

## Finance & Operations Committee

Monday 28<sup>th</sup> February 2022

### Minutes

**Present:** Aisha Adesanya  
Sugra Alibhai  
Peter Green  
Lucy Harrison  
Adrian Marrocco (Chair)  
James Marshall  
Ellie Smith  
Andrew Tebbutt

1.	Governance
2.	Minutes from Previous Meeting
3.	Matters Arising
4.	Finance Report
5.	2022-23 Funding Report
6.	Personnel Report
7.	Any Other Business

**In Attendance:** Ian Hooper  
Claire Mugridge  
Beth Yap

Minute	Decision /Action	D/A
3.1	Treasury and Reserves Policies to be presented to the Committee at a future meeting.	A
4.1	Committee to receive more detail relating to the ICLMS finances, such as a high-level breakdown of the income and expenditure.	A
4.2	Committee to be regularly updated on the progress of the fire alarm project and informed if this requires escalation.	A
4.3	Claire Mugridge to ensure KPIs are RAG rated to show if the Trust is meeting its targets.	A
4.5	Claire Mugridge to include the maximum length of contracts in the Trust's finance policy.	A
6.	Ian Hooper to ensure that the next personnel report includes information around gender pay gaps, as requested by the Remuneration Committee.	A

#### 1. Governance

##### 1.1. Apologies

Pamela Chowdhury and Jeremy Ruff.

##### 1.2 Declaration of Interest

None.

## 2. Minutes of the Previous Meeting

The minutes of the meeting of 1<sup>st</sup> November 2021 were reviewed and approved as an accurate record of the events that took place and would be signed by the Chair. As part of minute 2.6 was deemed to be confidential, it was agreed that this would be removed prior to the minutes being uploaded to the Trust website.

## 3. Matters Arising

**3.1** The Chair confirmed that both the Treasury and Reserves Policies are being worked on and would be presented to the Committee at a future meeting.

**3.2** Claire Mugridge had confirmed that the costs from the Trading Company matched the year-end accounts.

Action

## 4. Finance Report

### 4.1 Management Accounts

Claire Mugridge presented the management accounts to January 2022, highlighting that the projected outturn remains ahead of budget, with no major changes expected. However, the Committee noted that the costs around invigilators and exams will need to be monitored in the summer.

The Committee was pleased to note that the Trust is due to receive £42k for covid tuition but was also informed that any underspend must be returned to the DfE. **In response to a question from Trustees**, Claire explained that there are strict criteria on how this fund may be spent, particularly around which students can receive support. In addition to this, the Trust has made the decision to use internal staff, due to the expertise needed at A Level, which limits the amount of assistance that is available.

**In response to a question from Trustees**, Claire confirmed that the Trust has a 5-year fixed contract for gas and electric until 2024.

Claire also informed the Committee that the Trust has recently recruited an additional accountant who will be working with budget holders to gauge how their budgets are being managed.

**The Committee questioned** whether ICLMS costs would be discussed at future meetings of the Finance & Operations Committee. It was noted that this is something that is currently being discussed at the Steering Group but will likely be included in the management accounts going forward. It was also noted that the ICLMS expenditure is currently included as a line in the accounts, but the Committee agreed that more detail is needed, such as a high-level breakdown of the income and expenditure.

Action

### 4.2 Premises & Capital Works

Claire reminded the Committee that the premises spend appears low this year due to the year-end changing to August, which is when most of the capital works are completed. The Committee was informed that the Senior Leadership Team is discussing a long-term premises plan.

**In response to a question from Trustees**, Claire explained that the issues with the fire alarm project are ongoing and the two fire systems are not yet integrated. Therefore, a manual intervention remains in place. **The Committee requested** that it is regularly updated on this situation and informed if this needs to be escalated.

Action

The Committee went on to discuss the plans for the 'student house' and was informed that this has been temporarily put on hold, as the Trust is unable to apply for planning permission for two projects and the ICLMS is currently the priority. The Committee agreed that the Trust should have a timeframe in mind of when the student house project should be picked up again.

#### 4.3 **Approval of Financial KPIs**

Claire presented the proposed KPIs for the year, informing the Committee that the SFCA are working to produce a standard set of KPIs and the Trust would likely use these going forward.

The Committee agreed the following KPI targets:

- Cash days in hand - 135
- Staff costs as a percentage of total income - 77%
- In year surplus as a percentage of income - 3%
- Capital expenditure (net of capital grants) as a percentage of in year surplus (3-year rolling average) - 37%

The Committee agreed that additional KPIs, such as teaching costs or capital spend per student, should be considered in the future. The Committee also requested that the KPIs are RAG rated to show if the Trust is meeting its targets.

Action

#### 4.4 **Woodhouse Trading Company**

Claire explained that she has been working with the new Lettings Team and the projected income has been increased by £100k for the remaining 5 months.

**In response to a question from the Committee**, Claire explained that the Woodhouse Trading Company will also receive income from ICLMS lettings and agreed that a change of name will need to take place.

#### 4.5 **Contract Management**

The Committee received an overview of all contracts over £10k, noting that it is good practice to share these at Trust level to ensure value for money and confirm that the correct tendering processes are being followed. Claire highlighted that, since this was last presented to the Trust, all rolling contracts have been terminated.

Noting that the end date of some contracts had passed, **Trustees questioned** why this was the case. Claire explained that, in these instances, an additional year had been added to the contract, rather than

retendering annually. **In response to a follow up question from the Committee**, Claire explained that the Trust does not enter into contracts longer than 3 years and confirmed that she would include this in the Trust's finance policy.

Action

Finally, Claire explained that the facilities management contract ended last year and this is now being managed internally. However, there may be the need to move to an online system to maintain all logs and records.

#### **4.6 ICLMS Building Project Costs**

The Committee received an update on the progress of the ICLMS project, noting that the Steering Group and its committees continue to meet regularly. Peter Green, in his role as Chair of Trustees, explained that a sub-committee of the Steering Group is discussing the building project and a number of items will not be provided by the DfE, which range from essential to 'nice to have'. However, future discussions with the DfE are planned.

The Committee discussed these in detail, noting that the essential items included a broadband link connecting Woodhouse College to ICLMS (£22k). Other items which will be discussed with the DfE include CCTV, cashless tills, desks and fire extinguishers.

The Committee agreed that reserves should be spent fairly between the institutions within the Trust and a policy on this may be needed. However, it was agreed that funds should be allocated to where they are needed most, and this should be discussed further at the next Board of Trustees meeting. It was also suggested that, after receiving additional resources, funds could be top sliced from the school's budget to ensure that the reserves are not depleted.

The Committee suggested that Woodhouse College also consider the projects that are needed around the campus, ranging from essential to 'nice to have' but it was acknowledged that more funds may be spent on the maths school in the early days. It was agreed that communication around this is important, so Woodhouse staff do not feel that the ICLMS is the priority.

### **5. 2022-23 Funding Report**

The Committee noted that the Trust has received its funding allocation for next year which sees an additional £700k of income being received, due to the national funding rate per student increasing from £4,188 to £4,542 along with the high value course premium increasing from £400 to £600 per student. The Committee noted that the Senior Leadership Team is currently discussing how these funds could be spend.

However, it was noted that staff pay is an area of concern, given the recent 1% pay rise and cost of living increases, and the Trust will need to budget for a more substantial increase in September 2022. The Committee was reminded that each additional 1% costs approximately £70k.

Inflation will also have an impact on overhead costs, meaning that conversations with external providers, such as BEAT are already taking place. The Trust is conscious that around half of the additional £700k could be swallowed up by inflation.

**In response to a question from the Committee,** Sugra Alibhai confirmed that there are no current plans to increase staff numbers and explained that the Trust has already strengthened some of its central services, such as finance, IT and estates, ahead of the opening of the ICLMS.

## 6. **Personnel Report**

Ian Hooper presented the personnel report, highlighting that the recruitment environment is very different from previous years, as a number of staff are now making changes to their circumstances following lockdown. Ian explained that a strategy around recruitment and marketing is being developed and Trustees from Imperial College London offered to support the College in this area.

**In response to a question from the Committee,** Sugra confirmed that the number of days lost due to staff sickness is contained in the Principal's report and updated each half term.

It was noted that the next personnel report would include information around gender pay gaps, as requested by the Remuneration Committee.

Action

## 7. **AOB**

Peter Green reminded Trustees that Pamela Chowdhury had joined the Finance & Operations Committee due to her expertise around marketing and fundraising but, as these now fall under the Woodhouse Local Governing Body, Pamela has decided to step down from the Committee.

The meeting concluded at 7:33pm