



THE WINDSOR FOREST COLLEGES GROUP
RESOURCES COMMITTEE

MINUTES OF A MEETING OF THE RESOURCES COMMITTEE OF THE WINDSOR FOREST COLLEGES GROUP HELD VIA ONLINE VIDEO CONFERENCE ON WEDNESDAY, 1 DECEMBER 2021

		<u>Meeting Attendance</u>
PRESENT:	Kiran Virdee (Chair)	(1 out of 1)
	Gillian May (Group Principal)	(1 out of 1)
	Angela Wellings	(1 out of 1)
	Sam Foley	(1 out of 1)
	Tina Coates	(1 out of 1)
IN ATTENDANCE:	Graham Try (Deputy CEO)	
	Belinda Tam (Group Director, Human Resources)	
	Mohan Ratnam (Head of Finance)	
CLERK:	Lynn Payne	(1 out of 1)

PART I

AGENDA ITEM

ACTION

- The meeting started at 4.30pm.**
1. Election of Chair & Vice Chair for 2021/22
Members unanimously agreed to appoint Kiran Virdee as Chair and Sam Foley as Vice Chair of the Committee, for the academic year 2021/22. Both Kiran and Sam were happy to take on these roles.
 2. Apologies for Absence
There were no apologies for absence received.
 3. Declarations of Interest
Sam Foley declared an interest in relation to matters related to the Local Enterprise Partnership (LEP). She advised Members that for Part I and Part II meetings of this Committee ongoing, she would like to register this interest.
 4. Minutes of the previous Resources Committee meeting held on 30 June 2021
The Minutes of the previous meeting held on 30 June 2021, having been previously circulated to members, were agreed as an accurate record and the Chair's electronic signature would be applied to the Minutes.
All Members were agreed.
 5. Matters Arising from the previous Resources Committee meeting held on 30 June 2021
It was noted that all matters arising were either actioned or would be covered within the agenda.
 6. Standing Agenda Items
 - a) Risk Management Action Plan 2021/22
This item was presented by the Group Principal. All the risks on the Risk Register were considered and discussed, but in particular, those RAG rated red, which were:
 1. Risk of radicalisation and extremism and sexual exploitation on campus.
 2. Failure to meet the budget forecast to reduce the operating deficit.
 3. Poor student outcome data in some curriculum areas at Langley, resulting in challenge to the "Good" Ofsted rating and the resulting impact on quality & retention.

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4. Changes to external funding risking future financial sustainability.
5. IT failure with loss of data for staff and students and increase in cyber-attacks across the FE sector.

The Group Principal explained what the control measures and assurance work had been undertaken to date in relation to the 5 high risk areas, together with reporting on the additional controls and monitoring action required.

The Chair felt there was an inconsistency with risk 3 relating to poor student outcome data, and this might not be a red RAG rated risk. The Chair asked for an update on the Risk Register at the Board meeting next week.

The report was noted.

b) Treasury Management Update & Annual Report 2020/21

This item was presented by the Deputy CEO. Members were asked to note the College's treasury management activities for 2021/22 and to consider the annual treasury management report for 2020/21. Members noted the latest credit ratings of the College's approved counterparties. The details of the College's current investments were discussed and noted. Members noted the annual report on the performance of the treasury management function in 2020/21.

On the matter of ethical investments, the Deputy CEO informed Members he had started to discuss options in this regard on deposit accounts and restrictions and he introduced Mohan Ratnam (Head of Finance) to colleagues. Mohan had started at the College in September and would be able to report further on this matter at the next meeting.

Members noted the report.

7. Report & Financial Statements for the Year Ending 31 July 2021

The Deputy CEO informed Members that the College's external auditors, Buzzacott, had now completed their audit work and would be confirming an 'unqualified opinion' on the college account. He said there were no audit concerns raised in the post-external audit management report, and that this had already been considered by the Audit Committee at its meeting on 24 November 2021, together with the 2020/21 financial statements.

Members were informed that the approved original 2020/21 budget for the year was for a deficit of £2.350 million. The Deputy CEO advised that the College had recently been advised by the ESFA that its business case had been successful to reduce the adult grant clawback by £451,000. He therefore verbally updated on the improved position which was a deficit of £1.080 million (excluding FRS102 charged of £1.558 million). This is reduced to a £0.624m deficit excluding the early repayment charge on the Santander loan. This should now achieve ESFA "Outstanding" financial health for 2020-21. The outcome of the GLA adult business case is still awaited and if successful would now be accounted for in 2021-22.

Members considered the Report and Financial Statements for the year ended 31 July 2021 in detail, together with the Letter of Representation. Members felt, with no adjustments, these were a good set of accounts and credit to the Deputy CEO and his team.

Members unanimously agreed to recommend to the report and financial statements for the year ended 31 July 2021 to the Board for approval.

**Refer to
Corporation**

8. Period 3 Management Accounts to 31 October 2021

This item was presented by the Deputy CEO. Members were advised that the College's forecast year-end income and expenditure position in the Period 3 Management Accounts was for a deficit of £0.966 million, which was noted as £9,000 lower than the £0.975 million approved deficit budget for the year. It was also noted as £5,000 lower (better) than the previous Period 2 Management Accounts.

Members noted the detailed reasons for the year-end variations against budgets in income and expenditure and noted the cash capital spend and balance sheet positions.

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The Deputy CEO informed Members that the most significant financial risk to the current and future year's budgets continued to be learner recruitment and its impact on funding body grant income and tuition fees, as they represented 94% of the College's income. He confirmed that specifically for the current year, based on current enrolments, 16-18 learners were approximately 101 below the 2021/22 funded number and the July 2021 financial forecast assumed growth of 80 learners, which would not be achieved. The current shortfall was noted as 181 learners, against the November 2021 financial forecast target. Members were reminded that there was no impact on the current year's funding and the loss represented a reduction against the forecast income of £0.9 million in 2022/23, as a consequence of the 'lagged' formula methodology.

The Deputy CEO advised Members that the next highest cohort on funding was for adult learners who enrolled throughout the year. The budget assumed growth in these learners, and therefore associated grant income, but it was noted at the current time there was a forecast shortfall of £215,000.

With regard to apprentices learning and funding, these had been impacted on by the Covid-19 pandemic in the last 2 years. Whilst an increase was now forecast, the increase was less than assumed in the budget and a shortfall of £165,000 was forecast. The adults, apprentices and higher education shortfalls had been funded from the contingency which was now fully utilised.

The three highest financial risks in the remainder of this year were considered to be the risk of a further adult funding shortfall, a further apprentices funding shortfall, and an overspend in salaries.

Members were advised that the year-end cash forecast was over £6 million, and ESFA financial health category 'Good' was forecast for 2021/22, which was in line with the 'Good' that was forecast in the budget and also anticipated for 2020/21.

Members asked questions on the information in the Management Accounts, including discussing the high staffing costs at the College.

Members also discussed the implications of the likely knock-on impact of the significant deficit budget and lack of growth on 2022-23 and future years and on the future reduced financial health ratings and cash for the College.

Members discussed the potential merger and any adverse impact on that with the current significantly worse financial projected position.

The Chair indicated it was imperative to watch the cash position carefully and in relation to the potential merger. The Deputy CEO outlined the revised cash forecast in future years and informed Members that a Project Manager had now been appointed by the Joint Steering Group (JSG) and that legal and financial due diligence would take place in January, which would be a comprehensive process.

The Group Principal spoke of the need for a remedy to counter the under-recruitment of 16-18-year-olds and the Chair asked whether the merger was creating a diversion and there was more of a need to focus on reducing TWFCG's current deficit and future position. This was discussed.

The Group Principal informed members that there were opportunities in year and the college executive needed to ensure investment was made in the right people.

Mrs Coates wondered whether predicting growth in learner numbers was the right way to proceed or whether it would not be better to just maintain the current position. The Group Principal informed members she had requested the ESFA benchmark data on learners so the College could be better informed on where the anticipated learners had gone. It was



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suspected they had gone into employment, not different training. It could be the sector was shrinking, but if that was the case there would be a need to remodel, particularly at Langley College.

The Chair of the Committee felt there was a need for a realistic forecast and perhaps there should be no growth built in, and look at the sensitivities around that. The Chair thanked everyone for this lengthy, useful discussion and the **report was noted.**

9. Review of Financial Regulations

The Deputy CEO reported on the review of the current College's Financial Regulations. He informed Members there were only minor amendments.

Members agreed to recommend the College's Financial Regulations to the Board for approval.

**Refer to
Corporation**

10. Annual Human Resources Report

This item was presented by the Group Director, Human Resources. Members were provided information on the College's employees and the key activities of the HR department during the academic year 2020/21. The Group Director, Human Resources reported on recruitment and selection, in particular, informing Members that recruitment continued to be both a challenging area of HR activity, as well as one that had consumed much of the HR team's workload. The "safer recruitment" procedures and processes had been embedded in the recruitment process, combining a robust approach with support for teaching & learning.

There was a report on the iTrent HR system and the Group Director, Human Resources informed Members that due to the change of HR priorities and resource issues recently, the development of the remaining iTrent modules, including employee self-service module, had been impacted and delayed. There was a lack of technical iTrent systems development expertise in-house to convert the HR processes into iTrent. The Group Director reported that for 2021/22, work had started with the team designing and testing the remaining modules of the technical development and advice from an iTrent consultant to implement these.

Members noted the HR management information on headcount, staff turnover and sickness absence. In relation to the gender pay gap, the mean gender pay gap for TWFCG is 1.02%. In 2019, the College's mean gender pay gap was 5.4%. The median gender pay gap for TWFCG is 2.66%. In 2019, the median gender pay gap was 0%.

The Chair of the Board reminded Members that the ethnicity profile of staffing at the College was out of kilter with the communities the College served. She again asked for information on the split the of the ethnicity profile of staff between management and leadership areas, compared with staff at a lower level and also compared to other Colleges. It was agreed a report would be provided for the next meeting on this area.

Members noted the report.

**Group
Director, HR**

11. Health & Safety

a) Health & Safety Annual Report 2020/21

Members were advised of the health & safety performance at the College during the past academic year, the safety arrangements and safety training that had taken place, together with a note of the accidents and incidents that had occurred. Members noted the current training for fire wardens, where it was noted there had been a shortage.

The report was noted.

b) Health & Safety Autumn Term Report and Health & Safety Policy 2021/22

Members noted the report on health & safety performance this term and agreed to recommend the Health & Safety Policy 2021/22 to the board for approval.

All Members were agreed.

**Refer to
Corporation**

