



## Finance & Operations Committee

Monday 26<sup>th</sup> June 2017

### Minutes

**Present:**

**Governors:**

Delia Goldring  
Fenton Higgins  
Peter Murphy  
Ian Phillips  
John Rubinstein

**In Attendance:**

Carol Kirkland  
Beth Yap

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

<i>Minute</i>	<i>Decision or Recommendation</i>	<i>D/R</i>
5.1	<i>The Committee agreed to recommend the management accounts for the first nine months to the Board for approval.</i>	R
5.2	<i>To recommend the draft budget for approval noting a predicted surplus of £2.5k (not including the 50k for the Alumni &amp; External Relationships Manager resulting in a £45k cash surplus after capital expenditure).</i>	R

**1. Governance**

**1.1 Apologies for Absence**

Peter Green and Clive Hazlehurst.

**1.2 Declaration of Interest**

None.

**2. Minutes of the Previous Meeting**

**2.1** The minutes of the meeting of 6th March 2017 were approved and would be signed by the Chair.

BY to ensure mins signed.

**2.2** As minutes 4.1 and 5.0 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**

**4.1** It was agreed that apprenticeships and the associated costs should be discussed at the next meeting of the Committee.

Apprenticeships to be added to next meeting.

**6.2** Regarding the Finches, the Principal informed the Committee that the contracts between BEAT and the College have now been signed and the

BY to add to F&O agenda annually.

partnership is working well. It was agreed that the Committee should be updated annually on the Finches and the length left on the lease.

#### 4. Marketing the College

Peter Murphy presented the Committee with the College's merchandise for leavers, which included t-shirts, mugs and oyster-card holders.

Peter also explained that the College is currently trialling 'mail chimp' HTML email system to invite prospective students to College events. The most recent email had a 66% 'engagement' rate.

In response to a question from governors, Peter explained that he is still looking at redesigning the College logo but not in the immediate future.

Social media continues to be relatively popular within the College and there are plans for students to run the College Snapchat account and provide content for other social media during events such as open days.

#### 5. Finance Report

##### 5.1 Management Accounts 2016-17

John Rubinstein presented the management accounts for the first nine months of the financial year reminding the Committee that the College is still without a permanent accountant.

John informed the Committee that the College is predicting an operating deficit of £36k, compared to £122k reported at the last meeting.

John reminded the Committee that this is £40k less than budgeted at the beginning of the year and explained a number of principal factors including fewer parent contributions. It was agreed that the Principal should write to parents of the upper sixth students to request a second contribution.

However, the Committee was pleased to note that lettings income will be £43k higher than anticipated.

The Committee noted that the Woodhouse Trading Company started trading from 1<sup>st</sup> March 2017 and will have a longer first year of trade to align with the College's financial year. It was agreed that Fenton Higgins would discuss the VAT thresholds directly with the Principal and Director of Business Operations outside of the meeting. The Committee also requested that the Principal discuss whether there is common practice for dealing with VAT at the Maple Group.

John also explained that expenditure is very close to budget with a variance of 0.7%, due to areas such as curriculum costs, administration and premises being under budget.

The Committee requested that the 3G pitch bank deposit account (ring

JR to request second contribution in September.

FH to discuss VAT and trading.

JR to discuss with Maple Group.

College Accountant to amend.

fenced funds for 3G pitch) should appear on the balance sheet.

Governors requested that *balance carried forward* in the management accounts mirrors the *cash at bank* in the balance sheet.

College Accountant  
to confirm.

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

## 5.2 **Draft Budget 2017-18**

The Principal presented the draft budget for the next financial year, reminding the Committee that this includes a number of assumptions such as an enrolment of 1440 students and a staff pay award of 1%.

The funding allocation from the ESFA is based on lagged funding for 1385 students and represents an increase of over £300k on last year's funding. However free-school meals income continues to decline in line with the take-up of students.

John informed the Committee that the College is currently in the process of recruiting an Alumni & External Relationship Manager using the £50k that was set aside for this post last year from reserves although it will be accounted for as a cost in the 2017 – 18 accounts.

John went on to explain that the College is anticipating an increase in operating costs of 3.47%. Overall staff costs represent 73% of the budgeted expenditure, similar to last year.

The Committee noted that the College is taking on no additional net teachers this year but is planning to increase its support staff by 3.5 full time posts. This was discussed in greater detail under the personnel report.

The Committee requested that 'temporary staff' is changed to 'agency staff' and was informed that the College is not planning to put a large amount of funds aside for this.

Finally, the Committee noted the planned capital expenditure for the next academic year, which totals £384k and includes IT, buildings, furniture and books.

However, the Committee noted that, including deferred grants and the CIF income, the depreciation figure is actually £480k but the College will only be spending £384k. This means that the College's cash flow will increase by £95k by the end of 2017-18.

Therefore the Committee approved the budget noting a predicted surplus of £2.5k (£95k cash surplus after capital expenditure less £50k for the Alumni & External Relationships Manager ).

There was little contingency built into the costs but the Committee agreed that the College's aim should be no worse than cash-neutral by the end of the financial year. This situation is temporary as the income of the college will improve in 2018–19 due to increase in numbers in

2017–18.

### **5.3 Three-Year Financial Plan**

It was agreed to hold an extraordinary meeting of the Finance & Premises Committee ahead of the Board meeting on 10<sup>th</sup> July to consider the three-year financial plan.

BY to add additional meeting.

### **5.4 Treasury Management Policy**

As requested by the Audit Committee, governors considered the Treasury Management Policy and requested that a number of amendments be made before sending to the Chair of Governors and approving at the October meeting.

CK to send to IP. BY to add to agenda.

## **6. Personnel Report**

Ian Hooper presented the personnel report explaining that the number of support staff would increase from 32.4 to 35.3 FTE, as the reduction in support staff over the past few years has left the College somewhat stretched.

The Committee noted that two members of staff have taken voluntary redundancy and two were asked to leave during their probationary periods. Noting the number staff that have left the College this year, the Committee questioned whether there was any cause for concern or common themes. The Principal confirmed that many staff left due to personal reasons or a career change but there is no reason for alarm.

## **7. Premises Report**

### **7.1 Security Risk Assessment**

The College has recently undergone a security risk assessment by an independent consultant and has considered its recommendations. It was agreed that this should be considered at the next meeting of Audit Committee.

BY to add to audit agenda

### **7.2 Other Premises**

The Committee was pleased to note that the College was successful in its Wolfson bid (£55k) to build a new laboratory and increase the size of a computer room. The Principal confirmed that the College would prepare the finer details of the bid to discuss at the next meeting of the Committee.

CK to prepare information for Wolfson bid

The first tranche of money has been received from the CIF for the replacement of the power board and the overall cost has come in £6k under budget (£139k).

Finally the Committee discussed potential future projects, which included a mezzanine floor in the library and a demountable hut in place of the old art block.

Accommodation strategy to be considered once a year by F&O.

## **8. Woodhouse College Trading Company Ltd**

The Committee considered the minutes from the Woodhouse College Trading

Company Ltd noting that the lettings prices for the next academic year were reviewed and approved. The Committee agreed that the lettings prices do fall under the remit of the company but requested that governors are kept up to date of changes.

CK/BY to circulate lettings prices.

The Committee requested that a definition of the profit is recorded along with how the company will calculate this.

CK/JR to include in ToRs.

**9. Risk Management**

The Committee reviewed the risks for which it had responsibility and was satisfied with the explanations given. The Committee noted that the College has received a pleasing response to recent job adverts.

**10. AOB**

None.

**11. Dates of Next Meetings**

10<sup>th</sup> July 2017

BOARD

The meeting concluded at 8:40pm