

Waltham Forest College



THE CORPORATION OF WALTHAM FOREST COLLEGE
FINANCE AND RESOURCES COMMITTEE
MINUTES OF THE MEETING HELD ON 3 FEBRUARY 2022

MEMBERSHIP

Youness Abidou (Chair), Gbeminiyi Soyinka, Nadia Ahmed, Craig Buist, Janet Gardner (Principal),

In Attendance:

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

Clerk to the Corporation

Naomi Shoffman Director of Governance (DoG)

16. APOLOGIES FOR ABSENCE

It was noted that Nadia Ahmed has extended her leave of absence due to ill health.

17. 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.

18. FINANCE AND RESOURCES COMMITTEE MEETING HELD ON 11 NOVEMBER 2021

The minutes of the meeting held on 11 November 2021 were agreed as a correct record subject to correcting the spelling of Mr Soyinka's first name.

19. MONTHLY MANAGEMENT ACCOUNTS - DECEMBER 2021

The DPFR presented the management accounts and highlighted the:

- Year-end forecast for 2021/22 surplus the variance for which is primarily due to the net impact of additional Small Group funding income awarded by the ESFA in September 2021.
- 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 key items contributing to this variance include: GLA – AEB delivered income below budget, apprenticeship delivery below budget, tuition fees income above budget, staffing costs lower than budget, and franchise and sub-contracting underspend. The College budget is profiled equally over twelve months whilst delivery and learner intake vary and continue throughout the year.
- The Cash balance at 31st December and cash days, against the FEC targets .
- The Financial Health Score is 'Outstanding'.
- The key risks that may impact the financial position

The Committee asked about the plans to address the recruitment issues and whether this is impacting on students? The Principal explained the range of strategies being used and possible impact on current students. She concluded by saying she is happy to take any suggestions of any other strategies we could try.

The Chair asked where the College is in terms of Capex. The DPFR advised the current budget and expenditure to date and possible additional spend that may be required going forward. There has been

additional spend on HR software and planned additional capital expenditure for replacement cycle of PC's. The College has also applied or is planning to apply for several capital bids.

The Chair asked whether in terms of the IT infrastructure wear and tear are we starting to feel the effects of not spending. The Principal responded that the replacement of PCs will continue in earnest next year. The Pressure has been felt however some of the upgrade and maintenance around health and safety has been addressed to ensure fully compliant. Also, there has been investment in new systems which have been put in place. The DPFR advised that more laptops were purchased in December for students most at risk in case there was another lockdown. The Principal added that it was the right decision to halt CAPEX investment as we are now in a stronger position to invest and address the issues and we also used some additional support provided towards this spend.

The Chair asked about the impact of utility costs. The DPFR advised that the College has a three-year contract with a broker with process fixed until October when will have to then go out to tender so the rises will be factored in for next year's budget. The Principal cautioned there will be a significant spike. so, we are trying to get staff and students in the habit of switching things off and having measured this there has been a noticeable reduction in consumption. We have also explored other ways to reduce the College's carbon footprint and cost – through solar power, replacing lights with PIR and LED included in any replacement's bids. The Bank is talking about a green loan which we can invest in something that reduces energy such as new windows which we will pilot with a university. We are communicating this through staff bulletins and the students and staff sustainability group action plan came out of that. The plan includes a range of initiatives such as providing additional Recycling bins, introducing meat free Mondays. Also, there have been targets set for us. And finally, we are also introducing this across curriculum areas and making it relevant to each area.

The Committee:

- **Noted the good progress being made**
- **Noted the Management Accounts to 31 December 2021**
- **Noted the key financial risks being managed and the mitigating actions being taken by the College**

20. UPDATED FINANCIAL REGULATIONS

The DPFR presented the revised Financial Regulations-2021/22 which have been updated due to changes in government legislation on procurement. The main changes are that the threshold values for contract values that must go out to tender have been reduced from £50k to 25k and there is now a requirement to include VAT on the contract amounts.

The Committee noted the revised Financial Regulations-2021/22 which will be presented to the Corporation for information

21. BUSINESS INNOVATION AND PARTNERSHIPS PARTNER SUB-CONTRACTING

The Principal highlighted the following points:

- The list of subcontractors is as per the Plan that came to last corporation meeting.
- All contracts are progressing on track with the exception of one which has not progressed and the College is currently in conversation about withdrawing the contract as there are concerns that they won't be able to deliver.
- The contract if withdrawn, will be re allocated to current providers and the Committee will be kept updated accordingly.

In response to the Committee's query about reallocating the contract the Principal said we may do it in house which we would prefer, but if we can't do so we will increase one of the other contracts. The contract does not have to go to a construction specialist. The issue with the contractor is that they wanted to deliver non accredited low-level courses which did not show strong enough intent or rationale to contract.

In response to the Committee's query re another contract the Principal said that we can demonstrate a clear intent and rationale for working with them. We will be going out to tender soon as the original contract with this contractor runs out at the end of this year. Quality will be one of the aspects scrutinised as part of the tender due diligence.

The Committee noted:

- **planned subcontracted activity and planned direct delivery activity for the year 2021/2022**
- **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.**

22. FE PROFESSIONAL DEVELOPMENT GRANT BID

The Principal highlighted the following points

- This report being monitored by both the Curriculum & Quality Committee to monitor quality and this Committee to monitor the financial side of it.
- The partner college is making slower progress than WFC. The Principal and other staff met with the other college's team to highlight concerns that if they don't catch up there will be an implication on the financing. The Principal said she believes they plan to put in more resources so will meet the target. WFC will extend this scheme to more staff so there will be extra numbers if need be.
- This is a great scheme and we would have liked to have had more time to do it and will be using elements of this going forward. There was some resistance from staff initially, but the majority of staff have been very enthused with some even being offered jobs by the industry employers. This good for the credibility of our teachers.

In response to the Committee's query the Principal advised that there is a risk of clawback if we don't meet all the KPI's. 60% of the funding has paid to date with the rest due in March. As a precaution we met with the DfE to ensure they are happy with everything being sent and that they need to get this signed off so as to mitigate any issues arising later on. The main issue for us is to mitigate what the other college is doing which was one of the reasons for the Principal meeting with the other College's Principal to flag up the concerns. However, there could still be a potential risk of clawback although would be minimal

In response to the Committee's query the Principal confirmed that WFC has taken a small management fee but the rest of grant has been split equally.

The Committee noted the progress of the project

23. COMMERCIAL ACTIVITIES AND STRATEGIC PARTNERSHIPS

The Principal provide a verbal update and reported

- There has been some progress on the partnership with LMU but we are still waiting for final approval of the accredited courses which will launch for September 2022 start.
- There was an Announcement earlier this week on the academies programme – on the three collaborative bids WFC have made. All three were successful.

The Principal then invited the staff Governor to report on a successful outcome this week. The staff Governor advised that the College has been named as a Construction Skills Certification Scheme (CSCS) test centre so the College will be able to issue the qualification cards required for people working in the construction industry. This is quite a coup as there is a limit to how many organisations are allowed to run a test centre. There are lots of colleges that offer this as part of their course but we will now also be able to offer that to trades people as well. This is an exciting opportunity and WFC will work to get people from the DWP to apply to us for their cards.

The Chair offered his congratulations observing that the new centre will not only save the College money as it is currently having to pay for our students to apply for their cards but will now gain an income stream from this. He asked to be provided with the relevant information so he could pass on the various house building companies he has a professional relationship with.

The Chair thanked the Principal for update.

The Committee noted the verbal update on commercial activities and strategic partnerships

24. FEES POLICY 2021-22

The DPFR presented the College Fees policy which has been updated to include changes from the ESFA and GLA. The main changes are that due to the UK coming out of EU, the funding eligibilities have been updated

The Committee agreed to recommend the Fees Policy 2021-22 for approval to the Corporation

25. 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 then highlighted the added management controls and impact on the key risks.

The Chair commented that he likes the new layout and asked whether it is helping SLT with strategic discussions. The Principal responded that on the whole yes but staff are still adapting as some areas are still too operational so this needs to be reinforced.

The Committee received and noted the updated College Risk Register.

26. ANY OTHER ITEMS OF URGENT BUSINESS

None

27. DATES OF FUTURE MEETINGS

Thursday 28th April 2022

Thursday 16th June 2022

28. 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

29. 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.

.....Youness Abidou.....

Signed

.....19 May 2022.....

Date