Working Men's College Corporation, Board 10 July 2024, Crowndale Rd. Minutes (approved by Chair for website).

	Appointed Governors			Attendance
1	Susan	Corby		Y
2	Joanna	Davidson		Y
3	Fran	Fahey		Y
	Neil	Garner		resignation
4	June	Jarrett		Y
x	Samata	Khatoon		resignation
5	Ben	Lonsdale		Y
6	Lukas	Mandangu		Y
7	Tom	Robins		Y
8	Alice	Rubbra		Y
9	Jon	Sibson		Y
10	Max	Silver		Y
	Nominated Governors			
	Dipa	Ganguli	Principal	Y
	Staff Governors			
	Amanda	Blinkhorn		Y
	Monica	Kinasiewicz		Y
	Student Governors			
	Peter	Knowland		Y
	Officers Attending			
	Diana	Teesdale	Deputy Principal	Y
	Korede	Obasaju	Vice Principal	Y
	Bill	Barker	Clerk	Y

1	**Chair's welcome** Joanna Davidson (JD, Chair of Board) welcomed everyone to the meeting.		
2	**Governance:** Apologies: none Declarations of Interest: none from appointed governors. Bill Barker (BB, Clerk) advised that employees of the College had an interest in the budget item in so far as it related to pay. Membership: BB advised that Camden Council had not yet nominated a councilor to take the place of Cllr Samata Khatoon, who had resigned to concentrate on her duties as Camden Mayor. BB advised that Neil Garner had resigned from the Board.		
3	**Minutes March 2024.** These were agreed. There were no matters arising that did not form part of the agenda for this meeting. **Minutes June 2024 (special meeting).** These were agreed. There were no matters arising that did not form part of the agenda for this meeting.		
4	**Strategy and Overview** – <u>Chair's Introduction</u> Annual Conversation with DfE and FE Commissioner. JD advised that she and Dipa Ganguli (DG, Principal) had met with a representative from the DfE and a representative from the office of the FE Commissioner. JD was pleased to report that neither party had raised any issues of concern and had welcomed the outcome of the recent Ofsted inspection. – <u>Principal's Report</u> Dipa Ganguli (DG, Principal) advised that the IAL Principals had discussed membership of AoC - specifically vfm with only 7% of grant funding going to adult education. Membership c £3k per annum.		

	The data return requirements associated with the introduction of the Tailored Learning funding stream would enable the providers of adult education to identify more clearly the benefits (learner outcomes) of tailored learning provision. – Strategic Plan and implementation This was now on the website. Governors would consider the implementation plan at the strategy session in September. The College had submitted a bid for AI funding (outcome in December 2024). Enrolment volumes 2023/24 increased to c10,700 Governors welcomed this development expressing the view that the College should take every opportunity to promote its offer and the benefits of participation. Staff survey. DG advised that there had been 71 responses (39% of staff): many of the issues raised in the survey were also raised at the staff forum (minute 7i below): pay, annual leave year and a "common room for staff". The College had made an offer of employment to a marketing manager: this implements the decision to bring marketing back in-house so that the operation could be more responsive to projects and initiatives at a more granular and targeted level. DG reported that following on from a FE crisis summit, FE leaders were asked to consider learner retention and attainment levels and staff progressions and earnings level. The data for WM shows that further work needs to be done to reduce some of the inequalities.		
5	**Finance** <u>Management Accounts April 2024</u> Korede Obasaju (KO, Vice Principal) advised that the presentation was now based on an accruals -rather than cash- basis Accruals and pre-payments. KO advised that pre-payments relating to capital works had been capitalised rather than charged to the income and expenditure account. A corresponding and counter-balancing exercise for accruals would be undertaken before year-end.		

	KO advised that the management accounts would now be based on a simplified profile of income and expenditure - equal twelfths. An exception of ESFA/GLA grant income – to reflect actual monthly payments profile. <u>Management Accounts to April 30, 2024:</u> For the 9 months to April 2024, the financial results show the college has a surplus of £128k compared to the base budget ytd deficit of £179k. KO advised that variances were due to differences in treatment, profiling and inclusion of the in-year gains/losses on the investment portfolio. (in prior years these were not recognised until year end). Gains on investment portfolio as of April 2024, are £363k. These gains are subject to fluctuation in value. The surplus after investment gains for the year to April 2024 is £491k. **Outturn.** KO advised that the College had taken a prudent approach to the outturn estimates - if costs continue in the same trend as the nine months to 30th April 2024, the College may come close to surplus at the year end. Operations; deficit £178k vs £290k budget Investment portfolio: incorporates ytd gain _may change Investment property: not yet re-valued _may change Holiday accrual – possible increase at year-end this year due to change in annual leave period. Any increase would be a one-year exceptional event, and the alignment of the leave year with the College year would reduce the level of year-end accrual from 2024/25. KO advised that Fee income would not achieve the budget assumption. **Budget 2024/25** KO introduced this item:		

	He reminded the Board that the DfE assesses the financial health of the College using three ratios: 1. Earnings Before Interest, Taxation, Depreciation and Amortisation - (EBITDA) as % of Income 2. Adjusted Current Ratio 3. Borrowing as % of Income The greatest weighting was given to the EBITDA score which would reduce for a second year with the effect that although the recommended budget was cash generative (£162k) representing 2.3% of income this resulted in a points score of 20 which continued the 4 year trend of point score reduction. Borrowing as percentage of income and current ratio scores were not changed from 2023/24 to 2024/25. Staff costs would increase by £263k with the full year effect of the 2023/24 increase and the proposed increase from February 2025. Max Silver (MS, Chair of the FPDC) advised that the budget was recommended to the Board by the FPDC. He advised that the budget would generate a deficit of £299k but that it was cash generative (£162). He also advised that the budget would generate a "requires improvement" financial health rating. He welcomed the College's initiatives to generate additional income either by increasing grant income or through the expansion of full cost provision. **The budget 2024/25 as proposed by the FPDC was approved by the Board.** Governors recognised the difficulty of financial planning at a time of flat funding and staff cost increases. They looked forward to the session on Financial Planning and Pathways to Sustainability at the strategy event in September. Governors asked about the future of Multiply provision and funding: DG replied that the provision would continue but that from the end of March 2025 the three-year funding stream would be discontinued. Future discrete funding for this provision had not been announced.		

6	**Estates: Update** KO advised that the outline proposal for summer works had been considered in the spring cycle of meetings. In the time since the end of March the works had been further specified and programmed. These works include: • Fire doors' installation £200k Lifts modification £116k (vs the £80k provisional estimate), and, Re-configuration of the reception area at £80k. The alterations to Deane House would cost c£125k: this expenditure was approved by the Board. The printing and etching facilities will be brought back to Crowndale Rd (room 802). The summary position was that after the works identified for summer 2024 there would remain c£480k to be spent in the summer of 2025 (before March 2026). If grant monies could be allocated to the Deane House works, this sum would reduce to c£350k. **Other Estates Matters:** <u>Mixed Mode Heating and Ventilation.</u> KO advised that the College would undertake an options appraisal on finishing /continuation of the Mixed Mode Heating and Ventilation work that ended in 2022 without satisfactory achievement of the project's anticipated outcomes. <u>House 48 Crowndale Rd.</u> The Board agreed that the works estimated at c60k on the ground floor flat at House 48 were required but that a full condition survey and an energy efficiency survey should be carried out prior to works commencing to ensure best value for money. The HMO licence renewal may also require additional remedial work. <u>Estates Strategy</u> Governors welcomed the opportunity afforded at the strategy session in September to develop an approach to building maintenance, improvements and renovation that would enable a longer term and more systematic approach to expenditure on maintenance and development of the estate.		
7 7i	**Governance 2** <u>Report from Staff Forum</u> Amanda Blinkhorn (AB, teaching staff governor) reported on the recent staff forum. She emphasised that the main concerns were the overall level of pay and the particular position of sessional staff who were at a near full-time quota of hours. She advised that a small number had been in this position for multiple consecutive years.		

	DG advised that the staff forum did not replace formal TU consultative arrangements, but like the staff survey provided a valuable forum for dialogue and exchange of ideas and challenges. **External Board Review** BB advised that the College was required by the DfE to agree with HfL a summary for publication on the website. He advised that he had discussed this with JD and DG who had agreed that the summary should be based on the findings as presented to the Board by HfL. The associated implementation plan (also required by the DfE for the website) would focus on the themes identified in the HfL report, identifying compliance with the AoC's Code of Conduct and progression of the recommendations of the March 2023 Mosaic report as key elements of the implementation. <u>AoC Code of Good Governance 2023</u> BB proposed that the Board adopt this updated code from the AoC. He reminded governors that since 2015 the Corporation had adopted the AoC's Code, and that adoption of the revised Code would represent a continuation of existing practice. BB advised that FE Corporations were required to adopt one of three codes: the AoC Code, the Charities Code or the Company Code. **The Board agreed to adopt the AoC Code of Good Governance 2023 with effect from August 2024.** **Standing Orders (annual review)** These were agreed without amendment. **Dates September – December** 2024 These dates were agreed.		
8	**Committee Minutes**		
	Audit Committee. Tom Robins (TR, Chair of Audit) advised that the Committee had commissioned and overseen a priority programme of works to address the weaknesses identified in an H&S report from the IAS provider, Scrutton Bland. He was pleased to advise that the College had made significant progress in addressing the IAS report's recommendations. In particular he was pleased that the College had undertaken two successful recent precautionary/practice emergency evacuations.		
	CQSC Jon Sibson (JS, Chair of the CQSC) advised that the Funding and Accountability		

	Statement as proposed by the CQSC had been adopted at the Special Meeting of the Board In late June. He drew attention to the report prepared by Judy Hallgarten, Employer Engagement Manager, which identified an impressive range of activities and opportunities delivered and planned for 2024/25.		
	FPDC Max Silver, (MS Chair of the FPDC) advised that much of the business of the Committee had been discussed at earlier stages on the agenda. He added that the College had met with the investment fund managers (Newton, BNY Mellon). He advised that the fund performance was satisfactory and that the risk exposure was acceptable. The College would keep the fund's performance under review but saw no cause to change the current arrangements. Governors noted: • that cash balances were high • that the College had two outstanding long term (20 year) bank loans taken out in 2007/08. • potential advantage to be gained from a more differentiated approach to cash/ treasury management as part of the reserves policy to be developed during 2024/25.		
9	**Review of Risk Register** Governors reviewed the risk register and welcomed the fact that all risks had been addressed by the Board and its Committees. Governors welcomed the opportunity to restructure the risk register to reflect the key elements of the Strategic Plan and to address the risks associated with its implementation.		
10	Next Meetings: Strategy Session: Saturday 21 September Next Planned Board: 11 December		

Joanna Davidson, CBE
September 2024

ESFA Financial Health Grade - WMCollege

	2021/22	2022/23	Budget 2023/24	Budget 2024/25
Adjusted EBITDA	N/A	320,000	245,378	162,620
EBITA ratio (as percentage of Income) - Education specific	5.40%	4.65%	3.55%	2.32%
EBITA ratio (as percentage of Income) - Points score	50	40	30	20
Total borrowing as a percentage of Income	10.71%	7.75%	6.24%	4.71%
Total borrowing as a percentage of Income - Points Score	80	90	90	90
Current Ratio Points Score	40	100	100	100
Financial Health Score	170	230	220	210
Financial Health Grade	Requires Improvement	Good	Requires Improvement	Requires Improvement

FH Rating	Top Score
Inadequate	110
Requires Improvement	170
Good	230
Outstanding	300

EBITDA - Budget 24/25

Surplus/(Deficit)	(224,271)
Adjustment for 3% salary increase	(75,000)
Add back:	
Depreciation	724,891
Interest	21,000
Subtract:	
Amortisation of capital grants	(160,000)
Investment Income	(124,000)
EBITDA	**162,620**

EBITDA - Budget 23/24

Surplus/(Deficit)	(260,325)
Add back:	
Depreciation	729,000
Interest	27,703
Subtract:	
Amortisation of capital grants	(130,000)
Investment Income	(121,000)
EBITDA	**245,378**