



Finance & Operations Committee

Monday 27th November 2017

Minutes

Present:

Governors:

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

In Attendance:

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

Minute	Action, Decision or Recommendation	D/R
5.1	To convene a meeting to discuss pensions, including advice from an external speaker. John Rubinstein to speak to members of the Maple Group and other academies in Barnet to see if other institutions have investigated alternative pension arrangements.	A
5.2	Kit Grandison to circulate the management accounts to the Committee, amending the errors and consolidating them with the Woodhouse College Trading Company accounts.	A
5.3	Internal auditors to review VAT situation if the College was to recharge Woodhouse College Trading Company	A
5.4	To move to another bank with high credit rating to generate at least £10k of interest by doing so.	D/A
8.1	To contribute £82k as part of the Wolfson bid for an additional laboratory and classroom.	D
8.1	To relocate the Millennium learning zone to the ground floor of the Hockman Building at a cost of no more than £2k.	D
8.1	To submit a bid to the CIF for the replacement of the roof and addition of skylights at a cost £243k with the College contributing £20k of this	D
8.1	Carol Kirkland to present an assessment of the cost and payback of solar panels at the next meeting of the Committee.	A
8.1	To submit a separate bid to the CIF for a new tannoy system with the College contributing £5k.	D
8.3	<i>Confidential Action</i>	A
9.	Governors recommended that the College check the legality of the occasional day to ensure that part-time staff are not being excluded.	A
10.	Carol Kirkland to amend the lockdown policy and present at the next meeting of the Audit Committee for approval.	A

1. Governance

1.1 Apologies for Absence

Kit Grandison.

1.2 Declaration of Interest

None.

2. Minutes of the Previous Meeting

The minutes of the meeting of 25th September 2017 were approved and signed by the Chair.

3. Matters Arising

None.

4. Marketing the College

Peter Murphy informed the Committee that at present much of his time is focused on the College open days and governors were presented with a copy of the new prospectus.

In response to a question from governors, John Rubinstein informed the Committee that around 4,000 prospectuses were taken during the College open days. Governors requested that the College monitor the number of visitors at open days and social media interaction, comparing these to figures from previous years.

In response to another question from governors, John informed the Committee that the application process has begun and the College has received more applications than this time last year.

Peter explained that he is currently sharing student interviews over social media to give a flavour of life at the College.

5. Finance Report

5.1 Year-End Accounts 2016-17

In the absence of Kit Grandison, John Rubinstein presented the year-end accounts, which included a number of amendments that were discussed at the last Board meeting.

John informed the Board that the final operating deficit was £139k, mainly due to the additional £91k for pension liability.

The Chair drew attention to the depreciation figure of £636k and explained that when added back to the operating deficit of £139k resulting in the College's EBITDA of just under £500k. Capital expenditure slightly exceeded the KPI of 80% of EBITDA but this was acceptable to the Committee.

The Committee requested that a specific meeting on pensions take

place, with advice from an external speaker. It was also agreed that as this is a priority for the College, a pension working party might need to be convened. It was agreed to speak to members of the Maple Group and other academies in Barnet to see if other institutions have investigated alternative pension arrangements.

To convene a meeting on pensions.

5.2 Management Accounts 2017-18

John Rubinstein presented the management accounts for the first 3 months of the financial year explaining that the operating surplus is £467k, which is £81k higher than expected.

In response to a question from governors, Carol Kirkland explained that lettings are on target for the year. Governors requested that in future the accounts of the College and the Woodhouse College Trading Company are consolidated.

John informed the Committee that the student contributions have been profiled in error and the overall income received is around £62k.

The Committee was pleased to note that the College's *current cash at bank* was £2.3m.

It was agreed that the College Accountant would circulate the management accounts to the Committee, amending the errors and consolidating them with the Woodhouse College Trading Company accounts. These would then be approved electronically prior to being presented at Board.

KG to amend and circulate.

5.3 VAT

As requested by the Committee at its last meeting, John Rubinstein informed governors that the College's VAT for the year was around £186k (£114k revenue expenditure and £72k capital expenditure). John confirmed that this is below average for the sixth form sector.

It was agreed that the internal auditors should review whether VAT should be charged if the College was to recharge Woodhouse College Trading Company

Add to next audit meeting.

5.4 Investment Opportunities

Carol Kirkland presented a paper outlining potential investment opportunities for the College. Carol also informed the Committee that there are no regulations laid down by the ESFA regarding where a College can deposit money. However the College would have to amend a number of internal documents including the treasury management policy and financial regulations.

Noting that the College was not satisfied with the service currently being received from Natwest, the Committee tasked the Senior Leadership Team to move to another bank of sufficient creditworthiness to generate at least £10k of interest by doing so.

6. Personnel Report

Ian Hooper updated the Committee on his report explaining that the College did not receive many applications for the post of Advanced Skills Teacher but this is likely to be due to the time of year. The Committee also was informed that the External Relations & Alumni Manager has resigned.

In response to a question from governors, Ian explained that the teachers' union continues to demand a 2% pay increase, whereas the unions for support staff look to be settling on a 1% increase. The Committee was reminded that the College has budgeted for a 1% pay increase for all staff.

7. Woodhouse College Trading Company

The Committee was informed that a meeting of the Woodhouse College Trading Company Board took place last week and there was nothing further to report.

8. Premises Report

8.1 Premises Update

Governors were informed that there are 5 projects that the Committee needed to consider.

1. The College was successful in its Wolfson bid last summer for an additional laboratory and classroom. The Committee agreed that this bid should go ahead, as it would dramatically improve science, and approved the College's contribution of £82k.

2. Having obtained details of the various options for the relocation of the Learning Zone from the Millennium building from John & Carol, Clive Hazlehurst had visited the College with Carol and then again to assess the options. He summarised his findings, which based only on the existing space per Millennium Learning Zone workstation and the information provided (but excluding any other development work thought desirable), suggested that relocation to the 2nd floor of the North Wing when taken with the Learning Zone spaces remaining in the Millennium building would yield a similar number of Learning Zone workstations as at present. Given the relatively small capital budget associated with this scheme and apparently no revenue consequences or other risks, his recommendation was to proceed with this option.

In response to a question from governors, John Rubinstein confirmed that learning zones within the College are well used and often at capacity. After some discussion it was agreed to relocate the Millennium learning zone to the ground floor of the Hockman Building, removing the dividing wall between rooms 206 and 207. The Committee noted that this would be an almost zero-cost option as the only work would be the addition of a window at no more than £2k.

The loss of the dance studio to Learning Zone space would result in a loss to lettings revenue of £18k per annum, which was unlikely to be

recoverable due to hirers finding alternative venues.

3. The Committee then considered the first of two of its Condition Improvement Fund (CIF) bids. The replacement of the roof and addition of skylights have been quoted at a cost of £243k with the College contributing £20k of this. Carol informed the Committee that Surveyors to Education, who have a history of writing successful bids for the CIF, are drafting the bid for this project. The governors agreed that this work is a priority for the College and, if unsuccessful in its bid, the Committee would consider self-funding this next year. In response to a question from governors, Carol explained that solar panels would be considered for this project once agreed. Governors requested that an assessment of the cost and payback of solar panels is added to the agenda of the next meeting.

Action

4. The Committee then discussed upgrading the fire system (£52k) or implementing a tannoy system (£51k), which would be used in the event of a lockdown. After a lengthy discussion the Committee agreed to submit a separate bid to the CIF for a new tannoy system with the College contributing £5k. However the governors requested that the submission of a second bid should not impact the CIF bid for the roof.

5. Finally, the Committee considered the submission of a bid to the Mayor of London FE/SFC Capital Expenditure Fund for retractable seating in the hall and agreed to discuss this once the outcome of the bid is known.

In response to a question from governors, Carol informed the Committee that the fire doors within the College do meet the required standards but could do with replacing at some point.

The Committee considered the capital expenditure noting that the approval of these projects still ensured that the College met its KPIs of Capex not exceeding 80% of EBITDA.

8.2 Confidential Item

Confidential Item.

9. Risk Management

The Committee reviewed the risks for which it had responsibility and were satisfied with the explanations given. In particular under *shortage in recruitment of high calibre staff*, John informed the Committee that the College receives a good number of applications when posts are advertised at the right time but this is often difficult when a member of staff leaves in-year.

The College is aware of the current pressures on staff and is looking to improve morale through little gestures such as the occasional day this week for staff to carry out their Christmas shopping. Governors recommended that the College check the legality of this to ensure that part-time staff were not being excluded.

10. AOB

The Committee requested that the lockdown policy is amended to link in with current practice at the College and is taken to the Audit Committee for approval.

Amend lockdown policy and Audit to approve.

The Committee reviewed the ESFA finance dashboard and benchmarking data.

11. Dates of Next Meetings

11 th December 2017	BOARD
8 th January 2018	Annual Strategy & Training Event
5 th March 2018	Finance & Operations Committee
19 th March 2018	BOARD
25 th June 2018	Finance & Operations Committee
9 th July 2018	BOARD

The meeting concluded at 8:38pm