**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 29 JUNE 2022

Meeting Attendance

PRESENT: Kiran Virdee (Chair) (5 out of 6)

Gillian May (Group Principal) (6 out of 6)

Tina Coates (6 out of 6)

Angela Wellings (5 out of 6)

IN ATTENDANCE: Mohan Ratnam (Head of Finance)

Roberts Disbury-Mockett (Director of Information & Business Systems Technology)

Richard Munday (Finance Director, BCA)

CLERK: Lynn Payne (6 out of 6)

**PART I**

| **AGENDA ITEM** |  | **ACTION** |
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|  | **The meeting started at 5pm.** |  |
|  | Apologies for Absence Apologies were received from Sam Foley. |  |
|  | Declarations of Interest No Member declared a conflict of interest with the agenda. |  |
|  | Minutes of the previous Resources Committee meeting held on 4 May 2022  The Minutes of the previous meeting held on 4 May 2022, 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.** |  |
|  | Matters Arising from the previous Resources Committee meeting held on 4 May 2022  It was note that all matters arising had either been actioned or would be considered within the agenda. |  |
|  | Risk Register 2021/22  This item was presented by the Group Principal. Members noted the annual updated Risk Register had been considered by the Board at its last meeting on 18 May 2022. The Group Principal went through the key updates in the risks.  In relation to risk 1, the risk of radicalisation and sexual exploitation on campus, members noted the review of the prevent action plan, by the DfE Prevent Coordinator, was scheduled for mid-July.  In relation to risk 2, failure to meet the budget/forecast to reduce the operating deficit, the Group Principal informed members there was no change in the movement of the risk and there was continued monitoring of 16-18 applications and offers accepted. She confirmed that as of June 2022, offers accepted were 221 ahead of the previous year. The new curriculum strategy for Langley College presented to the Board had identified opportunities for the return of entry level and level 1 provision to Langley. HE and Apprenticeship Growth Strategy was presented to the Strategy, Governance & Search Committee in June 2022.  Members discussed the issue of the inability to effectively manage ongoing inflationary pressure, specifically power and staffing costs. It was noted the fuel contracts were due to go to tender in July 2022. Members considered the cost-of-living increases and the pressure on staffing costs as staff needed more income.  Members also discussed the risk related to the Office for National Statistics (ONS) provision to change the status of colleges. The ONS were reviewing the college status as private sector organisations and there would be new controls on college borrowing and the treatment of commercial income.  There would also be changes to DfE capital projects but the College change of status was noted as at an early stage and so no immediate action, by the DfE, was required.  Members would be kept up to date on the ONS work.  Members noted that all risks had been allocated to a committee of the Board to consider, save for risks 6 & 7 which would now be allocated a committee for initial review and consideration. The risks were, first, the ONS review, and second the financial and quality risk associated with the reintroduction of level 1 provision at Langley College from September 2022. The Chair thanked the Group Principal for her report.  **The report was noted.** |  |
|  | Period 10 Management Accounts to 31 May 2022  This item was presented by the Group Principal. Members were asked to review and note the Period 10 Management Accounts. The Group Principal informed members the college’s forecast year-end income and expenditure position was for a deficit of £0.868 million, which was noted as an improvement of £107,000 against the £0.975 million approved deficit budget for the year. The Group Principal added that there may yet be another favourable variance at year-end, although the value was not known at this time. She confirmed the planned forecast merger costs for TWFCG would not exceed £280,000.  The most significant financial risk to the current and future years 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. It was noted that applications for the next academic year had improved slightly over the prior year, with offers accepted for the Group being over £220,000.  In relation to adult learners, the Group Principal reminded members that enrolment of these students continued throughout the year.  The College continued to make progress with post-pandemic enrolments and the shortfall had been reduced to £118,000 using funds from the contingency. With regard to apprentice learners, members were informed that the College continued to see an increase in activity to the point where there was now a forecast income of £986,000, against a budget of £948,000. Members were reminded in previous months there had been an estimated shortfall of £192,000, which had been funded from the contingency, but it was anticipated that next month this offset would be released back to the Income and Expenditure account.  With regard to the salaries budget, which had been reduced in the current year following the restructure changes made in the summer 2021, the Group Principal informed members that the College continued to face challenges in recruiting to curriculum posts that were in short supply, and there was therefore still a need to rely on agency staff. The redundancy and restructuring budget of £150,000 was now overspent to £290,000 and it was noted this had been partially offset from the contingency fund.  Members were advised that the year-end forecast was £6.7 million and the College would be in the Education Skills Funding Agency (ESFA) financial health category of ‘Good’, for 2021/22, which it was confirmed was in line with the budget. The Chair of the Committee felt the College was in a good place entering the last period of the year and noted the year-end cash balance was still on track.  **Members noted the report.** |  |
|  | Health & Safety Report  Members had received a report on health and safety performance this term. It was noted there had been no RIDDOR incidents and all reported accidents/incidents/near misses were noted. Members were advised that staff were regularly using the new style forms for accident reporting and first aid notifications, also that the PPE audit was sent to all staff on 17 March 2022, requesting information on what PPE they currently had. The Group Principal confirmed that responses would be used to ascertain if the PPE provision was suitable and sufficient and reported that 329 staff had replied.  **The report was noted.** |  |
|  | ESFA Governance Dashboard  The Group Principal presented the ESFA governance dashboard information to members, for information, as the ESFA required this to be shared with College Governing Bodies. The dashboard information allowed Colleges to compare their financial performance and forecasts across financial returns, providing 4 years of historical information.  It was noted the dashboard was updated twice a year, following an assessment of the key returns by the ESFA and it was primarily aimed at governors in their role in overseeing the Corporation’s financial performance and ensuring financial sustainability and solvency and this included the cash position, future indications of solvency, accuracy of forecasting, reliance of ESFA funding and particular funding streams. It also included the position of the College on the 3 ratios, adjusted current ration, EBITDA and borrowing that the ESFA use to determine the College’s financial health grade. Members were pleased to note the dashboard and felt it was useful.  **The report was noted.** |  |
|  | Audit Committee Capitalisation Threshold  This item was presented by the Group Designate Finance Director. Members were advised that the main fundamental difference in the accounting policies between BCA and TWFCG was the threshold set for the capitalisation of fixed assets, with BCA’s threshold set at £1,000 and TWFCG threshold set at £5,000. The thresholds needed to be aligned post-merger in order that they would apply to the entire Group. The recommendation was that in view of the future £40 million turnover, 1,000 staff and 7,000 students, that the current TWFCG threshold of £5,000 be adopted across the entire Group.  **Members discussed the matter and agreed that the post-merger threshold should continue at £5,000. All Members were agreed.** | **Refer to Corporation** |
|  | AoC FD Meeting Update  Members had received the May FD meeting notes from the AoC, which was discussed and noted.  **The report was noted.** |  |
|  | Evaluation of Meeting  Members were happy that the papers were sufficient to inform decisions and recommendations. The length of time spent on each agenda item was considered appropriate. The structure of the papers was not only easy to follow. There had been appropriate challenge in relation to the Risk Register and Period 10 Management Accounts. Members felt they had added value. The main papers had been sent out on time and the meeting had been interactive on key matters. |  |
|  | Dates and Times of Future Meetings and Events  Members noted the date for the next Resources Committee meeting was Wednesday 23 November 2022 but agreed to call a meeting earlier than that should it be necessary. |  |
|  | Any Urgent Business   1. Servers and Storage   This item was presented by the Group Director of Information & Business Systems Technology. Members were advised that currently, BCA had a VM Ware set up with 5 servers, 1 SAN with 24 terabytes of storage. The system was currently costing around £35,000 a year for support which was due to expire in October 2022. During the last merger for TWFCG, a standard set up for an onsite server and storage per campus was designed, which consisted of 3 servers and 50 terabytes of storage. The Group Director informed members that the set up was designed to be adaptable to give each campus the requires it needed to cover the diversity of provision that each campus ran. Members were advised that the run-on Hyper-V, which was part of the College’s Microsoft campus agreement, meant that no VMWare licences were required.  The Group Director informed members that as part of the merger work it was hoped to align the BCA server and storage systems to be the same as the current TWFCG configuration. In order to do that, the College would need to purchase 3 new servers and 50 terabyte storage, which would be configured to be the same as the current TWFCG set up, including utilising site to site links to provide resilience and back up. The BCA virtual servers would then be migrated onto the current TWFCG system, including updating them as required. Members were advised that the estimated cost for this purchase would be £62,000, which would also include a 5-year warranty on all of the hardware.  Members noted the rationale for the new equipment and agreed to recommend to the Board that the tender process be commence pre-merger.  **All Members were agreed.**   1. Health & Safety Policy 2022/23   Members were advised that the Health & Safety Policy had some small changes, incorporating the policies of BCA and TWFCG for it to be the Policy at merger for the College Group.  **All Members agreed to recommend the Policy to the Board.**   1. C&E Block   This item was presented by the Group Designate Finance Director. Members were asked to note and approve the capital spend to refurbish C Block at Langley College and make recommendations to the Board. The Group Principal reminded members that at the Board meeting in December 2021, the Board had approved the use of C Block for short term commercial lets to support the objective of increasing and diversifying College income. She informed members that C Block currently had no network connection to the main building and would require some internal refurbishment to bring it to a standard where it could be occupied. The proposed future use of C Block was for evening and weekend let opportunities. The College had identified the need to provide classroom-based accommodation for the delivery of Adult ESOL and English & maths provision. Members were reminded that the Strategic Plan in May 2021 had clearly identified the requirement to grow adult provision initially to pre-pandemic levels and subsequently though the growth of the curriculum offer, by 2.5% per annum for the life of the plan. The proposal would provide the dedicated adult learning space for college students from September 2022 and allow for evening and weekend rental income. The Group Principal informed members that the budget had allowed for the forecast of £50,000 income in-year 1 for commercial rental, rising to £110,000 by year 3, and that income from the AEB budget had been accounted for io n the consolidated budget. It was noted the estimated total cost of the project on C Block was £180,000, being £100,0000 on fibre, network and IT equipment and £80,000 on refurbishment, repair work and furniture and equipment.  **Members noted the proposal and agreed to recommend this to the Board for approval All Members were agreed.** | **Refer to Corporation**  **Refer to Corporation**  **Refer to Corporation** |
|  | **The meeting ended at 6.05pm** |  |

Chair .................................................................... Date ……………………………………….