



## THE CORPORATION OF WALTHAM FOREST COLLEGE

### FINANCE AND RESOURCES COMMITTEE

#### MINUTES OF THE MEETING HELD ON 19 MAY 2022

#### MEMBERSHIP

Youness Abidou (Chair), Gbeminiyi Soyinka, Amir Seyyad, Craig Buist, Janet Gardner (Principal),

#### In Attendance:

Abena Rodman-Tay Deputy Principal Finance and Resources (DPFR)

Nadeem Khalifa Director of BIDU (DoBIDU)

#### Clerk to the Corporation

Naomi Shoffman Director of Governance (DoG)

#### 30. WELCOME AND APOLOGIES FOR ABSENCE

The Chair welcomed everyone to the meeting and Mr Seyyad newly appointed to the Board and Committee. Introductions were made all round.

Apologies for absence received from Craig Buist due to a family commitment.

#### 31. DECLARATION OF INTERESTS

There were no issues included on the agenda for the meeting in which they had a personal interest relative to the College.

#### 32. FINANCE AND RESOURCES COMMITTEE MEETING HELD ON 3 FEBRUARY 2022

The minutes of the meeting held on 3 February 2022 were agreed as a correct record.

#### 33. BUSINESS INNOVATION AND PARTNERSHIPS: PARTNERSHIP & SUB-CONTRACTING

The BiDU highlighted the following points:

- Subcontracted delivery is broadly in line with expectations for this period of the year.
- All providers are currently on track and there are no further changes to the contract values planned for the remainder of the year.
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- In terms of monitoring the team meets on a monthly basis with SLT to review performance

**The Committee noted the report**

#### 34. FE PROFESSIONAL DEVELOPMENT GRANT BID

The BiDU provided the background to the project for the benefit of the new member. He then highlighted the following points

- The main delivery of the project (October 2021- March 2022) concluded on 31 March 2022.
- The Project was delivered in partnership with another London College and led by WFC.

- The grant was split equally between both colleges.
- In terms of KPI's Quality exceeded over 90%.
- In terms of the finance KPI, the College has utilised 96% of the allocated funding. The shortfall is due to under-utilisation of the funding allocated to cover travel expenses, because of a low claim rate from staff. The shortfall is shared almost equally by both Colleges. No further expenses can be claimed.
- Staff feedback has been very positive.

The Principal advised that WFC has not yet paid the partner college their half of the money. She cautioned that there is always a risk of audits further down the line and as WFC is the lead partner the DPCQ worked very closely with DfE to ensure the proper documentation and evidence was submitted. As there is currently no indication of any issues, we plan to make the payment to the partner college. The Committee asked about the risk to us as project lead should there be an audit and whether it is likely to be timebound. The Principal advised that there tends to be a long-time frame within which an audit could be carried out, although she thinks its unlikely. The DPF said that as part of our external audit this project will be looked at and we may have to accrue for the £20k underclaim as it may be subject to clawback.

A Member asked If we will take part in a similar partnership next year. The Principal responded that this depends whether there is another bid next year which if there is, we will go for it. As we managed this project well it will hold us in good stead for other opportunities.

#### **The Committee noted the progress of the project**

### **35. COMMERCIAL ACTIVITIES AND STRATEGIC PARTNERSHIPS**

The BiDU highlighted the following points

- The College continues to grow its strategic partnerships
- The background to the MoU for a partnership with a community college in St Lucia as part of WFB's twinning intentions. This MOU is an intent to work collaboratively and does not commit the College to anything or incur any expenditure.
- The College is currently delivering pilot commercial courses in the following sectors:
  - Green – Electric Vehicle Charging Installation
  - Construction – 18th Edition (electrical)
  - Hospitality – Barista Training
- The College continues to explore other niche sectors to develop commercial courses in.

The Principal commented that we are well placed to deliver new short courses and that we recognise a need to grow commercial streams as well as government funded programmes.

A Member asked whether the team has thought about what sort of financial and other outcomes may come out of this collaborative partnership. The BiDU responded that outcomes may include good practice sharing, remote upskilling, peer to peer student collaboration.

A Member asked about a similar partnership the WFC had and what were lessons learned? The Principal responded to this and added that there are not many opportunities like this. The College has for a number of years been quite inward facing but now is ready to broaden its outlook and this is a great opportunity.

The Chair asked in what sectors are we seeking opportunities locally or wider, The BiDU listed the sectors being considered some of which the College is already delivering in, but we are looking at working more within the commercial sector.

#### **The Committee**

- **Noted the current commercial activity.**
- **Noted the new strategic partnership and MOU**

### 36. DRAFT BUDGET 2022/23

The DPFR provided a verbal update on progress with the draft budget 2022/23 and highlighted the following points

- All allocations been announced, and we expect a 5% increase in income mainly due to lagged funding, growth funding, change in rate of funding and deprivation rate East London is now considered less deprived than in previous years
- Costs pressures – these include a pay increase, unions are looking to negotiate a 10% increase nationally, NI increase, incremental increases, LGPS contribution increases, (the TPS increase is being paid by government), we are awaiting 3-year pension fund revaluation which may impact further on the budget.
- Non pay – The costs for utilities in the budget have been doubled compared to this year's costs. The current gas contract ends at the end of October – the DfE has advised colleges not to come out of contract before the term ends. We will start tendering for this next term and will be looking at up to 1-year contract as per procurement advice but ultimately this will be determined by market forces. We have been proactive in trying to reduce our gas and electricity usage and changing to more sustainable solutions – such as installing a new boiler, LED lighting, solar energy and new windows.
- Contingency – we need to make sure there is sufficient contingency as we don't know what else is likely to impact
- Currently we are hoping to achieve a surplus budget in line with the financial plan

A member asked how the deprivation level is calculated and the Principal and DPFR explained the factors that make up the formula.

A member asked how we use pay to support recruitment and retention given the cost pressures. The Principal explained the retention strategy and possible options to bring pay into line with the sector. There followed a discussion around the retention risk.

**The Committee thanked the DPFR and Principal for the useful update**

### 37. MONTHLY MANAGEMENT ACCOUNTS – MARCH 2022

The DPFR presented the management accounts and highlighted the:

- Year-end forecast surplus for 2021/22,
- Challenges around the Recruitment and Retention of staff due to the pandemic and pay and conditions.
- Year to date actual compared to year to date budget resulting in a favourable variance.
- The Cash balance at 31st March and cash days, against the FEC targets.
- The Financial Health Score of 260 is 'Outstanding'.
- The key risks that may impact the financial position

A Member asked about the different levels of income coming in at different times and the DPFR explained how the delivery and payment profile works and is calculated

A Member asked for clarification of the debt service ratio. The DPFR responded that the changes were due to the variables used for the calculation and explained it how this is calculated.

The Chair noted the strong position in the management accounts. He said it will be interesting to see how the increased costs are managed going into next year.

**The Committee:**

- **Noted the good progress being made**
- **Noted the Management Accounts to 31 March 2022**
- **Noted the key financial risks being managed and the mitigating actions being taken by the College**

### **38. HEALTH & SAFETY REPORT**

The DPFR presented the report and highlighted the following points:

- The updated Health & Safety plan
- The Covid updates
- The College has Set up an online H&S reporting system
- The list of accidents and incidents, near misses and first aid
- A recent H&S Inspection went well, and all the recommendations have been implemented

A Member queried the number of fire alarm incidents and asked how many of these were considered malicious. The Principal explained the reasons behind the students behaviours and what's been done to address this.

The Chair asked when Health & Safety is next due an Internal Audit review. The DPFR said the internal auditors work on a three-year cycle and currently it is not in next year's plan, but this could be reviewed at the Committee's request. The Chair said his reason for asking was that the outcomes of the recent inspection would be useful as part of an independent report.

**The Committee noted the report**

### **39. TRANSFORMATION CAPITAL UPDATE**

The DPFR provided the background to this bid for the benefit of the new member. The College has been successful with one of the two Capital bid applications. This bid was to refurbish the west wing. The bid has been approved in principle but with a higher match funding and a request for further information. There will be a follow up report coming to this Committee. The DPFR advised that she had discussed this bid with the bank in terms of impact on cash flow and it is amenable to the option of an overdraft facility or revolving credit facility(RCF loan) throughout the life of the project to support any cash flow pressures if need be.

A Member asked if the matched funding requested is a final figure? The Principal confirmed it was and it is a good outcome for us in terms of match funding.

A Member asked whether we are awaiting the outcome if the T level bid before we make a decision on this? The Principal said we will need to make a decision on this ahead of that. Hopefully we will be successful with the T level bid and we have put it in the budget for next year. Once we have the grant letter for this bid we will have to take it to the Board for final approval, but it would be useful to have the Committee's views on this.

The Chair said this is a great opportunity and it was good to have secured the funding and congratulated the team for achieving that. The Committee then discussed the details of and the benefits and risks around this bid and the Members all agreed they were supportive of it.

**The Committee Noted the outcome of the Stage 2 application and the DFE request for increased match funding.**

### **40. REVIEW OF RISK REGISTER – FINANCE RISKS**

The DPFR presented the Risk Register showing pre and post mitigation scorings, and controls in place to mitigate risks. The new layout separates the strategic and operational risks which are embedded in business planning and reviewed on a termly basis. The DPFR advised that the main changes in movements are around staff recruitment and covid risks.

A Member asked about the ICT risk and for some context around that? The DPFR explained the factors within that and that the reason for this not being green is due to cyber security which remains a risk

The Chair said going forward the focus will be on pay and other costs and another discussion of the

concerns around recruitment difficulties.

**The Committee received and noted the updated College Risk Register.**

**41. ANY OTHER ITEMS OF URGENT BUSINESS**

None

**42. DATES OF FUTURE MEETINGS**

Thursday 16th June 2022 – the date will be rescheduled if needed if SLT do not have all the information required for the draft budget

**43. ITEMS TO BE ADDRESSED AT FUTURE MEETINGS OF THE FINANCE AND RESOURCES COMMITTEE**

The Committee is asked to note that the agendas for future meetings will include the following items:  
As per agreed business cycle for 2021/22

**44. ACTION POINTS ARISING FROM THIS MEETING OF THE COMMITTEE**

None

**19.35 finish**

**These minutes have been approved by the Finance and Resources Committee and signed by the Chair as a correct record.**

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**Signed**

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**Date**