

THE CORPORATION OF WALTHAM FOREST COLLEGE

MINUTES OF THE MEETING HELD ON 8 MAY 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
Elaine Colquhoun OBE	<i>apologies</i>	Member
Danelio Gjoka	<i>apologies</i>	Student Member
Alison Karahan	present	Student Member
Fenella Magnus	<i>apologies</i>	Staff Member
Renatta Nzomono	present	Member
Jacqueline Sheehy	present	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

44.17 APOLOGIES FOR ABSENCE

Apologies had been received and accepted from:

Elaine Colquhoun – prior commitment
Danelio Gjoka - sickness
Fenella Magnus – family commitment

45.17 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.

46.17 MINUTES OF THE MEETING OF THE CORPORATION HELD ON 6 APRIL 2017

The Minutes of the Corporation meeting held on 6 April 2017 were approved by the Corporation and signed by the Chair as a correct record.

47.17 MATTERS ARISING

There were no matters arising.

48.17 PRINCIPAL'S REPORT

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

- Revised report format noted and that the context section contains local information which also forms part of the Expression of Interest (EoI) information pack
- Risks include the preparation for the Higher Education Quality Review of the College week commencing 22 May 2017 and that the expected outcome is uncertain and that H.E. numbers are down which is reflected in the 2017/18 budget
- List of Acronyms have been added to
- RARPA – is a newly introduced qualification at WFC whereby 6 week courses are customised to individual learners e.g. introductory maths for potential Access students or for ESOL students - this is making a significant and positive difference to current enrolments and projections for 2017/18
- Admissions figures as at 8 May 2017 were provided along with conversions to offer which are indicating a more positive picture compared to last year
- The current predicted achievement (success) rate for those on a mainstream vocational course is above last year
- The projected achievement for 2016/17 is 83.5% - an improvement of 5% on 2015/16
- Overall retention is up by 3.3% compared to the same time last year
- That level of success rate equates to Ofsted grade 2 'Good'
- This information and current data will indicate to any future merger partner the upward trajectory of the College

Governors then discussed the above in further detail including:

- 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 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
- Discussion held over the Apprenticeship levy
 - o Most colleges are experiencing a decline in Apprenticeship recruitment whereas WFC numbers continue to rise and the view is that we will be funded for all of the Apprenticeships we deliver in 2016/17. However, the assumption has been made for the 2017/18 budget that we will deliver the same level as this year
 - o There is national concern around the implementation of the levy arrangements and frequent updates are emerging
 - o The point was made that there may well be a big squeeze on the funding agency after the election and therefore careful and regular reporting – including via the Balanced Scorecard- will be very helpful
 - o Local schools will aggregate their levies and the Principal is to keep open the dialogue with schools and the LBWF e.g. the College may run apprenticeships for TLA's
- Information and data on employment and skills and the LBWF new Economic Growth Plan will help inform the College partnership work and also any potential merger discussions
- Level of financial risk is high including the need to recruit well in 2017/18 – if we exceed numbers by 5%+ then we can get more funding in year – but this has not been assumed in the budget for 2017/18
- The Risk Register is regularly updated including a likely pressure on staff as a number of significant staff retire and will be difficult to replace

The Chair summarised the good work which is going on and asked the Principal to pass on thanks to all.

The Corporation received and noted the Principal's report.

The Principal then informed Governors of a recent fatal stabbing of a local 17 year old male school student. The College is already implementing a planned a 'Protect your mate' (how to look after yourself) focus with a range of events this week and this is now more pertinent than ever. In addition, there is a Community Police Officer attached to the College, the security gates work well and ID badges must be worn at all times. There are also random knife arches and wand searches conducted on site.

49.17 MERGER UPDATE

Governors were referred to the Corporation meeting held on 6 April 2017 where the proposed merger between the College and Barnet & Southgate College was discussed:

- the Clerk had reminded the Corporation of their responsibilities under the Instrument and Articles of Government, Article 3, with particular reference to setting the strategic direction of the College, the effective monitoring of management by the Corporation and the accountability of Corporation members to the Corporation, to Parliament and to the wider community
- In addition, the Area Reviews were set up to in order to take stock of the skills landscape in local areas and assessing the economic and educational needs of the area, and the implications for post-16 education and training provision
- The Chair had requested that the above be taken into account in the discussions to be had along with the Due Diligence and consultation processes which have now taken place. The Corporation then held an in depth, frank and detailed discussion regarding the merger including correspondence between the two colleges
- Taking into account the above discussion and with particular reference to the Corporation's responsibilities under the Instrument and Articles of Government and the objectives of the Area Review process, the Corporation had unanimously resolved not to proceed further with the merger with Barnet and Southgate College
- The Corporation had agreed that it wished to continue within the spirit and processes of the Area Review recommendations and not be a standalone College. Therefore, on the back of recent strategic plan discussions facilitated by a National Leader of Governance (NLG), next steps needed to be initiated with all possible urgency. It was agreed that an urgent Structures and Prospects Appraisal (SPA) be sought with the FE Commissioner's Team to identify a suitable future partner and that a clear brief to include local autonomy be drawn up. The next steps including communications were subsequently agreed

The Principal then provided Governors with an overview and update of the London wide college picture regarding proposed and completed mergers.

Governors were then referred to previously circulated information regarding Expressions of Interest (EoI) and the associated timeline.

All EOI's are to be returned by noon Wednesday 10 May 2017 with a Shortlist Panel meeting on Friday 12 May. It was noted that the Deputy F.E. Commissioner and a representative from the SFA will be at this meeting in an advisory capacity. It was agreed that the Clerk contact Governors for their availability to join this panel on 10 May, some Governors will be required for the presentations to a panel on Monday 5 June and also that Governors may wish to make informal visits to the relevant colleges.

The Corporation then discussed and agreed 6 statements regarding 'Principles and Values' for which it will be seeking evidence in Stage 2 along with a financial analysis which is to be provided by the SFA.

The Panel will report back to the Corporation meeting Monday 12 June for further discussion and scrutiny with any relevant notifications being made to the interested colleges, in all likelihood, on Tuesday 13 June 2017.

The risks, including the sensitivities of a merger on staff, were acknowledged and the Principal indicated that she will be holding an all staff meeting on Wednesday to further update staff.

The Corporation noted the update on merger discussions.

50.17 MONTHLY MANAGEMENT ACCOUNTS – 31 MARCH 2017

The Corporation received the Income and Expenditure Budget 2016/17 Management Accounts as at 31 March 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 of a c£560k deficit but with potential for savings on operating costs with more work needed on the 2017/18 budget in order to produce a more accurate final severance cost.

The Management Accounts now submitted at 31 March 2017 project a total deficit of c. £350k which is £210k lower than the potential worse case. The base operating deficit has fallen by c. £110k - mainly due to anticipated staff cost savings - and the need for additional severance costs has fallen by £100k through natural staff turnover and by not filling vacancies.

The Principal has already announced to staff that a redundancy round of a maximum 10 FTE staff will be proposed for formal consultation week commencing 8 May 2017 and that work is continuing to minimise that number.

Attention was drawn to the main budget changes as detailed in the report along with the main risks still to be managed during the remainder of the year including securing SFA Adult funding allocation within budget, securing the Apprenticeship income targets, maximising delivery of 2 ESF projects and managing merger costs.

The Director of Finance highlighted that a deficit of £350k would mean the College would be in "satisfactory" financial health. The current projection is that with total severance costs of £200k the underlying operating deficit is £150k so there remains the small possibility that the College may achieve an underlying "Good" financial health in 2016/17.

It was noted that there remains a risk around managing the tight cash flow which has been exacerbated by the specific cash flow implications of the STEM Centre. This has been mitigated significantly as the GLA have, to date, paid our grant claims very promptly and an assumption is that the end of year cash holdings will be £1.343m.

It was acknowledged that there have been no material changes to the assumptions regarding the draft 2017/18 budget since the 6 April Corporation meeting i.e. a deficit of £325k and reducing the College's costs by £1m of which £750k is from staff savings.

The Corporation noted that a draft 2017/18 budget will be submitted on 12 June for comment and review with the final budget being submitted for approval on 17 July 2017.

A Governor made the point that maintaining such a thorough and detailed review of costs is very reassuring and thanked the Director of Finance for his continued, in-depth, financial analysis.

In response to a Governor's question regarding curriculum areas and pressure points, it was noted that no teachers are at risk of redundancy. The two main areas of concern are around the recruitment of Adults and retaining 16-18 year old students.

As previously noted, Higher Education is an area of concern and the reduction in numbers has been built into the 2017/18 budget. Governors were reassured that the Principal is dealing with the relevant operational matters in this area. In order to provide the Corporation with a level of assurance it was agreed that there be a specific item on H.E. in the next Principal's report including wider H.E. issues e.g. University recruitment levels.

The Principal indicated that 56 out of 205 GFE's are either 'at risk' or have been issued with 'Notices of Concern'; however, WFC is not one of these colleges.

The Corporation:

- 1. Received and noted the Management Accounts as at 31 March 2017;
- 2. Noted the reduction in the projected deficit for 2016/17;
- 3. Noted the key financial risks being managed by the College;
- 4. Noted the improved status of the financial performance indicators for 2016/17;
- 5. Noted the current position with regard to the 2017/18 budget and agreed to receive a draft 2017/18 budget at the 12 June Corporation meeting

51.16 GOVERNANCE ISSUES

The Corporation received and noted the letter to all Principals from Peter Launer (Chief Executive ESFA) regarding the importance of strong financial management and governance.

The Corporation noted that as from September 2017 the College will be closing earlier in the evenings on Mondays and Wednesdays.

The Corporation approved the cycle of meetings for 2017/18 which will now take place on Tuesday evenings.

A schedule of business will be presented to the Corporation on 12 June 2017.

Governor attendance at College events to date was noted.

20:33 PW/KU/AK/PD left the meeting

52.17 CONFIDENTIAL STAFFING ITEM

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

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	
49.17	Expressions of Interest It was agreed that the Clerk contact Governors for their availability to join this panel on 10 May and some Governors will also be required for the presentations to a panel on Monday 5 June and also to make informal visits to the relevant colleges.	9 May and by 26 May	
50.17	Higher Education It was agreed that there be a specific item on the H.E. provision in the next Principal's report	12 June	