

THE CORPORATION OF WALTHAM FOREST COLLEGE

MINUTES OF THE MEETING HELD ON 17 JULY 2017

MEMBERS OF THE CORPORATION

Youness Abidou	present	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
Fenella Magnus	present	Staff Member
Renatta Nzomono	present	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	<i>apologies</i>	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

64.17 **APOLOGIES FOR ABSENCE**

Apologies had been received and accepted from:

Jacqueline Sheehy – previous commitment
Terry Wheeler – transport difficulties

65.17 **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.

66.17 **MINUTES OF THE MEETING OF THE CORPORATION HELD ON 12 JUNE 2017**

The Minutes of the Corporation meeting held on 12 June 2017 were approved by the Corporation and signed by the Chair as a correct record.

67.17 **MATTERS ARISING**

A paper on Partnership Options was circulated at the meeting.

Minute 63.17 – a written resolution had been sought and the Corporation **approved** a fixed term contract for the Principal and Chief Executive – Penny Wycherley – with an agreed end date of 31 July 2018.

There were no other matters arising.

68.17 PRINCIPAL'S REPORT

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

- A presentation from the Principal summarising the ESFA funding methodology for learners aged 16-19
- Attendance overall is c.3% up on last year
- Retention is above the national average and over 3% above the national average for young people
- Predicted success rates for 2016/17 is c.82% which would make the College the best in North and East London. N.B. data is still being gathered
- English and maths is c.5% ahead of last year
- In response to a Governor's question as to what has made this difference, the Assistant Principals outlined the relentless and purposeful application of consistency, tracking, monitoring and ensuring good practice becomes a habit with any interventions and subsequent actions now being put in place at an earlier stage. As processes are tightened up and procedures streamlined then there is in effect 'less' work to do with faster decision making too. One indication of this is the 46% reduction in staff absence due to stress.
- A Governor questioned national concerns around GCSE English and maths and it was acknowledged that given the new grading system it is very difficult to predict outcomes as there are no comparators. However, Level 1 and Level 2 are stepping stones to GCSE and these results are much improved. Governors asked that staff be congratulated on these outcomes
- The Principal outlined the current number of applications which for Study Programmes are 27% above the end of July 2016 figures and highlighted the recent 'Welcome to Waltham Forest College' Day' which had 40% more attendees than last year. The onus is now to ensure these offers convert to enrolments
- The impact of possible over recruitment of the target SP allocation (e.g. over 5%) may then lead to more in-year funding and so the focus as always, is to ensure the learners receive a good experience including throughout enrolment and induction as this will help cement the future financial security of the College.
- A Governor queried staffing capacity and space and it was noted that there are plans in place for those areas perceived to be vulnerable and that space is not an issue. Governors will continue to be kept up to date via the Principal's regular updates to staff
- Meanwhile, College management are also currently looking at the Technical 'T' Level education and planned work placements
- The information and data on Safeguarding and Prevent was discussed including the associated training for staff which is to form part of the next CPD day
- In light of the recent Grenfell Towers fire, a Governor queried if the College may have any cladding and evacuation concerns. The Principal reported that reassurance had been sought from the architect and confirmed there are no cladding concerns, escape routes are prevalent, alarms all work and the current fire risk assessment is to be re-visited over the summer

The Corporation expressed its appreciation at the current position of the College and agreed that the Chair and Principal discuss how best Governors may pass on their thanks to staff.

The Corporation received and noted the Principal's report.

69.17 QUALITY IMPROVEMENT POLICY AND STRATEGY

The Corporation **approved** the Quality Improvement Policy and Quality Improvement Strategy for 2017-18.

It was noted that these documents will also feed into the College's Strategic Plan which now needs to be updated.

70.17 MONTHLY MANAGEMENT ACCOUNTS – 30 JUNE 2017

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

The Management Accounts to 31 May had been circulated previously and they had showed that the College's financial position had improved with a projected reduced deficit of £250k on a turnover of £19.700m.

The report to 30 June shows a continued improvement of the College's financial out-turn with a projected deficit of just £75k i.e. a further improvement of £175k since May. Of this favourable movement, £33k relates to extra income and £142k to savings, most of which were non-staff.

A deficit of £75k means the College would be in "good" financial health at the end of the year.

Attention was drawn to the reasons for movement in individual budget lines including projected additional income from Adult apprentices and 16-18 apprentices and the identification of large non-staff cost savings.

In response to a Governor's question regarding reductions in staff, it was noted that there had been savings made by not replacing two senior management posts (Deputy Principal and a Director) and that the majority of savings were within Business Support and Management posts with teaching costs remaining largely the same.

19:15 SB joined the meeting

The Corporation:

1. Received and noted the Management Accounts as at 30 June 2017;
2. Noted the key financial risks being managed by the College;
3. Noted the improving status of the financial performance indicators and the projection that the College will be in "good" financial health at the year end.

71.17 DRAFT BUDGET 2017/18

The Corporation was provided with a proposed budget for 2017/18 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 Corporation has received regular and detailed financial reports during 2016/17 which have provided Governors with a realistic view and, therefore, an appropriate level of confidence about the College's financial position. The proposed 2017/18 budget, if achieved, would ensure the College is in "good" financial health.

It was acknowledged that the College has to manage multiple financial risks and that this will also be the case in 2017/18. These risks have been reflected in the proposed financial performance indicators.

Attention was drawn to the main changes to the 2017/18 budget since the Corporation meeting on 12 June 2017 including an increase in the deficit from £150k to one of £175k to ensure there is sufficient provision in the budget for recruitment costs for new senior post holders. The movement between the latest 2016/17 projected out-turn and the proposed 2017/18 budget was then highlighted.

A prudent view regarding income for 2017/18 has been taken including assumptions of similar levels of income as in 2016/17 and that achieving student recruitment targets is a key driver of the College's overall financial position.

The proposed budget does not make any provision for a staff inflationary pay award, though all directly employed staff will continue to receive at least the London living wage, and payments of discretionary increments are kept under close review.

As no pay award has been made for seven years, 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 and the Corporation has 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 the College will continue to have sufficient cash to be able to meet its day to day obligations.

Of the proposed 17 financial KPI's, all bar one are 'rag' rated as being amber with the one regarding no breach of loan covenant at year end being 'rag' rated green i.e. likely to be achieved. At the corresponding time last year 7 of the risks were rag rated red.

'Good' financial health is planned for 2017/18.

The schedule of proposed franchise sub-contractors for 2017/18 was noted as was the capital budget of £650k of which £200k is the final costs relating to the STEM Centre with the remaining £450k to include IT purchases and minor works.

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

The Corporation:

1. **Approved** the College's Income and Expenditure budget for 2017/18;
2. **Approved** the College's capital budget for 2017/18;
3. **Approved** the financial performance indicators for 2017/18
4. Noted the projected Balance Sheet as at 31 July 2018 and monthly cash flow for 2017/18
5. **Approved** the schedule of sub-contractors

72.17 THREE YEAR FINANCIAL PLAN

The Corporation was informed that the proposed three year financial plan is set within the context of the College remaining a stand-alone entity, albeit in potential collaboration with other colleges.

The plan reflects the Corporation's financial objectives of ensuring the College maintains a "good" financial health rating and remains a going concern.

Governors acknowledged the on-going efforts which have been made to achieve the current position including careful management by the Executive Team and the team effort across the College to control costs and manage spending.

The overall forecast position in 2018/19 is that the College moves to a projected surplus of £125k from a forecast deficit of £175k in 2017/18 i.e. an improvement of £300k. This is entirely dependent upon growth in 16-18 numbers in 2017/18 which generates more funding in 2018/19.

Attention was then drawn to the assessment and confirmation of the College's financial health rating and that College Managers consider that the Corporation has received accurate and consistent financial information throughout 2016/17 - as in previous years- which provides confidence that the three year financial plan and, therefore, the financial health ratings are based on a set of realistic and prudent assumptions.

The Corporation:

1. Assessed the College's financial health rating as being "good" for each of the three plan years;
2. **Approved** the 2016/17 to 2018/19 Financial Forecast for submission to the Education and Skills Funding Agency by 31 July 2017.

73.16 AUDIT COMMITTEE MEETING – 6 JULY 2017

The Chair of the Audit Committee provided Governors with a verbal update on the recent Audit Committee meeting which had received and considered the following:

- Financial Statements 2016/17 Audit Plan
- Internal Audit reports
- Internal Audit Plan 2017/18 for recommendation and approval by the Corporation
- Re-appointment of the Auditors
- College Risk Register

The Audit Committee recommended to the Corporation that an additional risk be added to the Risk Register relating to the recruitment and appointments of a new Principal and Director of Finance. The Corporation agreed that the College Risk Management Board be requested to add these to the Risk Register.

The Corporation **approved** the current contract for the Internal Auditors, Scrutton Bland, be rolled on for 2017/18.

The Corporation **approved** the Internal Audit Plan for 2017/18.

74.17 COLLEGE RISK REGISTER

The Principal reminded Governors that the College Risk Management Board meets every 6 weeks and that the current Risk Register includes areas which have changed and these have been discussed by the Audit Committee,

The Corporation agreed to receive and note the College Risk Register.

75. 17 WALTHAMSTOW TOWN HALL – REDEVELOPMENT OF THE CAMPUS

The Director of Finance updated Governors on the draft plans published by the London Borough of Waltham Forest (LBWF) for the development of their Town Hall site adjacent to the College.

Disappointingly, the current draft proposal makes very little mention of the College. Following strong representations to the Council from the Principal, two positive meetings have now been held with the merits of joint working, new options and benefits for both parties now being accepted and explored with further meeting dates now agreed.

The College has asked Richard Hopkinson (architect) to draw up a high level "master plan" taking into account the Council's proposals and reflecting the College's objectives including:

- Modernisation of the west side of the site
- New/refurbished constructions and catering offer
- More public-facing catering and beauty facilities
- New 19-24 SEN facility
- Development of leisure facilities
- Improved vehicular access and disability access
- Replacement windows

The Corporation confirmed that the College should seek to work closely with the LBWF to progress the business and estate objectives.

76.17 COLLABORATION

The Chair informed Governors that he and the Principal had met with both the Principal and Chair of New City College on 12 July 2017 to discuss ways in which the two colleges may collaborate.

The meeting was useful including discussion on the positive position of WFC and the challenges of NCC's three way merger.

It was agreed that the two Principals would meet again to discuss areas of possible shared interest including joint working on the Apprenticeship Levy, HE and High Needs provision.

In line with the Corporation's decision these discussions will focus, at this time, on collaboration and the Principal will provide a further update at the September Corporation meeting.

77.16 INSTRUMENT AND ARTICLES OF GOVERNMENT

The Clerk reminded Governors that the Charities Commission may consider the remuneration of Chairs in exceptional circumstances and that this may include the additional work being undertaken by Chairs of Corporations resulting from the Area Review process.

The AoC has produced guidance on this matter and the first step would be to amend the College's Instrument and Articles of Government to permit payment.

Following legal advice on this matter the Corporation approved the following amendment to the College's Instrument and Articles of Government for immediate application:

Instrument Clause 18 - *Payment of allowances to members*

The Corporation may remunerate its members for their services as members subject to any restrictions that the Corporation as a charitable corporation may determine from time to time. In addition, the Corporation may pay its members any travelling, subsistence or other allowances as it decides.

The Clerk is to provide a report on next steps for consideration at the Corporation meeting on 19 September 2017.

78.17 APPOINTMENT OF CHAIR AND VICE CHAIR(S) OF THE CORPORATION 2017-19

The Clerk reminded Governors that these appointments will be an agenda item for the Corporation meeting on 19 September 2017.

79.17 ANY OTHER ITEMS OF URGENT BUSINESS

Governors thanked Fenella Magnus for her valuable contribution as a Staff Governor (Teaching) and wished her every success in her new role.

20:50 PD left the meeting

80.17 CONFIDENTIAL STAFFING ITEM

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

The meeting closed at 21:25

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	
68.17	Thanks to staff The Corporation expressed its appreciation at the current position of the College and agreed that the Chair and Principal discuss how best Governors may pass on their thanks to staff.	July 2017	
69.17	Strategic Plan It was noted that the Quality Improvement Policy and Quality Improvement Strategy will also feed into the College's Strategic Plan which now needs to be updated.	Autumn 2017	
76.17	Collaboration In line with the Corporation's decision these discussions will focus, at this time, on collaboration and the Principal will provide a further update at the September Corporation meeting.	19 September 2017	
77.17	Remuneration of Corporation members The Clerk is to provide a report on next steps for consideration at the Corporation meeting on 19 September 2017.	19 September 2017	
78.17	Appointment of Corporation Chair and Vice Chair(s) These appointments will be an agenda item for the Corporation meeting on 19 September 2017.	19 September 2017	