



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, 2 DECEMBER 2020

		<u>Meeting Attendance</u>
PRESENT:	Kiran Virdee (Chair) (joined at 6.05pm)	(2 out of 2)
	Kate Webb (joined at 6.05pm)	(2 out of 2)
	Tony Dixon	(2 out of 2)
	Arden Bhattacharya	(2 out of 2)
	Martin Pritchett	(2 out of 2)
	Angela Wellings	(2 out of 2)
	Tina Coates	(2 out of 2)
IN ATTENDANCE:	Graham Try (Deputy CEO)	
	Pankaj Makwana (Head of Finance)	
	Belinda Tam (Group Director, Human Resources)	
CLERK:	Lynn Payne	(2 out of 2)

PART I

AGENDA ITEM

ACTION

The meeting started at 6.00pm.

1. Election of Chair & Vice Chair for 2020/21
This item of business had been agreed at the last meeting.

As the Chair was not present at the start of the meeting, the Vice Chair, Tony Dixon, started the meeting.
2. Apologies for Absence
There were no apologies for absence.
3. Declarations of Interest
No Member declared any conflict of interest with items on the agenda.
4. Minutes of the Previous Resources Committee Meetings Held on:
 - a) 24 June 2020
The Minutes of the previous meeting held on 5 October 2020, having been previously circulated to members, were agreed as an accurate record and the Chair's electronic signature was applied.
All Members were agreed.
 - b) 5 October 2020
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All Members were agreed.

AGENDA
ITEM

ACTION

5. Matters Arising from the Previous Resources Committee Meetings Held on:
- a) 24 June 2020
It was noted that all matters arising had either been actioned, or would be considered within the agenda.
- b) 5 October 2020
It was noted that all matters arising had either been actioned, or would be considered within the agenda.
6. Standing Agenda Items
- a) Risk Management Action Plan 2019/20
This item was presented by the Deputy CEO. Members were advised of the high risks within the College's overall risk management action plan and were within the remit of this Committee. The summary of high risks was considered, in particular risk to the severe disruption and adverse impacts on learners and College operations from the Coronavirus was discussed. The Deputy CEO advised Members of the number of cases at the College at this time, being 2 staff and approximately 58 students and one contractor. He reported that the College will go to online learning from Friday 11 December and how this had been discussed at length and endorsed by the Coronavirus Advisory Group held on Monday of this week.
- In relation to the risk on funding, the Deputy CEO was pleased to confirm that last week's spending review had confirmed that the Teachers' Pension grant would continue to be paid in March 2021 until at least March 2022 and therefore the income shortfall risk for this in 2020-21 was now eliminated.
- With regard to the risk covering reputation, the Deputy CEO referred to the two violent incidents that had occurred outside the College in the last few weeks and the action the College had taken with regard to the incidents.
- The report was noted.**
- Kiran Virdee & Kate Webb joined the meeting at 6.05pm.*
- b) Treasury Management Update & Annual Report 2019/20
This item was presented by the Head of Finance. Members were advised of the College treasury management activities for 2020/2021 and were asked to consider the annual treasury management report for 2019/2020. The Head of Finance went through his report in detail and Members had an interactive discussion on the key points. Members noted the latest credit ratings of the College's approved counterparties and details of the College's current investments in the report. The Head of Finance advised that the Bank of Scotland was not now partly owned by the Government as stated in the report and this would be corrected in future reports. Members noted the annual report on performance for the treasury management function in 2019/2020.
- The report was noted.**
7. Report & Financial Statements for the Year Ended 31 July 2020
This item was presented by the Deputy CEO who informed Members that the College's external auditors, Buzzacott, had completed their audit work in relation to the Financial Statements and would be confirming an "unqualified opinion". He confirmed there were no significant audit concerns raised in the post external audit management report, which had been considered by the Audit Committee at its meeting on 23 November 2020, together with these financial statements. The Deputy CEO gave Members a brief summary of the financial results for the year, which confirmed the approved original 2019/20 budget for the year was for a deficit of £1.350 million. The final position presented was a deficit of £1.803 million, being £0.251 million lower than the forecast of a £2.054 million deficit to the Board in October 2020. The Deputy CEO confirmed the reason for the last change was mainly due to the

**AGENDA
ITEM**

ACTION

ESFA's late decision on adult funding grant that they made after the October Board meeting, confirming that no clawback of funding was now assumed, which had led to an increase in adult funding for the year. The Deputy CEO advised Members the final position was expected to achieve an ESFA financial health assessment of "requires improvement", which he said was in line with the previous forecasts in the management accounts. He informed Members that the points score was 180 which was within the "Good" category, but that the rating was reduced to "Requires Improvement" due to the zero score on the EBITDA financial indicator.

The Chair of the Committee congratulated the Deputy CEO and his team for the excellent work in managing the accounts.

Members noted the sad passing away of Governor David Knowles-Leak who had, during the course of the year, given much attention and input to the College's finances and felt that his part this year should be reflected in the accounts.

All Members were agreed.

Members asked whether there was some benchmarking data available in relation to some of the key information in the accounts, to show how other Colleges were performing. The Deputy CEO advised members that there were over 60 Colleges in the sector, in cash difficulties at the moment, highlighting the difficulties that had occurred in Colleges in this Covid-19 year. Further, detailed benchmarking comparisons are included in the Post External Audit Management Report that was considered by the Audit Committee and will be considered by the Board next week.

Members unanimously agreed to recommend the report and financial statements for the year ended 31 July 2020 to the Board for approval.

Members unanimously agreed to recommend the letter of representation from Buzzacott to the Board for approval.

Deputy CEO

**Refer to
Corporation
Refer to
Corporation**

8. Period 3 Management Accounts to 31 October 2020

This item was presented by the Deputy CEO. Members were asked to consider and note the College's latest financial position reported in the Period 3 Management Accounts. The College's forecast year-end income and expenditure position now reported was for a deficit of £2.308 million, being £42,000 lower than the £2.350 million approved deficit budget for the year. The Deputy CEO advised Members that the forecast including the exceptional item incurred, of £456,000, for the early repayment charge of the Santander bank loan, and the expected net gain of £100,000 on the sale of C&E Blocks, is a deficit of £2.664 million. Members discussed the early repayment charge to Santander, in relation to the bank loan, and asked whether Santander had agreed a lower fee as discussed at the previous committee meeting. The Deputy CEO confirmed Santander would not negotiate the repayment charge, but that they had been asked.

The detailed reasons for the year-end variations against budgets in the income and expenditure account were considered, together with the cash, capital spend and balance sheet positions.

The Deputy CEO advised 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 these represented 97% of the College's income. Members were advised that the College's original central contingency provision had been increased to £600,000 in the original budget to provide for the significant risk and uncertainties arising from Covid-19. The Deputy CEO confirmed an allocation of £300,000 had been made to date from the contingency provision to offset the adult grant shortfall making this shortfall a total of £600,000 (around 20%). The AoC had indicated that the ESFA may make an earlier decision regarding clawback by March 2021. It was noted there was a forecast underspend of £145,000 in the salaries budget, mainly due to reduced adult recruitment compared to that planned in the budget.

**AGENDA
ITEM**

ACTION

Members asked if the College might achieve an ESFA “Good” financial health rating if there was no adult grant clawback in 2020-21 and if the capital compensation money is received in year. The DCEO said this was possible, assuming no other significant budget changes, because those 2 items would reduce the current forecast deficit by approximately £900,000 to around £1.4m. The “trigger” point to achieve points from the EBITDA performance ratio is around a £1.5m deficit.

The report was discussed and noted.

9. Enrolment Report

This item was presented by the Group Principal. Members were updated on the latest enrolment figures against all income streams. Members noted the various headcount details in the report and the Group Principal updated Members on that. The reported 16-18 headcount was shown as 13 below that of this time last year, but the Group Principal advised members that since the report was prepared last week the figure had risen to 29 below the recorded headcount at this time last year. It was noted that this relatively small reduction in headcount would result in reduced funding to the College, potentially in the amount of up to £200,000 in 2021-22. The Group Principal advised Members that the national learner starts were down by about 40% in relation to apprentices as currently employers were not looking to take on apprentices. The college was forecasting to meet the (reduced) income budget for apprentices because of its prudent budgeting and planning. The Group principal also advised that the college was experiencing a big decline in adult enrolments due to the ongoing pandemic. The impact of this was contained in budget.

Members noted the report.

10. Annual Human Resources Report

This item was presented by the Group Director, HR. Members were informed of the data and statistics relating to the College’s employees and the key activities of the HR department during the academic year 2019/20. There was a report on recruitment and selection, the implementation of the new HR and Payroll system and procurement and implementation of the new applicant tracking system. These were discussed. Members asked what support there was for staff with mental health issues at this difficult time and the Group Director HR spoke about the mental health first aiders, virtual Teams meetings for staff and virtual staff rooms to include mental health chat. Members asked about the statistics in the report relating to ethnicity, and in particular the analysis of the ethnicity profile at all levels of seniority of staff at the College. The Group Director, HR said she would be looking at the detail further and would report back to the Committee at its next meeting.

Angela Wellings left the meeting at 7.05pm

The Chair of the Committee asked whether the College could benchmark information in the report against other Colleges and the Group Director HR said she would look into it and report at the next meeting.

Members noted the report.

11. Health & Safety

a) Health & Safety Annual Report 2019/20

This item was presented by the Group Director, HR. Members were asked to note the health & safety performance during the past academic year and agree the Health & Safety Policy and to recommend it to the Board for approval. Members considered the report and asked for the key indicators in the report that referred to the last year’s information to extend back for two years when the next report was made. This would show a more meaningful comparison as this pandemic year would have skewed the information.

Members considered the Health & Safety Policy and agreed to recommend it to the Board for approval. All Members were agreed.

GDHR

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**Robust challenge on reporting of ethnicity by staff level of seniority.
In general terms, all items were considered thoroughly on this agenda and thanks given to the Executive for their excellent and comprehensive reports.**

Chair

Date

DRAFT