

## THE CORPORATION OF WALTHAM FOREST COLLEGE

### MINUTES OF THE MEETING HELD ON 19 DECEMBER 2019

#### MEMBERS OF THE CORPORATION

Youness Abidou	present	Member
Nadia Ahmed	present	Member
Paul Butler	present	Member, Chair of the Corporation and Safeguarding Champion
Joy Kettle	present	Member, Principal and Chief Executive
Alison Morris	<i>apologies</i>	Member, Careers Champion
Priscile Mbuka	<i>apologies</i>	Student Governor
Renatta Nzomono	present	Member
Lutfiya Othman	<i>apologies</i>	Student Governor
Frank Royle	present	Staff Member
Tim Strong	present	Member, Chair of Search Committee & Remuneration Committee
Neil Taylor	present	Member
Kalim Uddin	present	Staff Member
Kapil Wadhvani	present	Member, Health & Safety Champion
Graham Woolnough	present	Member, Vice Chair of the Corporation, Chair of Audit Committee

#### CLERK TO THE CORPORATION

Val Bartlett	present	Clerk to the Corporation
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#### IN ATTENDANCE

Alastair Milloy	present	Interim Deputy Principal Corporate Resources (IDPCR)
Abena Rodman- Tay	present	Director of Finance & Estates

*Due to the Chair of the Corporation taking part in this meeting by conference call, the Vice Chair of the Corporation Chaired this meeting.*

#### 88.19 APOLOGIES FOR ABSENCE

Apologies had been received and accepted from:

Alison Morris – work commitment

#### 89.19 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.

## **90.19 FINANCIAL STATEMENTS 2018-19**

The IDPCR updated the Corporation regarding the status of the College's Financial Statements for 2018-19.

Subsequent to the Corporation meeting held on 10 December 2019, further discussions have taken place with Barclays who have now provided written confirmation that they will provide the College with a temporary overdraft facility of £500k to cover the operating cash flow pressure points in March and April 2020. This facility will then be cancelled on 30<sup>th</sup> April 2020.

Information submitted to the Corporation on 10 December 2019 regarding 'Going Concern' included:

- The original, approved budget for 2019/20
- The approved ESFA Financial Plan from 2018/19 – 2020/21
- The Draft Financial Statements 2018/19, reviewed by Audit Committee on 21 November 2019,
- Management Accounts to 30 September 2019, as reviewed by Corporation on 12 November 2019

In addition, to the above, the Corporation was now also provided with the following:

- The 30 November 2019 Management Accounts which indicate the same out-turn for the year as per the October Accounts. The College has also been informed that the ESFA will pay an additional £101k for the Adult Learner Loans delivered in 2018/19. These funds will be accounted to income when they are received and have not been included in the cashflows
- The cashflow has been updated to show the loan repayments being made as per the agreement and not as previously itemised as a holiday repayment
- The cashflow trends sheet model indicates that the College will require the overdraft facility at the worst point in April 2020
- The overdraft facility ends on 30 April 2020 but as indicted from the cashflow trends, the College will have good headroom in April and no facility should be required

The Corporation had previously received and considered the Annual Report of the Audit Committee for 2018-19.

It was noted that, apart from 'Going Concern' and the bank overdraft facility, there were no specific comments from the Audit Committee meetings held on 21 November 2019 and 9 December 2019 where the draft Financial Statements, the report prepared by Grant Thornton and the Letter of Representation had all been received and considered.

Attention was then drawn to page 7 of the Financial Statements which set out the reasons why the College considers that it remains a going concern for the forthcoming 12-month period, from the signing of the accounts to 31 December 2020 and for the foreseeable future beyond.

The Income & Expenditure and Balance Sheets for each financial year have been re-forecast and they show a continuing improvement in the operating surplus, strengthened balance sheets and cash flow.

The College has continued to comply with its loan covenants and its relationships with key stakeholders remain resilient and effective.

The Audit Committee had agreed to recommend the Financial Statements to the Corporation subject to bank overdraft and subsequently 'Going Concern' being established which has now been confirmed and the financial results for the College are:



<b>Operating surplus/(Deficit)</b>	<b>2018/19</b>	<b>2017/18</b>
Total Income	21,892,000	20,369,000
Total Expenditure	22,374,000	20,832,000
(Deficit) before tax	(482,000)	(463,000)
Add back: restructure costs	140,000	67,000
Add back: FRS102 (section 28) pension adjustments	376,000	499,000
Adjusted operating surplus	34,000	103,000

The Corporation:

1. Received and considered the Financial Statements for 2018-19;
2. Confirmed the College’s Going Concern status;
3. Received the 2018-19 Annual Report of the Audit Committee to the Corporation;
- 4. Approved the College’s audited Financial Statements for 2018-19 and authorised the Chair of the Corporation and the Principal to sign the Financial Statements for 2018-19, the Letter of Representation and the Regularity Audit.**

Due to the Financial Statements auditor now being unavailable until 23 December 2019, the Corporation authorised the Principal to sign a bridging letter and then once the accounts are signed by the Auditor, they will be shared with the College by email, for uploading to the ESFA portal in time to meet the ESFA deadline date of 31 December 2019.

The Corporation emphasised very strongly, that vigilant and thorough monitoring and scrutiny of the College finances, including agreed targets, must be a main priority.

**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**



## ACTION POINTS ARISING FROM MEETINGS OF THE CORPORATION

Minute No.	Issue and Action	Target Date	Achievement Date
44.19	<p><b>OPERATING PLAN</b></p> <p>Updated at each half term – to Corporation termly- include milestones</p>	<b>Spring term 2020</b>	
64.19	<p><b>GOVERNANCE ISSUES</b></p> <ul style="list-style-type: none"> <li>• Self –Assessment of Governance to be undertaken on 12 November 2019</li> </ul>	<b>10 December Now 4 February 2020</b>	
74.19	<p><b>MONTHLY MANAGEMENT ACCOUNTS</b></p> <ul style="list-style-type: none"> <li>▪ Financial KPI’s RAG rating to be reviewed</li> </ul>	<b>10 December 2019 now 4 February 2020</b>	
75.19	<p><b>GOVERNANCE ISSUES</b></p> <ul style="list-style-type: none"> <li>▪ Completion of the Self-assessment of Governance</li> <li>▪ Completion of skills audit</li> </ul>	<b>4 February 2020</b>	
82.19	<p><b>COLLEGE REPORT</b></p> <ul style="list-style-type: none"> <li>• Risk Register to be reviewed for comment by Audit Committee, then to Corporation</li> <li>• ESFA – Completion of ICFM – Senior Team to source additional expertise to assist with this completion</li> <li>• ICFM- additional Corporation meeting to be arranged to approve the ICFM</li> </ul>	<b>10 March  ASAP  4 February</b>	
83.19	<p><b>FINANCIAL STATEMENTS 2018/19</b></p> <ul style="list-style-type: none"> <li>• Additional Corporation meeting to be convened once confirmation from the Bank and auditors has been received.</li> </ul>	<b>December 2019</b>	
84.19	<p><b>MANAGEMENT MONTHLY ACCOUNTS</b></p> <ul style="list-style-type: none"> <li>• Capital Expenditure budget- more detail to be included in the management accounts reports</li> </ul>	<b>February</b>	
85.19	<p><b>DEPUTY PRINCIPAL CORPORATE RESOURCES</b></p> <ul style="list-style-type: none"> <li>• Timeline to be circulated and appointment panel agreed</li> </ul>	<b>4 February 2019</b>	