA uses this data to benchmark all colleges.

The Finance Record reports on the financial performance and position at the end of 2019/20 and, also for this year, the forecast for 2020/21 based on October 2020 Management Accounts.

The report and Finance Record provide summary details of the College's actual income and expenditure, balance sheet and cash flow, compared with budget.

Results show a forecast surplus of £279k excluding FRS 102 for 2020/21 and £474k deficit including FRS 102 adjustments. 2019/20 shows a surplus of £191k excluding FRS 102 and a deficit of £562k including FRS 102 adjustment.

The Financial Health Score is 'Good' for 2019/20 and 2020/21. The forecast financial performance for 2020/21 shows the College moving towards a financially sustainable position in which long-term financial viability is assured and where there can be future investment in staff and capital.

The finance record demonstrates that the College is achieving significant financial savings in order to ensure long-term financial sustainability. This is reflected in an improved cash position with the College now forecasting 54 cash days as at 31st July 2021.

A Governor queried if the College may consider applying to the ESFA for additional in-year growth funding, and it was noted that this has now been requested by the College, but no decision from the ESFA has been made as yet.

The Corporation:

- Noted the Finance Record and the audited year-end financial position and forecast for the year 2019/20.
- Noted the key financial risks being managed and the mitigating actions being taken by the College in 2020/21.

09.21 BANK LOAN

Governors were reminded of the background to the current College bank loan with Barclays Bank.

The College holds a Revolving Credit Facility (RCF), which was renewed in July 2018, with interest charged quarterly at the prevailing bank base rate plus a margin of 1.50%.

The facility was fully drawn down in July 2018 and will be repayable in full by 1 January 2022. The College currently makes loan repayments of £63k (excluding interest) on the first working day of each calendar quarter (January, March, June and December).

The overall facility reduces by the value of each quarterly capital repayment. As at January 2021, the outstanding balance totalled £566k. It is forecast to be £440k at 31 July 2021.

The outstanding amount due on 1st January 2022 after the quarterly repayments would be £315k.

The College has requested an extension of the loan to aid cash flow and to mitigate the risk of needing to pay the lump sum next year, particularly whilst the college finances are still 'fragile'.

Given that the Bank has indicated increased confidence in the College's financial position and has taken the college out of formal intervention, they have now agreed to reprofile the existing facility.

The Bank has proposed to extend the remaining current amount over 4 years ending in 2024/25 with a proposed lower amount to be repaid over the rest of the term. The bank has now sent the proposal for the College to consider and sign if acceptable.

The Corporation then considered the benefits and risks associated with this proposal including the inability to meet the new Financial Covenant if net cashflow from operating activities is very low and the risk of the loan being called upon as result of this. This would move the amount from a long-term liability to a short-term liability which will have an adverse effect on the current ratio which could then affect the Financial Health of the College.

The mitigation of this risk includes this additional covenant in monthly management accounts so it can be monitored closely, and workings indicate that both covenants are currently being met.

The Corporation accepted the proposed Barclays Bank loan facility.

10.01 FURTHER EDUCATION CAPITAL ALLOCATION

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, at its meeting held on 10 November 2020, had approved that where there is an urgent necessity, Chairs Action may be used regarding any contracts above the £150,000 threshold.

The Corporation was informed that Chairs Action has been used for the appointment of Clive Graham Associates for the construction work for work stream 2; Front Wing. The value of this contract is £375,065.40 gross. Governors noted that six tenders had been submitted, reviewed, risk assessed and subject to a formal scoring process.

The Corporation ratified the use of Chairs Action regarding the appointment of Clive Graham Associates as subcontractors.

11.01 SEARCH COMMITTEE

The Chair of the Search Committee reported that a Search Committee meeting had been held on 25 January 2021.

The Search Committee had considered the re-appointments of four Governors, namely Gary Davies, Nadia Ahmed, Neil Taylor and Renatta Nzomono, whose terms of office were coming to an end between February and April 2021.

Taking into account the Standing Orders on re-appointments, the results from a recent skills audit and, feedback from a review process where each Governor has had an individual discussion with the Corporation Chair, the Search Committee recommended the re-appointments of all four Governors for a further four-year term.

**The Corporation approved the re-appointments of:
Gary Davies until February 2025, Nadia Ahmed and Neil Taylor until March 2025
and Renatta Nzomono until April 2025.**

The Corporation was then reminded that Graham Woolnough and Tim Strong will come to the end of their terms of office in July and September 2021 respectively, and will not be seeking re-appointment. The Search Committee has identified the skills and experience the Board will require going forwards, including in the context of changing governance structures.

12.20 ANY OTHER BUSINESS

The Chair thanked the Principal and the Senior team, acknowledging their hard work and continued and valuable commitment to the College.

Governors were also thanked, including their noticeable engagement with the Senior Team.

20:40AC/AR-T/SF/JN/AA/NK left the meeting

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

The meeting closed at 20:54