

Waltham Forest College



THE CORPORATION OF WALTHAM FOREST COLLEGE
FINANCE AND RESOURCES COMMITTEE
MINUTES OF THE MEETING HELD ON 26 JANUARY 2023

MEMBERSHIP

Youness Abidou (Chair), Paul Butler (Vice Chair), Gbeminiyi Soyinka, Amir Seyyad, Darren Talbot, Janet Gardner (Principal),

In Attendance:

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

Nadeem Khalifa Director of Business Innovation and Development Unit (DoBIDU)

Clerk to the Corporation:

Naomi Shoffman Director of Governance (DoGov)

73. WELCOME AND APOLOGIES FOR ABSENCE

The Chair welcomed everyone to the meeting. There were no apologies.

74. 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.

75. FINANCE AND RESOURCES COMMITTEE MEETING HELD ON 10 NOVEMBER 2022

The minutes of the meeting held on 10 November 2022 were agreed as a correct record.

76. MONTHLY MANAGEMENT ACCOUNTS – NOVEMBER 2022 & ACTION PLAN STATUS TRACKER

The DPFR presented the management accounts and highlighted the following points:

- Year to date actual compared to year to date budget resulting in a favourable variance and the key items contributing to this variance
- The Cash balance at 30th November 2022 and cash days, against the FEC targets.
- The Financial Health Score is 'Good'.
- The key risks that may impact the financial position
- Forecast deficit and action plan to achieve a surplus forecast

A member asked whether any of the additional income items have conditions attached? The DPFR went through those items and what the impact could potentially be and the DoBIDU then expanded on this.

A member asked whether the additional items were expected and are there likely to be similarly other such items coming through in the future. The Principal said there was nothing received that was unexpected or untoward; whilst she was not aware of any there may be more in the future, but we

can't predict this as often they come out as and when and unexpectedly. It is just about making sure ready to meet the criteria for any future opportunities. The Principal then gave some examples of how the college have managed this in the past.

A member noting the saving coming from pension opt outs asked if we encourage people to opt into the pension scheme. The DPFR confirmed the College actively encourages staff members to opt in and also regularly disseminate information around the benefits of pension opt in etc. Also auto enrolment is renewed every three years from which staff must actively opt out.

A member asked if there are any concerns around the £395k Capex spend to date, and whether the £257k spent on IT was expected expenditure. The DPFR confirmed this was the case and that it is as per planned timing of work being done. The Principal added that we need to look at this going forward as some IT equipment are over 10 years old as we have only just started the regular cycle of replacement and investment in new equipment.

A member sought clarification around the tracker point 6 and the DPFR explained what the issues are.

The Chair asked how much of the forecast staff costs accommodated for additional recruitment. The DPFR went through the components that make up the staff budget, where variances are, and the assumptions made in the budget. The Principal said that it is not in the College's interest to not recruit. She added that the College will be looking next year at different ways of overcoming some of these challenges and including these in the budget to be able to be more flexible in recruitment and moving people around.

The Committee:

- **Noted the good progress being made**
- **Noted the Management Accounts to 30 November 2022**
- **Noted the key financial risks being managed and the mitigating actions being taken by the College**
- **Noted the Action Plan Tracker**

77. SUB-CONTRACTING & STRATEGIC PARTNERSHIPS

The DoBIDU presented the report and highlighted the following points:

- The list of subcontractors and contract values
- There is one new subcontractor for this academic year, although their delivery appears lower than expected at this point in the year, we are confident they will deliver their full allocation, as a new provider additional support and training was put in place before any learners were enrolled.
- Subcontracted delivery is broadly in line with expectations for this period of the year.
- There are no further changes to contract values planned for the remainder of the academic year.
- The mechanisms being used by the Business Innovation and Partnerships team continues to monitor and improve the quality of provision.

A member highlighted and it was noted an error in the value of the management fee for one of the Subcontractors.

The Committee discussed with the executive the rationale for working with sub-contractors and added value of working with strategic partners.

A member asked about the stability of the contracts given the increase in the cost of living, the DoBIDU advised that the College has received an extra 13.5% of additional funding for this which is being passed on to subcontractors.

The Chair asked about reputational risk with regard learner experience with subcontractors. The DoBIDU went through the mechanisms used to monitor the subcontractors' quality and performance and to ensure a good learner experience which should replicate off site that they would have on site.

The Chair asked if there are any high risks with this provision? The DoBIDU explained that new providers are high risk, so they are being monitored more thoroughly even though they have a good track record.

A member asked how subcontractors respond to negative feedback, the DoBIDU said that in such a situation the College offers them a lot of training and CPD which is appreciated and well received.

The Committee noted:

- **The planned subcontracted activity and planned direct delivery activity for the year 2022/23**
- **That the proportion of subcontracted activity between providers may vary according to stakeholder demand but is unlikely to increase in its overall value for the year.**
- **The mechanisms used by the College to monitor and support the quality and compliance of all subcontracted activities.**

78. CAPITAL PROJECTS PROGRESS (TO INCLUDE TRANSFORMATION GRANT AND T LEVEL GRANT)

The DPFR presented the report and highlighted the following points

- The College has been successful with one of the two Capital bid applications.
- Project design has now been firmed up with costing and tendering process to conclude by January 2023.
- The Project costing and timeline.
- The appointment of contractors will come to the Corporation for approval due to the value of the contracts exceeding £150k as per the Financial Regulations.
- T level capital project -Stage 3 Digital and Health is currently under way.
- Project meetings are being held concurrently with West Wing project to achieve efficiencies.
- The T Level project cost profile

A discussion ensued around the potential increase of costs of the west wing project. The DPFR confirmed there is a contingency for this, but she is hoping the project will stay within the original costs.

A member asked whether we have looked at scenarios as to how to respond to inflationary pressures, The Principal confirmed that we have done so.

The Committee:

- **Agreed to recommend to the Corporation that the appointment of contractors may be approved via Chairs action, due to the value of the contracts exceeding £150k as per the Financial Regulations, along with any other Capital Project Contracts that require approval between meetings**
- **Noted the progress made in the FECTF programme**
- **Noted the progress made on T Level Capital project**

79. ONS UPDATE

The DPFR presented the report on the implications of the decision by the Office of National Statistics (ONS) in November 2022 to reclassify further education, sixth form colleges and designated institutions into the central government sector. The main impact of this decision will include compliance with 'Managing Public Money' principles, borrowing, capital investment, asset disposals, senior pay controls, financial reporting, budgetary reporting and VAT. The College's financial regulations will be changed to comply with the new finance handbook due to be published next year, but we do not know what's likely to be in it.

The Chair of the Corporation asked if there have been any meetings with the Bank. The Principal confirmed there has but as the College is in the fortunate position of not seeking any loans at present,

this mostly does not affect us.

The Chair asked about other ways and the liquid assets the College may be allowed to invest in to improve income. And there was a discussion around this. It was agreed to explore this further at the strategy day.

A member asked how colleges will be graded and what other requirements will there be. The DPFR said that as the college has a different year end to central government, this will require both preparation work and more work going forward. She confirmed that despite the reclassification, VAT will not be recoverable.

The Committee Noted the implications of reclassification into the central government sector

80. UTILITIES COSTS AND CONTRACTS UPDATE

The DPFR presented the report updating the committee on:

- Current energy market and future forecast.
- Wholesale Energy Volatility.
- Current Contract Status.
- Tender Results.
- New Energy Bill Relief Scheme.
- Fixed or Flexible Purchasing.

The Committee discussed the options and whether it would be prudent to fix a new contract now to start in October 2023, but decided against it. All agreed it had been a good decision to have committed for only one-year contract.

The DPFR said she was looking for a steer from the committee for their preference or a view as to how best to progress.

It was agreed that as wholesale gas prices are dropping to wait a bit longer and seek some advice before making a decision, as we do not have sufficient information yet. The Chair said he would be happy to discuss this with the executive when we have more information.

The Committee agreed to recommend for approval to the Corporation the use of Chair's Action (in future if necessary), to approve the fixed or Guard contract for Gas and Electricity starting 1st October 2023

81. HEALTH & SAFETY POLICY

The DPFR presented the Health & Safety policy which has been amended to reflect changes in the organisational structure. All statutory and legislative information remain the same.

The Committee agreed to recommend the Health & Safety Policy 2022-23 for approval to the Corporation

82. 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 DPFR highlighted the following key risks - Diversification of Income; Planning (Capital); Finance; People; ICT and the updated activities. The DPFR advised that the college had recently been notified of the Funding allocation increase

The Committee received and noted the updated College Risk Register.

83. ANY OTHER ITEMS OF URGENT BUSINESS

The DPFR presented the report on the proposed additional CAPEX spend of £200k for the purchase of laptops for staff by March 2023 so as to be compliant with Cyber essentials. The Principal explained the report is being brought to the Committee for information to ensure transparency.

The Committee noted the additional CAPEX spend for the purchase of laptops for staff.

84. DATES OF FUTURE MEETINGS

Thursday 11 May 2023
Thursday 15 June 2023

85. 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 2022/23.

86. ACTION POINTS ARISING FROM THIS MEETING OF THE COMMITTEE

Minute 78 – Chairs action for the appointment of contractors
Minute 80 - Chairs action for Utility costs contract
Minute 81 – H&S Policy to Corporation for approval
Minute 83 - Chair action for purchase of staff laptops

19.15 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