

THE CORPORATION OF WALTHAM FOREST COLLEGE

MINUTES OF THE MEETING HELD ON 25 FEBRUARY 2020

MEMBERS OF THE CORPORATION

Youness Abidou	present	Member
Nadia Ahmed	present	Member
Paul Butler	present	Member, Chair of the Corporation and Safeguarding Champion
Gary Davies	present	Member
Alison Morris	present	Member, Careers Champion
Priscile Mbuka	present	Student Governor
Renatta Nzomono	present	Member
Lutfiya Othman	present	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

Stella McManus (SM)	present	Deputy Principal Curriculum & Quality (DPCQ)/ Acting Interim Principal
Andrew Haddon (AH)	present	Interim Deputy Principal Corporate Resources (DPCR)
Abena Rodman-Tay (AR-T)	present	Director of Finance & Estates (DF&E)
Andrew Clare (AC)	present	Consultant - IFMC

19:10 PM,LO,FR,KU,SM,AH,AR-T, AC joined the meeting

12.20 **PRINCIPAL AND CHIEF EXECUTIVE - SENIOR POST HOLDER**

The Corporation confirmed the decision by the Principal Joy Kettle to leave the College on 21 February 2020 due to personal circumstances.

The Corporation approved the immediate appointment of Stella McManus as acting interim Principal for up to the next four weeks whilst an experienced interim Principal is currently being sought and the process to appoint a permanent Principal and Chief Executive is also to commence.

A meeting of the Remuneration Committee was to take place immediately following this Corporation meeting to progress the above.

13.20 **APOLOGIES FOR ABSENCE**

There were no apologies for absence.

14.20 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.

15.20 MATTERS ARISING

Barclays Bank overdraft facility:

At the Corporation meeting on 19 December 2019, the Corporation resolved:

1. That the borrowing of the Facility by the Borrower (subject to any limits contained in the Facility Agreement) on the terms and conditions set out in the Facility Agreement is in the interest of and for the benefit of the Borrower and is most likely to promote the success of the Borrower for the benefit of the members as a whole and that such terms and conditions be and are approved and accepted.
2. That Stella McManus and Abena Rodman-Tay are authorised to sign the Facility Agreement on behalf of the Borrower to indicate acceptance of the terms and conditions.
3. That the Bank is authorised to act in all matters concerning the Facility upon instruction from the Borrower signed in accordance with the Bank's mandate for any of the accounts of the Borrower held with the Bank current from time to time or, where permitted, by telephone from any person specifically authorised to give such instruction.

The Chair informed the Corporation that a meeting is to be scheduled with the Bank attended by the DPCR, the Chair and Youness Abidou (Finance Working Group Chair).

16.20 SENIOR POST HOLDERS

The Corporation was informed that interviews had taken place on 25 February 2020 for the post of Deputy Principal Corporate Resources, which is a Senior Post Holder position.

A robust interview process was undertaken with assistance from AoC Recruitment and included meetings with some staff and a selection panel of some Governors.

The Selection panel recommended the appointment of Andrew Cottrell.

The Corporation approved the appointment of Andrew Cottrell as Deputy Principal Corporate Resources subject to satisfactory references, DBS check and that he undertakes relevant developmental and handover meetings during the next 3 months prior to commencing in post.

17.20 ESFA INTEGRATED FINANCIAL MODEL FOR COLLEGES - IFMC

Andrew Clare (AC) outlined to the Corporation the detailed planning work which had been necessary to complete this very complex ESFA financial model which replaces the Finance Record and Financial Plan.

The IFMC is to be used by the ESFA as a forecast tool for all colleges this year and provisionally for the following year as it will be built upon.

It was noted that the uncertainties surrounding the Government's funding of FE are expected to continue for the foreseeable future.

It was acknowledged that the College is in the process of developing a new financial strategy to ensure it meets an overall objective of moving from Requires Improvement to Good Financial Health.

The College's financial health will continue to be rigorously managed through regular monitoring of risks, assessment of opportunities, so that it can ensure it recovers and then maintains the ESFA 'good' grade. Most importantly, assurance was provided that prompt and appropriate management action will be taken, when required.

Some overarching Aims and Objectives were noted including:

- To hold a minimum Financial Health of 'good' (ESFA)
- Ensure pay costs are less than 63% of income
- Comply with all Bank Loan Covenants
- Generate operating Cash to reinvest

The College needs to have a strong financial position to:

- Protect itself from unforeseen changes in enrolment and funding
- Support a modern, high quality, effective learning environment for students and staff
- Continually invest into enhancements for teaching and learning to continue to raise standards
- Maintain the confidence of external stakeholders including Education Skills Funding Agency, suppliers, bankers and auditors
- Raise financial awareness of staff to embed a culture of Value for Money

Key financial areas were then outlined to Governors including cash and the level of capital expenditure to date which needs addressing urgently. A 'freeze' on capital expenditure now will help improve cash days to the year end and also will not have an adverse impact on learners. The College must significantly reduce the level of spend on Capital Projects in 2019/20 and for 2020/21 through 2021/22.

Going forwards, the aim must be to have 30 cash days, very tight cost controls, including reducing pay costs and reduced capital expenditure to provide a stable financial track record to build upon.

The Finance Working Group met on 21 February 2020 and have recommended some 'survival' KPI's to help Governors keep better track of income and expenditure and these will also be reviewed on a monthly basis by this Working Group:

- Cash Days and Cash at Bank
- Pay % against Income
- Contribution Analysis by Programme
- Proportion of Partnership/Subcontract Delivery
- Delivery against savings plan

The financial reporting pack will include a graphical representation of the cash plan and actual cash reserves together with an agreed cash floor.

The HR Department is to monitor Establishment by Cost Centre and monitor vacancies as agreed by Management and budgeted in each year of the Financial Plan.

Cost Improvement Plans are being developed covering the following areas:

- Staffing Cost as a % of Income (In WFC Context)
- Contribution Analysis
- Establishment review
- Performance reviews
- Capital Plan reporting by Project
- Benchmarking against similar organisations
- Review of Staffing Complement by division – Organograms Before and After and Savings

The financial model and budget indicate a Financial health of 'Good' in 2019-20 if the key ratios and assumptions are delivered.

There are some positive signs for the College in that there has been an increase in full-time 16-18 learners, the College is contained on a single site with lower overheads and options for space utilisation.

The Corporation noted the key message that the new target for cash days is to increase them to 30 days, move cash holdings from £1m to £2m and that this is realistic and achievable if the assumptions and predicted cost savings are made. In addition, the College will take steps to reverse cash erosion.

It was acknowledged that the above is predicated upon the outcomes from a review of the curriculum offer and current structures and the DPC&Q outlined the rationale for this review including the necessity to have a responsive and flexible curriculum.

In addition, whilst funds are tight, an Estates Strategy should be drafted in order to take advantage of any future potential funding grants.

It was acknowledged that the IFMC is a framework and forecast and that more detailed budgeting will be undertaken for next year. Cost savings have been factored into this forecast including some vacant positions/ natural staff savings.

Governors then discussed the above in detail and requested that further information regarding the rationale for any potential restructuring be provided for the next meeting.

Concern was also raised by Governors regarding the reliance and cost of agency staff and the use of sub-contracting.

The Senior Team are to list all demands and prioritise projects as part of the planning process and in the context of the cash reserves.

A Governor made the point that the current position of the College is not very comfortable and that in order to be sustainable some changes need to be made including a collaborative approach to move the College forwards, engaging with the strategic plan to deliver change and not to continue on the same trajectory.

It was acknowledged that the College is at a crucial point but that this position is able to be recovered from and improved upon.

The Corporation approved the submission of the IFMC Plan to the ESFA.

The Corporation then discussed the staff pay anomalies and recognised how important this is for staff and that this is a longstanding issue which is upsetting to many. It was noted that there is an aspiration to address the pay anomalies, however, in light of Joy Kettle's departure last week, the Board would like to further scrutinise the financial plan and measures proposed, including at the new Finance Working Group.

The Corporation meeting on 24 March 2020 will then consider the overall financial position and any recommendations from this Finance Working Group with any decisions being communicated to staff following this March meeting.

18.20 SELF-ASSESSMENT OF GOVERNANCE – ACTION PLAN

The Corporation noted the feedback from the Self-Assessment questionnaires and approved the Action Plan.

19.20 ANY OTHER BUSINESS

The College has just been informed of an Ofsted Safeguarding monitoring visit on 26 February 2020.

The Chair thanked all Governors and the Clerk for their valuable support over the past few weeks.

The Chair thanked Stella McManus for agreeing to step up during this period of change.

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

The meeting closed at 21:00