



## Finance & Operations Committee

Monday 6<sup>th</sup> March 2017

### Minutes

**Present:**

**Governors:**

Delia Goldring  
Peter Green  
Clive Hazlehurst  
Fenton Higgins  
Peter Murphy  
Ian Phillips  
John Rubinstein  
Carol Kirkland  
Beth Yap

**In Attendance:**

1.	Governance
2.	Minutes of the Previous Meeting
3.	Matters Arising
4.	Financial Report
5.	Personnel Report
6.	Premises Report
7.	Marketing Report
8.	Risk Management
9.	AOB
10.	Dates of Next Meetings

<i>Minute</i>	<i>Decision or Recommendation</i>	<i>D/R</i>
4.1	<i>To recommend the management accounts for the first six months of the year to the Board for approval.</i>	<i>R</i>
6.1	<i>To recommend that the Board supply 100% of the £142,350 if the CIF bid is unsuccessful.</i>	<i>R</i>

**1. Governance**

**1.1 Apologies for Absence**

Ian Hooper.

**1.2 Declaration of Interest**

None.

**2. Minutes of the Previous Meeting**

**2.1** The minutes of the meeting of 28th November 2016 were approved and signed by the Chair.

**2.2** As minutes 3.5.0 and 6.1 were deemed to be confidential, these would be removed prior to being uploaded to the College website.

BY to upload to web

**3. Matters Arising**

**3.4.2** The Principal informed the Committee that the College has adopted a new payroll provider 'Software for People', which is cheaper than the current contract with Capita. The College is buying in the payroll software and using a managed service but has the option to bring in-

- house under own payroll if we want to in the future.
- 4.1 Carol Kirkland confirmed that the College has reviewed apprentice costs and explained that there is still some uncertainty regarding thresholds. The AoC are looking into this and will issue further clarification.
- 4.4 The Committee was informed that the pension liability figure has been reviewed by the actuaries and amended from £1.67m to £1.38m. This figure was included in the end of year accounts
- 5.0 The Principal confirmed that the pay award for teachers would take effect from 1<sup>st</sup> January 2017 and support staff the 1<sup>st</sup> September 2017.

Apprenticeships to be added to next meeting.

#### 4. Finance Report

##### 4.1 Management Accounts 2016-17

In the absence of Funmi Esoula, John Rubinstein presented the management accounts for the first six months of the financial year.

John informed the Committee that the College is predicting an operating deficit of £122k, compared to £58k reported at the last meeting.

In response to a question from governors, John explained that even though the College currently has a current surplus of £143k, the deficit of £122k is realistic as the EFA funding is not distributed evenly throughout the year.

In response to a question from governors, John explained that, despite this deficit, the College would remain financially outstanding as the funding formula takes into account College reserves. He also pointed out that EBITDA remains healthy with positive cash flow (Capex is less than 80% of EBITDA per the College's policy).

The Committee agreed to recommend the management accounts for the first six months to the Board for approval.

##### 4.2 Funding for 2017-18

The Principal presented the Committee with the updated funding information for the next academic year explaining that the College is expecting an increase of £302k due to the lagged effect of the increase in students in 2016-17. This will see the College's 'programme' funding increase from £6,191,595 to £6,493,689.

However, College costs are due to rise because of annual salary increases negotiated nationally, incremental increases due to staff progression, increases in staff costs due to additional staffing levels relating to higher student numbers, general inflation of 2-3%, increases in specific costs such as insurances and one-off voluntary redundancy costs.

In response to a question from governors, John explained that it likely that College would have been better off financially as it could reclaim VAT should it have chosen to academise but there would have been a

loss of independence and associated risks.

In response to another question from governors John explained that the bursary and FSM allocations have now been received and were as expected.

#### **4.3 Treasury Policy**

As requested at the last meeting, the Committee was presented with the College's treasury policy, which takes into account the CIPFA code of practice on treasury management.

The Committee was informed of the interest that the College currently receives on its instant access and savings accounts and agreed that this should be reviewed.

It was agreed that Carol would make a number of amendments to this policy, including which committee has responsibility for each area, before presenting to the Audit Committee at its May meeting. Once approved by the Audit Committee the Board would review the Treasury Policy.

It was agreed that the Audit Committee should have responsibility for the treasury policy whilst the Finance & Operations Committee will be responsible for the annual budget for treasury management.

Carol to present  
Treasury policy at its  
next meeting.

### **5. Personnel Report**

In the absence of Ian Hooper, John Rubinstein presented the Committee with the personnel report highlighting that one of the recently employed science teachers did not pass his probationary period and had been dismissed. The Committee was also informed that a PE teacher has accepted voluntary redundancy.

### **6. Premises Report**

#### **6.1 CIF 2017**

Carol Kirkland reminded the Committee that a bid has been submitted to the CIF for the replacement of the LV panel-board in the main building and the resupply of the Finches and Caretakers house. The College should receive the outcome of this bid at the end of March 2017.

Wooster Jeffs have estimated that this work would take approximately 10 days to complete and would be carried out over the summer holidays.

The Committee agreed that should the bid be unsuccessful the Board would supply 100% of the £142,350 that was proposed in the CIF bid.

#### **6.2 Accommodation Strategy**

As an action from the last meeting, the Committee considered the paper written by Clive Hazlehurst *Development projects – Headlines to*

*improve delivery*. The Committee thanked Clive for this in depth analysis and agreed that it should be uploaded to the Governors' Portal as guidance for governors on future projects.

Upload to governance portal,

The Committee then considered the College's accommodation strategy noting a current average set size of 20. Included in this are a number of small classes such as dance and IT that have around 5 students. These courses will not be continuing next year, which could see an increase in the average set size.

Add to the portal

The Committee expressed some concerns that out of the 39 classrooms 20 do not meet the generic space requirements to hold 22 students. John reassured the Committee that these are guidelines only and not legal limits.

Add property layout to portal.

The Committee then considered the proposed short, medium and long term options for the campus, which included creating additional office space, a new mezzanine floor and a social area canopy. Carol explained that any substantive proposal would be presented to the Committee with a PIP for approval.

### **6.3 The Finches**

Deferred to the next meeting.

### **6.4 Other Premises Updates**

Deferred to the next meeting.

## **7. Marketing & Fundraising**

### **7.1 Marketing Report**

Peter Murphy informed the Committee that as the College will no longer be holding student interview days, potential students would receive 'offer packs' which include a magazine outlining life at Woodhouse College.

Copies of @woodhouse for governors at the Board.

The Principal explained that the strategic item at the next Board meeting would discuss admissions as the number of applications has seen a decrease.

Peter explained that, as part of a rebranding exercise he has been reviewing the College logo. The Committee requested that the logo is discussed with focus groups of current students.

PM to conduct focus groups re: logo.

### **7.2 Hutt & Co**

The Principal explained that Hutt & Co. have visited the College and suggested that the College employ a fundraising manager.

However, John suggested that the College does not pursue this but engages more with alumni in various projects, such as creating an alumni newsletter and holding tours and visits of the College. In response to a question from governors, John confirmed that the College

JR to feed back to Hutt & Co.

hoped to be able to commit to this from September 2017.

The Committee noted that succession planning for the CareerReady programme is a serious issue that needs to be considered by the College.

### **7.3 Woodhouse Trading Company Ltd**

The Committee was informed of the progress that has been made in setting up the Woodhouse Trading Company Ltd (WHTC).

The Committee was then asked to consider ‘ownership’ of the facilities that WHTC would be letting and agreed that there is no need to transfer the ownership of the 3G pitch. However the Committee agreed that a service level agreement between the College and WHTC should be drafted.

The Committee also recommended that all income and costs incurred by WHTC are included in the College management accounts.

To incorporate WHTC, Companies House would not accept Woodhouse College being shown as the parent as it had no incorporation number. To expedite matters Ian Phillips volunteered to be the nominee shareholder for Woodhouse College, so that he will be shown as the sole shareholder on the register of lenders. For the avoidance of doubt Woodhouse College has full ownership of this company.

Ian Phillips completed and signed a stock transfer form confirming that he was a nominee for the College and that the shares were transferred into the name of the College.

In case this was not acceptable, Ian Phillips has also signed a stock transfer form, which demonstrates that he is a nominee shareholder and this can be completed at any time with a new nominee.

## **8. Risk Management**

The Committee reviewed the risks for which it had responsibility and was satisfied with the explanations given.

## **9. AOB**

The Committee was presented with the asbestos management plan, but requested that a number of minor amendments be made prior to this being signed by the Chair of Governors.

The Committee reviewed the Maple Group benchmarking data (2015/16) noting how Woodhouse compares financially to other institutions in this group. Carol Kirkland is due to attend a meeting to discuss this data with the rest of the Maple Group and will share any new information with the Committee.

## **10. Dates of Next Meetings**

CK to amend and IP to sign.

20<sup>th</sup> March 2017  
24<sup>th</sup> April 2017  
26<sup>th</sup> June 2017  
10<sup>th</sup> July 2017

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Finance & Operations Committee\*  
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The meeting concluded at 9:14pm