



## Finance & Operations Committee

**Monday 25<sup>th</sup> November 2019**

### Minutes

**Present:**

**Governors:**

Aisha Adesanya  
Pamela Chowdhury  
Delia Goldring  
Peter Green  
Adrian Marrocco (Chair)  
James Marshall (via phone)  
John Rubinstein

**In Attendance:**

Ian Hooper  
Carol Kirkland  
Claire Mugridge  
Beth Yap

1.	Governance
2.	Minutes of the Previous Meeting
3.	Matters Arising
4.	Finance Report
5.	Woodhouse Trading Company
6.	Change to Bank Mandate
7.	Risk Management
8.	Personnel Report
9.	Premises Report
10.	Marketing Report / Fundraising
11.	AOB
12.	Dates of Next Meetings

Minute	Action, Decision or Recommendation	A/D/R
4.1	Quality & Standards Committee to obtain feedback from students with additional needs on their experience at Woodhouse.	A
4.1	To recommend the management accounts for the first three months of the financial year to the Board for approval.	R
4.2	Claire Mugridge to circulate list of 2019/20 capital expenditure (analysed to show spent/committed/budgeted) to the Committee prior to its next meeting.	A
6.	To approve the College's bank mandate and list of authorised signatories.	D
9.3	The Finance & Operations Committee to be regularly informed of when a services contract (over £5k) is up for renewal to ensure value for money.	A
9.3	The Finance & Operations Committee to review College supplier service contracts annually.	A
9.3	'Tendering' to be added to the College's 2019-20 internal audit plan.	A
11.	ESFA financial dashboard to be shared with the Board.	A
11.	Clerk to confirm whether the College has a charity number.	A

**1. Governance**

**1.1 Apologies for Absence**

Lucy Harrison.

**1.2 Declaration of Interest**

None.

**2. Minutes of the Previous Meeting**

**2.1** The minutes of the meeting of 23<sup>rd</sup> September 2019 were approved and

would be signed by the Chair.

- 2.2 As part of the minutes was deemed to be confidential, these would be removed prior to the minutes being uploaded to the College website.

### 3. Matters Arising

4.1 Claire Mugridge had forwarded the actuarial report to the Committee.

11. Peter Green confirmed that he has discussed Woodhouse's position with the North Finchley developers and there are no plans to hold any further conversations regarding this project.

### 4. Finance Report

#### 4.1 Management Accounts

Claire Mugridge presented the management accounts for the first three months of the financial year.

Claire informed the Committee that the projected income does not include additional funding for students with Educational Healthcare Plans (EHCPs).

**In response to a question from governors**, Claire confirmed that the College could receive as much as £70k of funding for these 5 students from Barnet and Enfield local authorities, which would cover the additional staffing costs.

The Committee requested that Quality & Standards Committee obtain feedback from students with additional needs on their experience at Woodhouse.

Action

Noting the increase of £57k in staff costs and **in response to a question from governors**, Claire confirmed that the College is not aware of the number of new students with EHCPs when setting the budget meaning that staff costs relating to these students were not included.

**In response to a question from governors**, John explained that the national staff pay increase has not yet been agreed but the budget includes provision for a 2% increase.

Claire then drew attention to the cash flow, which shows a cash balance currently at £3.1m and reminded the Committee that the lowest cash balance is expected in March 2020 (£1.7m).

The Committee agreed to recommend the management accounts for the first three months of the year to the Board for approval.

Decision

#### 4.2 Year End KPIs

The Committee discussed in detail the financial KPIs, noting that capital expenditure as a percentage of EBITDA is projected to be 127% against a target of 80%.

**In response to some concern expressed by governors,** Claire explained that this figure is somewhat inflated as the College is still expecting income relating to EHCPs.

**In response to a question from governors,** Claire explained that this capital expenditure includes the rolling cycle of IT improvements (£80k), furniture (£25k), renovations to the Caretaker's cottage (£40k), campus improvements for students with additional needs (£60k) and the capital-rolling programme (£80k). However, Claire confirmed that the College will not be conducting the work on the Caretakers cottage and there is still £80k left from the Government's 'little extras' grant to contribute towards the rest of the work.

The Committee noted that, as the majority of the work is conducted during the summer break, there was a large amount of work in progress at the year end (£45k) and was reminded that the College underspent on capital work last year.

The Committee agreed that it was sensitive to the needs of the College and that there is a certain level of expenditure that is required to maintain the campus. **However, the Committee re-enforced** the importance of the financial KPIs **and requested** that an updated analysis of planned capital expenditure is circulated to the Committee prior to its next meeting. The Committee would then further review the achievability of the Capex / EBITDA KPI.

Action

## 5. **Woodhouse Trading Company**

Claire Mugridge confirmed that the Woodhouse Trading Company has recently had a Board meeting and members were pleased to note that income is on track at £72k.

The Committee was informed that the 3G pitch had recently passed its FIFA inspection. This inspection is included in the College's contract with the Football Association and conducted every 4 years at a cost of £1200.

## 6. **Change of Bank Mandate**

Claire Mugridge reminded the Committee that there have been some changes to the College Senior Leadership Team and because of this the College needs to amend its bank mandate.

Therefore, the Committee agreed the College signatories as John Rubinstein, Ian Hooper, Carol Kirkland, Peter Thompson and Lubna Hussain, noting the removal of Becky Sharp.

Decision

**In response to a question from governors,** Claire confirmed that two signatories are required for any cost over £100 and this also applied to internet purchases.

## 7. **Risk Management**

John Rubinstein presented the risk management plan, informing the Committee that funding has been announced that could result in an additional £500k for the College. However, this would not be confirmed until February 2020. The timing of this funding means that it could not be used to recruit until later in the year, meaning that the College may see a shortage in high calibre candidates.

Noting the risk around 'the loss of staff morale', John confirmed that, due to the vote of NEU members not reaching the national threshold, the College would not see industrial action this year. John also informed the Committee that Peter Green would be talking with staff at a special meeting in a few days' time, and this would give him the chance to assess morale first hand.

John reminded the Committee that the budget is very tight this year and that the new Assistant Principal is eager to make changes to improve the Additional Learning Support (ALS) provision. **In response to a question from governors**, John explained that currently there are 2 members in the ALS team but no admin support.

**In response to a question from governors**, John explained that there has also been some feedback from students and parents that ALS at the College requires improvement. John reminded the Committee that, for the first time in several years, the College also has a number of students with additional needs, which has increased the workload of this team further.

The Committee noted that there have been no incidents of fraud.

## **8. Personnel Report**

Ian Hooper presented the personnel report, highlighting that the Assistant Principal of Business Operations has reduced her working week to 4 days a week and part of her work is currently being reallocated.

John Rubinstein informed the Committee that there is a national Unison case against local authorities relating to the way leave is calculated for term time only support staff. The College's HR department is taking advice from the SFCA to ensure that its contracts are fit for purpose, as these were originally drafted by the London Borough of Barnet. John informed the Committee that, if this case were to succeed, this could mean a bill of several hundred thousand pounds for the College.

## **9. Premises Report**

### **9.1 Condition Improvement Fund (CIF)**

Carol Kirkland informed the Committee that new documentation relating to the CIF has been released, which outlines the bid grading criteria. Carol explained that points will be deducted from institutions who submit untimely reports, have a record of financial instability and have more than 2 members of staff with salaries over £100k. Carol confirmed that none of these criteria affects the College.

Carol informed the Committee that an institution receives the maximum number of points if it contributes 15% of the total cost of the bid. This

is a positive for the College, who in previous years had contributed up to 50%.

Carol reminded the Committee that the College would be submitting the same bids as last year for new boilers (£27.5k) and improved fire safety equipment (£148k). Carol confirmed that she would be meeting with the contractors to see where these bids could be improved from last year.

**In response to a question from governors**, Carol confirmed that the College currently meets all minimum requirements around fire safety and this bid is for an improved alarm system.

## 9.2 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 (£54k), as agreed at the October Board meeting and the College will hear the result of this in the spring.

**In response to a question from governors**, Carol confirmed that the £7k spend on the Finches was for new shutters, as a result of a second break in.

## 9.3 Contract Management

The Committee was presented with an overview of all current premises and utility contracts. **In response to a question from governors**, Carol Kirkland confirmed that two quotes are required for any contract over £5k and a full tendering process for contracts over £75k.

After some discussion it was agreed that governors are regularly informed of when a contract (over £5k) is up for renewal to ensure value for money. It was also agreed that the Finance & Operations Committee should review an overview of all College supplier service contracts annually.

Action

Action

The Committee discussed the College's current facilities management contract with EFM. **In response to a question from governors**, Carol confirmed that the College pays an annual fee of £18k and receives a high level of service including assistance with writing CIF bids, 24/7 coverage, the tendering of contracts, access to a help desk and visits to the College.

The **Committee requested** that 'tendering' is added to the College's internal audit this year.

Action

## 10. Marketing Report & Fundraising Update

John Rubinstein drew attention to the marketing report and presented the latest College prospectus and accompanying documents. The Committee passed on its thanks to Peter Murphy for the quality of the marketing documents.

The Committee discussed the College open day that took place on 9<sup>th</sup> November 2019 and was pleased to note that 3,900 prospectuses were given

out, a 12% increase on last year.

**11. AOB**

The Committee was presented with the ESFA financial dashboard, agreeing that this is a useful tool for governors and requested that it is shared with the Board.

Action

The Committee reviewed the dashboard in detail noting that staff costs as a percentage of income is 77% compared to 73% nationally but agreed that the College's salaries include London weighting.

**In response to a question from governors,** Carol confirmed that the College has been unable to get a reduction in council tax for the vacant Caretaker's Cottage. It was agreed for the Clerk to confirm whether the College has a charity number as this would help further the request for a council tax reduction with the council.

Action

**12. Dates of Next Meetings**

9 <sup>th</sup> December 2019	BOARD
20 <sup>th</sup> January 2020	Annual Strategy & Training Event
9 <sup>th</sup> March 2020	Finance & Operations Committee
23 <sup>rd</sup> March 2020	BOARD
15 <sup>th</sup> June 2020	Finance & Operations Committee
6 <sup>th</sup> July 2020	BOARD