

Finance & Operations Committee

Monday 21st September 2020

Minutes

Present:

Governors:

Aisha Adesanya
Delia Goldring
Peter Green
Lucy Harrison
Adrian Marrocco (Chair)
James Marshall
John Rubinstein
John Rubinstein
Ian Hooper
Claire Mugridge
Beth Yap

In Attendance:

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

Minute	Decision or Recommendation	D/R
4.1	Claire Mugridge to confirm whether a discussion on pension liability should take place at the Audit or Finance & Operations Committee.	A
4.1	To recommend the 2019-20 end of year accounts to the Board for approval.	R
4.4	Actual spend-to-date to be included in the capital spreadsheet.	A
6.	A reminder on phishing emails to be sent to staff.	A
6.	To elevate the residual risks around fraud and the inability to stick to budget on the risk management plan.	A
7.	Equality data to be included in the recruitment section of the personnel report.	A

1. Governance

1.1 Apologies for Absence

Pamela Chowdhury is on maternity leave.

1.2 Declaration of Interest

None.

2. Minutes of the Previous Meeting

2.1 The minutes of the meeting of 15th June 2020 were approved and would be signed by the Chair.

2.2 As no minute was deemed to be confidential, these would be uploaded to the College website in their entirety.

3. Matters Arising

6. John Rubinstein confirmed that he had written to all potential students asking for confirmation of whether they still wished to attend the College.
- 8.3 **In response to a question from governors**, Claire Mugridge confirmed that the leak caused by a split water cooler has now been repaired. Claire also confirmed that this should not impact the College finances as an insurance claim will be made.
10. The Clerk confirmed that she had received suggestions from governors of how data should be presented at future meetings and is working with the College Accountant to incorporate these changes.

4. Finance Report

4.1 Year-End Accounts 2019-20

Claire Mugridge presented the year end accounts for 2019-20, highlighting that EBITDA for the year is £303k, which was £97k higher than budget.

The Committee noted that student contributions were £20k higher than expected due to students donating their book deposits and the release of unclaimed book deposits from 2017. Claire also explained that, under staffing costs, the cost of holiday accrual was £31k, lower than the budgeted figure of £50k.

Claire informed the Committee that these accounts are finalised with the exception of examination costs, for which the College is expecting a 20% refund.

The Committee then considered the FRS102 (pension costs) report, noting that the overall pension liability has increased from £2.7m to £3.3m.

In response to a question from governors, Claire confirmed that this is based on a number of external factors, such as interest rates and stock market returns, and there is nothing the College could do to reduce these costs. Claire confirmed that many colleges have seen even larger increases in their pension liability this year.

It was agreed that a thorough discussion on pension liability should take place and Claire would confirm whether this should happen at the Audit or Finance & Operations Committee.

The Committee then considered the cash flow noting the impact of the CIF projects. However, Claire reminded the Committee that, whilst the projects are costed at around £500k, the College contribution for this work is only £70k.

Therefore, the Committee recommended the 2019-20 end of year accounts to the Board for approval.

Action

Recommendation

4.2 Year End KPIs

The Committee considered the financial KPIs, noting in particular that the College is on the cusp of being scored 'financially outstanding' and this could be achieved once the examination refund has been received.

The Committee noted that the College had met the majority of its financial KPIs in 2019-20.

4.3 Management Accounts 2020-21

Due to the College being in month two of the financial year, a verbal update of the management accounts was given. Claire Mugridge confirmed that student numbers are looking strong, which will positively impact funding in 2021-22.

In response to a question from governors, John Rubinstein confirmed that, even though student numbers continue to fluctuate daily, this year has been more stable than previous years.

Despite it being very early in the financial year, Claire confirmed that the College continues to incur costs as a result of Covid-19 and the purchasing of sanitisers, visors and wipes.

In response to a question from governors, John confirmed that the College is aware that free travel for young people is due to stop in October. However, the College is waiting to receive further guidance on this but has already ensured that there is provision for bursary students in the budget.

4.4 Capital Update

The Committee then considered a report detailing the capital works that are currently taking place and Claire explained that the repair on the hall floor began last year but was stopped due to Covid-19. Therefore, this work will be completed this year.

The Committee noted that both CIF projects (nine new boilers and a new fire safety system) have been completed and will be signed off this week. However, the College is now considering phase 2 of both of these projects.

The Committee noted the £100k for IT projects included the updating of laptops and purchasing of additional Smart Boards.

Claire explained that the College is looking to increase its outdoor social space to improve social distancing and has received a quote of £30k for an outdoor canopy to be used in poor weather.

In response to a question from governors, Claire confirmed that the issue with the leak in the sports hall is ongoing. Quotes for a repair are being obtained and that the College is also considering looking at making the roof 'man safe' with the installation of railings and barriers in the longer term.

It was agreed that actual spend-to-date should be included in the capital spreadsheet.

Action

5. **Woodhouse Trading Company**

Claire Mugridge informed the Committee that over the summer the College had some trial lets with Tottenham Hotspur Football Club. Following this, the 3G pitch is now open to existing hires. The College is only allowing outdoor lets at present but is considering indoor lets as long as there is enough time for adequate cleaning.

The Committee noted that, up until the College's closure in March 2020, £174k of lettings income had been received and the trading company would be donating £157k back to the College.

6. **Risk Management**

John Rubinstein presented the risk management plan, informing the Committee that the pandemic risk management plan has now been merged with the College's main risk management plan.

Noting the potential risk of a shortage in high calibre staff, John confirmed that the College recruited a number of teachers during lockdown, with interviews and imitation lessons taking place via Microsoft Teams. The Committee was reminded that, whilst it cannot compete with inner London salaries, the College continues to be an appealing place to work.

The Committee discussed staff morale and John confirmed that the main concern for staff is Covid-19. The College has implemented a number of changes, such as a timetable which features longer lessons (either the whole morning or afternoon), meaning that there are less students in College and no free periods. This change has made the College a calm, peaceful and purposeful place. However, John confirmed that these measures will continue to be reviewed as the number of cases increases and the College will continue to listen to staff concerns.

The Committee was informed of an attempted fraud that took place during lockdown where the College received an email, supposedly from a College supplier, confirming that their bank details had changed. A payment was made to this supplier (£39k for the new CCTV system) but this was queried and stopped by the bank as the name on the account did not match the supplier name.

In response to a question from governors, Claire confirmed that members of the finance team had now undertaken fraud training provided by the bank. It was agreed that a reminder on phishing emails should be sent to staff.

Action

Noting that there had been a network failure at the beginning of term, the **Committee questioned** whether this was linked to the attempted fraud. John confirmed that there was no link but explained that the College is looking to increase the architecture mapping of the system and ensure that there are several members of staff that can be called upon to resolve network issues.

It was agreed that the residual risks around fraud and the inability to stick to budget should be elevated in the next version of the risk management plan.

Action

7. Personnel Report

Ian Hooper presented the personnel report, informing the Committee that the College currently has 10 members of staff self-isolating but there have been no positive tests for staff or students. Ian confirmed that staff have been able to work and teach from home when self-isolating.

The Committee noted the new appointments that have been made this term and requested that equality data is included in the recruitment section of the personnel report.

Action

In response to a question from governors, Ian confirmed that the College is not currently concerned about the number of staff sick days, as these figures are skewed by two members of staff who are on long term sick leave.

In response to another question from governors, Ian confirmed that the number of sick days does not include self-isolation, which is being recorded separately.

8. Marketing Report & Fundraising Update

John Rubinstein presented the marketing report, highlighting that communications with students and parents were well managed during the lockdown and the College received positive feedback as a result of this.

Under marketing, the College circulated a number of videos to potential students showing what life is like at the College. In addition to this, new students were issued with a significant amount of work to complete during the summer break, to catch up on missed learning time as well as to make a commitment to the College.

John explained that results day was difficult for the College, with 48% of its grades being downgraded during the moderation process. In addition to this, when the government did a U-turn and allowed the use of Centre Assessment Grades, anger was then directed towards the College. However, these results were the highest the College has achieved in ten years.

The College is now planning a virtual open day, with a series of videos and an interactive map.

9. AOB

None.

10. Dates of Next Meetings

23rd November 2020 Finance & Operations Committee

Meeting closed at 7:05pm