



## THE CORPORATION OF WALTHAM FOREST COLLEGE

### FINANCE AND RESOURCES COMMITTEE

#### MINUTES OF THE MEETING HELD ON 4 JULY 2023

#### MEMBERSHIP

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

#### In Attendance:

Abena Rodman-Tay Deputy Principal Finance and Resources (DPFR)  
Nadeem Khalifa Director of BIDU (DoBIDU) – items 101-104 only

#### Clerk to the Corporation

Naomi Shoffman Director of Governance (DoGov)

#### 101. WELCOME AND APOLOGIES FOR ABSENCE

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

#### 102. 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.

#### 103. FINANCE AND RESOURCES COMMITTEE MEETING HELD ON 11 MAY 2023

The minutes of the meeting held on 11 May 2023 were agreed as a correct record.

#### 104. SUB-CONTRACTING & STRATEGIC PARTNERSHIPS

The DoBIDU presented the report and highlighted the following points:

- The list of subcontractors and contract values for the year.
- All providers are currently on track to deliver to the agreed targets.
- The focus is now on achievement from providers.
- The Intention is to renew subcontracting for another academic year (2023-2024). All the subcontractors have undergone Procurement which allows renewal for up to 3 years subject to annual due diligence
- The mechanisms being used by the Business Innovation and Partnerships team and the internal quality team continues to monitor and improve the quality of provision.

A member asked whether there have been any changes in department's view on subcontracting. The Principal responded there have not and that in fact the GLA is quite supportive of subcontracting as this provides a better reach to different pockets of the communities and other skills areas. She added that the percentage of subcontractors as an overall of the College's provision is quite low.

A member asked what would happen if we are happy with all of our providers but hear of another that can deliver a better service. The Principal explained that last year we went through a procurement

process which looks at a range of factors and enabled us to contract with providers for up to three years as previously reported. New providers would be invited to apply next time in the cycle when the contracts are up for renewal through the formal procurement process. However, if still have the option to terminate a provider if we have any concerns on performance.

**The Committee agreed to Recommend the renewal of all subcontracting for next year to the Corporation.**

## 105 DRAFT BUDGET 2023/24 AND A FORECAST 2024/25

The DPFR presented draft budget for the financial year 2023/24 and a forecast 2024/25 which includes the forecast, assumptions and explanation for the key variances. The DPFR then highlighted the following points:

- The financial objectives of the College and how specifically, these objectives will be achieved by maintaining a sound financial base in line with our Financial Risk Management KPIs
- The budgeted Key Performance Indicators
- Key budget assumptions for Income and Expenditure
- The 2023-24 Budget shows a budget surplus after allowing for restructuring costs.
- Total pay cost comprises of the pay rise and pay scales increments for staff who are not at the top of the scale. The pay increase is part of the College strategy to improve recruitment, retention and pay conditions for staff as the Colleges pay scales are behind the sector norm due to 8- 10 years of no pay increases for staff.
- Non pay cost (including sub-contracting cost) has reduced mainly due to decrease in utility cost offset by general inflation on other non-pay budgets.
- Cash flow forecast.
- The total budgeted investment in the estates.

Committee members raised the following questions and points:

Pay award - Is this a realistic pay award- The Principal reported on the ongoing and meaningful pay negotiation with unions, the outcomes to date and the components that went into the offer. The problem is that people look at the accounts, see the reserves and ask for more, but the reserves are earmarked for capital projects and investments, and we need some reserves to maintain our resilient. For example, when the energy costs increased by £1m, so, it is a difficult sometimes explain. The Committee after some discussion agreed this is a fair and balanced offer and were happy to recommend this.

Restructuring - what is the restructuring amount for. The DPFR explained that a provision is made every year for this and the factors that contribute to it.

Catering – are there any provisions for investment in or change of supplier for current catering. The DPFR updated the Committee on the position with the current catering suppliers. The Principal added that the College provides a lot of subsidies to support the catering company – for instance with free school meals as the government funding is not sufficient to cover the full cost.

T levels clawback provision – as we do not have much history or experience of this how is the provision amount determined. The DPFR explained the process.

Staff costs – is there an optimum mix of establishment and casual staff to afford flexibility. The DPFR said there is an underlying consideration of a mix of 80/20 % but recruitment is very difficult post covid, so this is not always achievable.

LGPS deficit – is that supported by Government – the DPFR explained how these is managed. What are the core risks to this forecast – the DPFR and Principal explained those areas which they believe pose potential risks and why.

The Chair concluded saying this had been a very comprehensive review and good discussion.

**The Committee having considered and scrutinised the budget relating to 2023-24 and forecast 2024-25 agreed to recommend its approval the Corporation.**

**106 MONTHLY MANAGEMENT ACCOUNTS – MAY 2023**

The DPFR presented the management accounts and provided summary details of the College's actual income and expenditure, balance sheet and cash flow forecast, compared with budget and highlighted the following points:

- The Year-end forecast surplus for 2022/23,
- The 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 31<sup>st</sup> May and cash days, against the FEC targets.
- The Financial Health Score is 'Outstanding'.
- The key risks that may impact the financial position and the Mitigation actions being taken

The Chair commended the financial position reported in the management accounts which is a testament to the Teams performance. This was echoed by other members.

**The Committee:**

- **Noted the good progress being made**
- **Noted the Management Accounts to 31 May 2023**
- **Noted the key financial risks being managed and the mitigating actions being taken by the College**

**107 FINANCIAL REGULATIONS ANNUAL REVIEW**

The DPFR presented the report and summarised the key changes to the Financial Regulations-2023/24 following the Further Education Reclassification of Colleges by the Government. The key change from this might be the change of year end for colleges which will have a big impact on resources. The Financial Regulations have also been amended to take account of any changes in management structure and post titles.

A member asked about tenders and whether there are now there more constraints or preferred bidders in place. The DPFR advised that in fact the opposite is true as the changes are more about enabling wider contracting.

**The Committee Agreed to Recommend the Revised Financial Regulations for Approval to the Corporation**

**ESTATES, PROPERTY AND PLANNING**

**108 UPDATE ON PROGRESS WITH THE CAPITAL PROJECTS (TO INCLUDE TRANSFORMATION GRANT, T LEVEL GRANT AND POST 16 CAPACITY BID**

The DPFR presented the report and highlighted the following points:

- West Wing Project: The project tender has now been returned and results are being reviewed. The tender results have been favourable with the cost coming through less than expected.
- Refurbishment of the Sports Hall is complete apart from some snagging.
- T level capital project: Digital and Health is currently under way with a contractor on site undertaking enabling works. Works are ongoing and due for completion by end August 23. T level digital and broadcasting delivery has been postponed by the Government to start in September 2024. Revenue funding relating to this T Level is likely to be clawed back as part of next year's allocation. Capital funding and Equipment funding will continue to be funded.
- Due to the timing, we may need to approve contracts via Chair action
- Post 16 Capacity Funding (NEW): The College has successfully grown post 16 learners year on year

leading to a potential capacity issue.

- The DPFR concluded by advising that the College has been successful in the bid to develop the unused swimming pool area and adjoining storage space for teaching space and a computer suite.

A member commented that it was good news that the costs have come in lower than expected for the West Wing project. He asked whether the initial tender report shows any significant non-compliance from any of the companies who bid. The DPFR advised that she is still going through the document so will know better after that. The Principal added that the more competitive pricing is reflective of the markets as there is some concern in the construction industry that there may be a recession. The savings will mean there will be sufficient funds for the windows that need to be replaced.

The Committee congratulated the College team on managing to deliver what is being delivered for these costs, assuming it all crystallises, given what the industry is going through. There followed a discussion around the College's capacity and the Principal advised that to support this we have added a fixed post to report to the DPFR on estates and capital projects.

**The Committee Noted the progress made in the FECTF programme, T Level Capital project and Post 16 Capacity projects.**

#### **109 ESTATES STRATEGY**

The DPFR presented the new Estates Strategy. The estates strategy was last reviewed in 2021. The revised strategy has been driven by the growth in learner numbers and the new capital projects. The strategy looks at the current estates investments, future plans and options being explored to maximise the Estates to ensure the College's strategic objectives are being met. The DPFR went through the key aims, the factors considered to inform the analysis and proposed estate strategy and the associated risks.

A member asked about the sustainability aspect and whether the College has received any Public Sector Decarbonisation Scheme (PSDS) and Salix funding. The DPFR said this will be explored with the new person being taken on to support with the estates and capital projects. She added that sustainability is a key part of the continuing investment programme for instance the replacement of lightbulbs.

A member asked for clarification of the utilisation figure. The DPFR said this is being measured as a proportion of the total available space.

A discussion ensued around what competitors are doing in terms of investing in their respective estates.

**The Committee agreed to recommend the revised Estates Strategy for approval to the Corporation**

#### **110 FEES POLICY 2023-24**

The DPFR presented the College Fees policy which has been updated to reflect the current ESFA and GLA guidance for 2023/24. The document also includes fees for the new commercial courses and also a section on Examination Fees.

**The Committee agreed to recommend the Fees Policy 2023-24 for approval to the Corporation**

#### **111 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 advised the Committee of the Top 5 risks on the register, Key risk movements and updated activities.

The Committee thanked the DPFR for the good report and showing clearly what and how each risk has changed.

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

**112 COMMITTEE BUSINESS**

The Committee undertook the annual review of the Committee's Terms of Reference and agreed the recommended changes.

**The Committee Agreed to recommend to the Committee's Terms of Reference to the Corporation for approval.**

**113 ANY OTHER ITEMS OF URGENT BUSINESS**

The Principal and Committee thanked the DPFR for all her work to drive forward the finances which has resulted the College's strong financial position.

The Chair thanked Mr Talbot for agreeing to stay on as a co-opted member of the Committee when he steps down as a full Governor at the end of this academic year.

**114 DATES OF FUTURE MEETINGS**

Autumn 2023- TBC

**115 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 2023/24

**116 ACTION POINTS ARISING FROM THIS MEETING OF THE COMMITTEE**

None

**19.42 finish**

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