

THE CORPORATION OF WALTHAM FOREST COLLEGE

MINUTES OF THE MEETING HELD ON 12 JUNE 2017

MEMBERS OF THE CORPORATION

Youness Abidou	<i>apologies</i>	Member
Steve Besley	present	Member and Vice Chair of the Corporation
Paul Butler	present	Member, Chair of the Corporation and Safeguarding Champion
Danelio Gjoka	<i>apologies</i>	Student Member
Alison Karahan	<i>apologies</i>	Student Member
Fenella Magnus	present	Staff Member
Renatta Nzomono	<i>apologies</i>	Member
Jacqueline Sheehy	<i>apologies</i>	Member and Safeguarding Champion
Tim Strong	present	Member
Kalim Uddin	present	Staff Member
Kapil Wadhvani	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
Stella Fleming Assistant Principal Learning & Quality
Peter Stone Assistant Principal Curriculum & Innovation

53.17 RESIGNATION OF CORPORATION MEMBERS

The Corporation received and accepted the resignations of Elaine Colquhoun with immediate effect and that of Fenella Magnus from 18 July 2017.

The Corporation thanked both Governors for their valuable contribution to the College.

54.17 APOLOGIES FOR ABSENCE

Apologies had been received and accepted from:

Youness Abidou - personal commitment
Danelio Gjoka – exams
Alison Karahan – sickness
Renatta Nzomono – holiday
Jacqueline Sheehy – holiday

55.17 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.

56.17 MINUTES OF THE MEETING OF THE CORPORATION HELD ON 8 MAY 2017

The Minutes of the Corporation meeting held on 8 May 2017 were approved by the Corporation and signed by the Chair as a correct record.

57.17 MATTERS ARISING

There were no matters arising.

58.17 PRINCIPAL'S REPORT

The Corporation received and discussed the Principal's report and the following was highlighted in particular:

- The risk of distraction from the core business due to merger discussions appears to have been marginal as the following data currently indicates:
 - o Retention is currently 3% up and may rise further – WFC retention rate is more favourable for Study Programme (SP) students than at other London Colleges
 - o Attendance is 3% up and is just above the overall target – English and maths attendance is also up this year but is just below College target
 - o Achievement is conservatively indicating 5.8% above last year and above national average
 - o SP Applications for 2017/18 are up by 247 on last year with a 50% conversion to offer rate
 - o A new risk being considered is if the College does over recruit its target SP allocation then there will be a need to ensure there are sufficient staff resources so that students have a good experience of WFC including during their first 6 weeks
 - o Many students aged 16 on Level 3 will be 19 for the second year of their Level 3 programme and so many will be funded via advanced level loan payments
 - o ESOL reduction in numbers (may be due in part to Brexit) and English & Maths are areas of constant scrutiny
 - o Access areas appear to be improving but Level 2 Maths still remains an area of concern and this was also identified by Ofsted. It was noted that this is not considered to be a teaching issue but rather poor curriculum planning and Governors were informed of the changes and strategies which are being put in place for next year in order to ensure students are better able to cope with the required workload
 - o End of Programme Survey responses produced pleasing results including the level of satisfaction with the organisation of courses (10% above the national group average) and the way students are prepared for real life (12% above the national group average)

Reference was also made to the BIS document 'New Challenges, New Chances' December 2011 which sets out the basis/triggers for a College Structure and Prospects Appraisal (SPA) and is to be considered during merger discussions including grounds for intervention. The Principal reminded the Corporation that the College has received two consecutive 'requires improvement' Ofsted grades but is not viewed as inadequate. As a result of this an Early Notice of Intervention has recently been received from the ESFA requesting a meeting with the Chair and Principal to discuss this assessment, actions already taken and what further action may be required. The ESFA has received up to date data from the Principal confirming the upward trajectory of the College.

The College was subject to a H.E. QAA review (thanks given to Steve Besley for his input on behalf of the Corporation). The outcome was pleasing as 'There can be confidence that academic standards are reliable' and the areas for development and specified improvements were noted. Thanks were given to students and staff including Ronan Conway who led on this review.

It was agreed that the Corporation gives further strategic consideration to H.E. in the near future. In response to a Governor's question regarding certainty of final achievement data, it was noted that it is not until September that the majority of results will have been received (and for all students by the end of October (RO14) for all achievements) but that confirmed results and relevant data is being built up into a very positive picture.

Assurance was provided by the AP's that there continues to be consistent and relentless focus and monitoring of individual student performance including through the Quality Support meetings which are fully detailed in the Principal's report. This developmental feature and cultural change is also an established aspect of all 'good' and 'outstanding' colleges'.

The Corporation received and noted the Principal's report.

59.17 MONTHLY MANAGEMENT ACCOUNTS – 30 APRIL 2017

The Corporation received the Income and Expenditure Budget 2016/17 Management Accounts as at 30 April 2017.

It was noted that the summary position for 2016/17, as has been previously reported, was for an underlying deficit of £400k, plus the risk of a further £160k of severance costs which might be necessary to achieve the 2017/18 financial objectives. This was a worst case scenario and the Management Accounts submitted at 31 March 2017 and now at 30 April 2017 are projecting a total deficit of c. £350k mainly due to on-going staff cost savings and lower than anticipated severance costs.

It was reported that risks are being effectively managed and that whilst the projected deficit is £350k, the actual deficit incurred to date is c. £88k. The College would need to run a deficit of under £100k to be in "good" financial health. Governors were informed that the current worst case projection is that with total severance costs of £200k the underlying operating deficit is £150k so there remains the definite possibility that the College can achieve "good" financial health in 2016/17. In addition it was reported that very recent discussions with the ESFA have indicated the possibility of additional Apprenticeship income as the College has overshot its allocation by £200k.

The Director of Finance referred Governors to a number of other potentially positive items including extra tuition fees, income from High Needs Students, reducing franchise costs, minimising severance costs and no liability for merger costs relating to B&S.

It was acknowledged that a lower deficit in 2016/17 also increase the likelihood of the College being able to return to "good" financial health in 2017/18 which would be good for the College's finances and reputation. The Monthly Management Accounts for 30 May 2017 are to be circulated in due course.

The Corporation:

1. Received and noted the Management Accounts as at 30 April 2017;
2. Noted the key financial risks being managed by the College;
3. Noted the improving status of the financial performance indicators for 2016/17.

60.17 DRAFT BUDGET 2017/18

The Corporation was provided with an update on the draft budget for 2017/18 with the final budget being presented on 17 July for approval together with the Three Year Financial Forecast.

The financial planning continues to be based on the assumption that the College will remain an independent stand-alone institution and that it will continue as a going concern.

The draft budget for 2017/18 now indicates a deficit of £150k compared to the potential £325k submitted on 6 April. This would retain the College's financial health as being "satisfactory", however, should the projected out-turn for 2016/17 continue to improve the College could move to "good" financial health in 2017/18. With a deficit of £325k the College would have sufficient resources to continue as a going concern and be able to meet all of its liabilities and obligations, but its resilience to any further adverse financial events would be reduced.

A prudent view regarding income for 2017/18 has been taken including assumptions of similar levels of income as in 2016/17. Achieving student recruitment targets is a key driver of the College's overall financial position and it was reported that the evidence from applications and offers to young new students for 2017/18 suggests a higher level of interest than in 2016/17 and that recruitment of 1300 students is achievable.

The draft budget does not make any provision for a staff inflationary pay award (none has been made for seven years) and College management have taken the view that the College should seek to identify a means by which a pay award could be afforded during 2017/18.

The Corporation accepted the proposal that, should the College exceed its student recruitment targets in autumn, then a pay award of c.1% be made from 1 January 2018 at a cost of £55k in 2017/18 and £95k in a full year. This would be funded by the additional income generated from any additional student recruitment. The actual pay award percentage would be based on affordability and the extent of any student over-recruitment.

It was noted that this time last year, of the 17 financial KPI's, 8 were 'red' and at serious risk of not being achieved. To date, none of the KPI's are 'red'.

Governors discussed the above in further detail noting in particular that the College's financial position was one of the reasons for considering merger. However, the underlying position is now more stable and stronger whilst also acknowledging there is little headroom or capacity for development.

The impact of recent capital improvements has impacted on more students applying to the College, an improved environment for studying and teaching (e.g. Creative Industries block) alongside an ever improving reputation.

Governors expressed their thanks and gratitude to the team effort in bringing the College to its current position.

The Corporation:

1. Received and noted the draft budget for 2017/18;
2. Agreed in principle to a modest inflationary pay award being made to staff from January 2018, should the College exceed its student recruitment and retention targets in the Autumn term;
3. Reviewed the projected draft financial performance indicators for 2017/18
4. Confirmed the College should budget in 2017/18 for a deficit of no greater than £150k;
5. Noted that an improved financial out-turn in 2016/17 may still allow the College to return to "good" financial health in 2017/18;
6. Agreed to receive a final 2017/18 budget for approval at the Corporation meeting on 17 July 2017; and
7. Noted that the Three Year Financial Forecast (2016/17 to 2018/19) will also be submitted to the Corporation for approval on 17 July 2017.

61.17 EXPRESSIONS OF INTEREST - UPDATE

Governors were referred to the Corporation meeting held on 8 May 2017 where the proposed Expressions of Interest (EOI) had been agreed and the following time line:

- Wednesday 10 May - 4 EOI's to be returned by noon
- Friday 12 May - Shortlisting Panel met and agreed all 4 colleges were to go through to 2nd EOI stage - 1 College subsequently withdrew
- Wednesday 31 May - 3 full EOI proposals were submitted
- Monday 5 June - all three colleges presented separately to the following panel of Corporation members:
 - o Youness Abidou, Paul Butler, Renatta Nzomono, Terry Wheeler, Graham Woolnough and Penny Wycherley. Peter Doble (Director of Finance) and Val Bartlett (Clerk to the Corporation) were also in attendance
 - o Observers to the panel: Marilyn Hawkins (Deputy F.E. Commissioner), Bob Smith (Adviser to the F.E. Commissioner's Office), Malcolm Rodrigues (ESFA) and Rebecca Davey (LBWF)

It was acknowledged that a rigorous, detailed and thorough process had been adhered to regarding these EOI's and the submission of information in order for the panel to be in a position to make a recommendation to the Corporation.

A summary was provided to Governors of each of the EOI's including their rationale for merger, financial position, quality of provision and the responses and evidence regarding the Corporation's agreed 6 statements of 'Principles and Values'.

Following an in-depth discussion regarding all three EOI's and taking into account Waltham Forest College's current and future financial position and the changed political climate regarding Area Reviews, it was acknowledged that there is currently no obligation, imperative or urgent necessity for the College to merge in the foreseeable future.

The Corporation unanimously resolved not to proceed further with merger discussions with any of the three colleges who had returned Expressions of Interests in Waltham Forest College.

The Corporation concurred that given the geographical proximity and commonalities of student profiles, further informal discussions are to be held with one of the three Colleges. The process and format for this is to include the Chairs and Principals from both colleges meeting together alongside additional information being gathered to aid scrutiny of particular areas.

The Principal is to circulate a previous paper regarding partnership options.

Relevant notifications to the interested colleges will be sent, in all likelihood, on Wednesday 14 June 2017.

62.16 GOVERNANCE ISSUES

The Corporation noted the Schedule of Business for 2017/18.

The Corporation approved the Committee membership for 2017/18.

The Corporation noted the training undertaken by Governors and their attendance at College events during 2016/17.

20:30 PW/KU/FM/PD/PS/SF left the meeting

63.17 CONFIDENTIAL STAFFING ITEM

It was agreed this staffing item be confidential as it related to Senior Post Holders.

The meeting closed at 20:50

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
72.16	Sainsbury Review Update on consultation	Spring 2017	
50.17	Higher Education It was agreed that there be a specific item on the H.E. provision in the next Principal's report	Summer 2017	
59.17	The Monthly Management Accounts for 30 May 2017 are to be circulated in due course.	June 2017	29.06.17
61.17	The Principal is to circulate a previous paper regarding partnership options.	June 2017	