

Finance & Operations Committee

Monday 9th March 2020

Minutes

Present:

Governors:

Aisha Adesanya
Delia Goldring
Peter Green
Adrian Marrocco (Chair)
James Marshall
John Rubinstein

In Attendance:

Ian Hooper
Carol Kirkland
Claire Mugridge
Beth Yap (via phone)

1.	Governance
2.	Minutes of the Previous Meeting
3.	Matters Arising
4.	Finance Report
5.	Woodhouse Trading Company
6.	Planned Capital Works
7.	Confidential Item
8.	Risk Management
9.	Personnel Report
10.	Premises Report
11.	Marketing Report / Fundraising
12.	AOB
13.	Dates of Next Meetings

Minute	Action, Decision or Recommendation	A/D/R
3.4.1	Quality & Standards Committee to obtain feedback from students with additional needs regarding their experience at the College.	A
4.1	To recommend the management accounts for the first six months of the financial year to the Board for approval.	R
4.4	Claire Mugridge to look into the requirements of a reserves policy for academies ahead of the next meeting of the Committee.	A
8.	John Rubinstein to include COV-19 in the College's risk register.	A
10.3	To spend £35k on the replacement of the CCTV system, £3.5k on a clock for the 3G pitch and £24k to repair the floor in the hall.	D
10.3	Carol Kirkland to start obtaining quotes for the replacement of the boilers (including alternatives to gas) to be considered at the next meeting.	A
12.	Instrument & Articles to be amended to allow for telephone meetings.	A

1. Governance

1.1 Apologies for Absence

Pamela Chowdhury.

1.2 Declaration of Interest

None.

2. Minutes of the Previous Meeting

2.1 The minutes of the meeting of 25th November 2019 were approved and would be signed by the Chair. As no part of the minutes were deemed to be confidential, these would be uploaded to the College website in their entirety.

2.2 The minutes of the meeting of 25th February 2020 were approved and would be signed by the Chair. As no part of the minutes were deemed to be confidential, these would be uploaded to the College website in their entirety.

3. Matters Arising

25th November 2019

- 4.1 Quality & Standards Committee to obtain feedback from students with additional needs regarding their experience at the College.
- 9.3 'Tendering' has not been added to the internal audit plan this year, as no tendering processes have taken place.
- 11. The Clerk confirmed that the College does not have a charity number.

Action

25th February 2020

No matters arising.

4. Finance Report

4.1 Management Accounts

Claire Mugridge presented the management accounts for the first six months of the financial year, reminding that these were considered at the Committee's extraordinary meeting of 25th February 2020.

Claire informed the Committee that the projected income now includes £64k of additional funding for students with Educational Healthcare Plans (EHCPs). Claire also informed the Committee that lettings income is £15k higher than anticipated but reminded governors that future bookings may be affected by the Coronavirus (COV-19).

The Committee noted that staff costs are projected to increase by £109k. This is due to sickness cover and the recruitment of additional staff to support students with EHCPs. **In response to a question from governors**, John confirmed that the College can spend EHCP funding on particular equipment or furniture or additional staff, in order to enhance the students' experience at the College. However, John Rubinstein informed the Committee that this funding could not be used for the capital work that took place earlier in the year to make the College generally more accessible.

In response to a question from governors, John confirmed that the College has always been compliant in terms of accessibility but the capital work that took place earlier in the year made the campus even more so. Carol Kirkland explained that the College is now accessible to the majority of potential students, but special adjustments may be required for future EHCP students, such as hearing loops, but these would not be as large as the changes that took place this year.

Claire informed the Committee that 'building and premises' costs are higher than originally budgeted with the actual repair costs for the first six months being 66% of the budget (£33k). Claire explained that this is

due to urgent building works taking place, which had been deferred in recent years due to budget constraints.

The Committee noted that the College moved to a new electricity and gas contract in the autumn and an additional £5k has been included in the projected outturn in respect to these costs. **In response to a question from governors**, Claire explained that the College has entered into a 5-year contract via a broker but has still seen an increase in costs.

Therefore, the Committee approved the management accounts for the first six months of the financial year and recommended these to the Board for approval.

Recommendation

4.2 KPIs

The Committee discussed in detail the financial KPIs, noting that capital expenditure as a percentage of EBITDA is projected to be 93% against a target of 80%. Claire Mugridge reminded that, in the previous set of accounts, this KPI was 127%.

4.3 Funding for 2020-21

John Rubinstein reminded the Committee that the College is anticipating a number of increases to its funding for the 2020-21 academic year:

- Funding per student to increase from a base rate of £4000 to £4188.
- The ESFA to raise the programme weighting of science courses by 10% for any study programme consisting of two or more science A levels.
- The government have announced a ‘High Value Courses Premium’ of £400 for students taking at least two STEM subjects (which would affect around two thirds of Woodhouse students).

John informed the Committee that, as a result of these changes, the College’s overall core funding is expected to increase by over £900k. However, John reminded the Committee that the College is expecting to end this year with a deficit of £200k, meaning that the increase will likely be around £700k.

In response to a question from governors, John explained that there is no stipulation that this funding may only be spent on STEM subjects. John explained that he has informed staff of this increase and asked them to consider ways to spend this money in order to improve the overall student experience.

In addition to this, John reminded the Committee of the Teachers’ Pension Scheme Grant (£165k until March 2021) and the student support funding (£167k per annum). The Committee was reminded that any additional funding relating to academisation or the Maths School has not been included in these figures.

4.4 Reserves Policy

The Committee noted that the College currently has KPIs relating to reserves rather than a formal reserves policy. However, it was noted that academies must have a reserves policy and it was agreed that this should be discussed at the next meeting of the Committee.

Action

5. Woodhouse Trading Company

Claire Mugridge confirmed that the Woodhouse Trading Company has recently had a Board meeting and noted that lettings income is expected to finish the year £15k higher than budgeted. However, the Committee was reminded that a number of lets are being cancelled due to COV-19, which could impact this figure.

In addition to this, the Committee was informed that the College could also potentially lose lets due to a leak in the sports hall roof. Carol Kirkland confirmed that the source of the leak had not yet been identified but she is currently obtaining quotes for scaffolding for the repair.

The Committee discussed the ownership of the Woodhouse Trading Company and agreed that this will transfer over to the MAT, but potentially under a different name.

6. Planned Capital Works

Claire Mugridge then presented an overview of the planned capital work and the impact of this on the capital budget for the year. Claire informed the Committee that this report would be updated after each set of management accounts and shows what work is committed to and what is actual spend. This data then produces the College's KPI 'capital expenditure as a percentage of EBITDA'.

Claire reminded the Committee of the capital spend to be discussed at this meeting (under item 9), which included purchasing a clock for the 3G pitch (£3.5k), upgrading the College's CCTV system (£35k) and repairing the floor in the hall (£24k). The Committee was reminded that these projects are a priority for the College as what is currently in place is not fit for purpose.

In response to a question from governors, Carol Kirkland explained that the work to remove the asbestos has now been put on hold and confirmed that there were no health and safety issues with the asbestos

7. Confidential Item

Confidential minute.

8. Risk Management

John Rubinstein presented the risk management plan, explaining that there have been few applicants for teaching vacancies this year. However, there have been strong candidates with some willing to take a drop in salary in order to join the College.

Staff continue to work very hard in order to achieve the best possible results, but overall morale is good. The Committee noted that the national pay

negotiations are on the verge of being agreed. John also informed the Committee that staff have not raised any concerns regarding academisation or the Maths School.

There have been no incidents of fraud.

The Committee requested that COV-19 is included in the College's risk register.

Action

9. Personnel Report

Ian Hooper presented the personnel report, explaining that the College is looking to reconfigure its Senior Leadership Team, as two members will be leaving this year.

John Rubinstein explained that the College will not recruit a new Assistant Principal of Business Operations, but, instead, an Assistant Principal of Finance (who will join the Senior Leadership Team) and an Estates Manager who will be on the leadership spine but not a member of the team. John explained that the Assistant Principal of Student Progress will not be replaced, meaning that overall the Senior Leadership Team will be decreasing by 1 member (0.6 FTE).

10. Premises Report

10.1 Condition Improvement Fund (CIF)

Carol Kirkland informed the Committee that the outcomes of the CIF bids would be received around Easter time.

10.2 Premises Updates

Carol Kirkland confirmed that a bid has now been submitted to the Mayor's Fund for London for the refurbishment of the toilets in the Millennium building at a cost of £54k, as agreed at the October Board meeting. The College will hear the result of this bid later in the spring.

10.3 Premises Investment Proposal

The Committee reviewed a premises investment proposal for the replacement of the College CCTV system at a cost of £35k, noting that three quotes had been obtained and this was the lowest price for the work.

In response to a question from governors, Carol informed the Committee that the current CCTV system is now obsolete, as it has been in place a number of years, with the quality being very poor. Carol Kirkland also informed the Committee that there are issues with the wiring of the current system, as there have been a number of 'add-ons' in recent years. Therefore, it was agreed to spend £35k on the replacement of the CCTV system. In addition to this, the Committee also agreed to spend £3.5k on a clock for the 3G pitch and £24k to repair the floor in the hall.

Decision

Carol informed the Committee that there are no other major premises updates. **In response to a question from governors,** Carol confirmed

that this is the second year that the College has submitted a CIF proposal for the replacement of its boilers and the Committee would need to consider how to progress should the bid be unsuccessful again this year.

Noting that this work would likely need to take place during the summer, the Committee requested that Carol start obtaining quotes for the replacement of the boilers to be considered at the next meeting. The Committee also suggested that the College look into alternatives to gas boilers.

Action

10.4 Tendering Update

No update.

11. Marketing Report & Fundraising Update

John Rubinstein presented the marketing report, highlighting that applications this year have increased by 8% (250 applicants) to 3,580.

12. AOB

The Committee discussed COV-19 and the potential impact this could have on trips abroad and the exams. John Rubinstein confirmed that he is receiving daily emails from the government. The Committee was informed that the College took the decision to cancel a trip abroad this term and parents were positive about this decision.

John reminded the Committee that the government's current advice is for schools to remain open but this may change over the coming weeks. The College is working with teachers to ensure that they have the facilities available at home in order to deliver online lessons. The Committee suggested that the College look into whether there are any local conference centres that could be used for as temporary premises. The College must also consider what options there are for support staff.

The Clerk explained that many colleges are amending their Instrument & Articles to allow for telephone or video conferencing meetings and it was agreed that this should be formally agreed at the March Board meeting.

Action

The Committee went on to discuss the financial impact of COV-19 noting that the College will likely lose lettings income but also must continue to pay the caterers, even if the College was to close. **In response to a question from governors**, Carol Kirkland confirmed that the College already has additional cleaning measures in place, which include an additional cleaner and deep cleans being carried out around the College.

John reminded that any closure could impact the exams, results and next year's enrolment.

13. Dates of Next Meetings

15th June 2020

Finance & Operations Committee

6th July 2020

BOARD

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Meeting closed at 8:00pm.