

THE WINDSOR FOREST COLLEGES GROUP
(WORKING TITLE)

BOARD OF GOVERNORS
RESOURCES COMMITTEE

MINUTES OF A MEETING OF THE RESOURCES COMMITTEE
HELD ON WEDNESDAY, 28 JUNE 2017 AT LANGLEY COLLEGE

		<u>Meeting Attendance</u>
PRESENT:	Tony Dixon (Chair)	(4 out of 4)
	Ken Lamb (Vice Chair)	(4 out of 4)
	Kate Webb (Group Principal & Chief Executive)	(4 out of 4)
	Gill Briggs	(4 out of 4)
	Arden Bhattacharya	(1 out of 1)
	Kiran Virdee	(1 out of 1)
IN ATTENDANCE:	Graham Try (Deputy CEO)	
CLERK:	Lynn Payne	(4 out of 4)

PART I

<u>MINUTE NO.</u>		<u>ACTION</u>
	The meeting started at 6pm.	
1	<u>Apologies for Absence</u> Apologies for absence were received from Rob Lewis & Martin Pritchett.	
2	<u>Declarations of Interest</u> No member declared any conflict of interest with the agenda.	
3	<u>Minutes of the East Berkshire College Meeting Held on 3 May 2017</u> The minutes of the East Berkshire College meeting held on 3 May 2017, having been previously circulated to members, were agreed as a true record and signed by the Chair. All Members were agreed.	
4	<u>Matters Arising</u> It was noted that there were no matters arising.	
5	<u>Standing Agenda Items:</u> i) <u>Risk Management Action Plan 2016/17 Update</u> This item was presented by the Deputy CEO. Members were asked to consider the key risks within the remit of this Committee. The Deputy CEO went through the 5 high risks. It was noted that the risks covered future financial viability and health, including from the merger with Strode's College and a potential future merger with Bracknell & Wokingham College, the failure to adopt the correct Property Strategy and the need to maximise enrolments to achieve the planned student numbers. The risks were discussed and the Deputy CEO said that there was no significant change to the merger risks and that they would continue to be monitored by the Integration & Transition Committee. The College's financial health was noted as remaining strong, as detailed in the Period 9 Management Accounts, which had forecast surplus improved positions for 2016/17 above the target budgets for the year for both Colleges. Members also noted that the updated Financial Forecast on this agenda did forecast "Good" / "Outstanding" financial health for the period 2016-2020 for the merged College as a whole.	

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In relation to the Property Strategy, Members would be updated later in the agenda.

The Group Principal & Chief Executive referred to the new risk relating to student recruitment and failure to meet planned numbers. She said the latest position on recruitment of 16-18 students for 2017/18 showed that application numbers were below expectations for Windsor and Strode's and may be below the financial forecast target by up to 100 learners. However, she reported that Langley enrolments were showing an increase. This would also be discussed later in the agenda.

Finally, the Deputy CEO said a recently advised financial risk related to the employers payments to the Local Government Pension Scheme. He said the recent valuation had increased the on-cost from 20.9% to 22.3% from 1 April 2017 and also now required an annual cash contribution in addition of £187,000 from the 1 April 2018, rising to £383,000 from 1 April 2019. The Deputy CEO said, together with other Berkshire Colleges, that discussions were ongoing with the Local Government Pension Scheme to seek to consider the option of phasing in the increases over a longer period. It was noted that the outcome may not be known for several months and again, the financial effect was included in the Financial Forecast on the agenda.

The report was noted.

ii) Treasury Management Update & Annual Strategy 2017/18

This item was presented by the Deputy CEO. Members were asked to consider the latest treasury management update and annual strategy for 2017/18 and to note the latest credit ratings of the Colleges approved counterparties. Members were asked to note the details of the College's current investments. Members were asked to agree to include HSBC in the College's current counterparties.

This was agreed.

The report was noted.

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East Berkshire College Period 9 Management Accounts to 30 April 2017

This item was presented by the Deputy CEO, who updated Members on the Period 9 Management Accounts. It was noted that the College's forecast year-end income and expenditure position was for a surplus of £218,000, which was noted as £168,000 higher than the £50,000 approved surplus budget for the year. The Deputy CEO said it was also £37,000 higher than the previous Period 8 forecast for March. He detailed the reasons for the year-end variations against budget in the income and expenditure account, together with cash, capital spend and balance sheet positions. The Deputy CEO said the key financial risk in the current and future years was the need to meet the target enrolment numbers to ensure the receipt of funding bodies grant. Members were advised that these management accounts were presented on the basis of East Berkshire College being a stand alone entity for the rest of the financial year. He said the forecast position for both College's, including the merger costs, was reflected in the budget and forecast elsewhere on the agenda.

The Deputy CEO said the significant risk to note was to adult funding. He said there was a £390,000 predicted shortfall in this area and adult funding shortfalls are clawed back in-year. He said this has been contained within existing budgets and the contingency as previously advised to Members. Members asked questions around the Management Accounts and there was an interactive discussion.

The report was noted.

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Strode's College Period 9 Management Accounts to 30 April 2017

This item was presented by the Deputy CEO. Members were advised of the progress against budget and were asked to note the Period 9 Management Accounts. The Deputy CEO said that, at the end of April, the College had a net surplus of £977,000 before pension adjustments, which he said was £1,268,000 better than the profiled budget deficit expected at that point. He said that was

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mainly due to the significant advance in April 2017 of the ESFA grant to enable to Strode's College loans to be repaid prior to merger in May. He said the forecast year-end position was an operating deficit of £347,000, which was £16,000 better than the £363,000 deficit budget for the year. He said the assessed ESFA financial categorisation as at April 2017 was "outstanding", due to the high surplus position at that time. He said this was forecast to reduce to "satisfactory" at the year-end, again mainly due to the planned high budgeted deficit for the year. The Deputy CEO said the level of cash was £2.4 million, being a significant increase in the March 2017 level, again due to the receipt of the substantial advance of the ESFA grant in April 2017. The Deputy CEO went through the variances and Period 9 Management Accounts.

The report was noted.

8

Budget & Financial Forecast 2016-2020

This item was presented by the Deputy CEO. Members were advised of the detail of the proposed budget and financial forecast for the period 2016-2020. Members had received the revenue and capital budgets for 2017/18 and were asked to approve these and the 4-year financial forecast for the period 2016-2020.

The Deputy CEO said that the Boards of both East Berkshire College and Strode's College had considered the individual financial forecasts of both Colleges and a joint financial forecast at their respective meetings in December 2016. He said the individual financial forecast of East Berkshire College showed "outstanding" financial health in each of the three years 2016-2019, increasing annual surpluses rising to £400,000 and increasing cash to a level of over £6 million in 2019. He said the individual financial forecast for Strode's College showed "satisfactory" financial health, declining to "unsatisfactory" in 2018/19, increasing annual deficits to a level of £700,000 and decreasing cash such that this cash was forecast to be depleted in 2019/20.

He reminded Members that the financial strategy for the new College, as reflected in the joint financial forecast, was to make efficiency savings to offset the Strode's annual deficit. He said that the detailed budget and financial forecast now presented for approval, achieved that aim.

The Deputy CEO said there were no significant differences compared to the most recent financial forecast to the Board in May 2017, except for the proposed deficit in 2017/18, which was £190,000 higher due to the need to fund additional staffing costs. He said the financial health, as assessed by the ESFA, is "outstanding" in each year, except for 2017/18, when it is forecast as "good" due to the £750,000 operating deficit in that year, which was mainly due to one-off merger costs.

The Deputy CEO went through the risks contained in the report and the most significant risk noted continued to be meeting the learner participation levels assumed in the financial forecast and therefore achieving the assumed grant and tuition fees income budget.

Members agreed to recommend to the Board the revenue and capital budgets for 2017/18 and the four-year financial forecast for the period 2016-2020.

All Members were agreed.

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Enrolment, Funding and Growth 2016/17

This item was presented by the Group Principal & Chief Executive. Members were asked to note the analysis of enrolment figures to date for 2016/17 against all income streams for 2016/17 across both Colleges, and the Group Principal provided Members with the latest application figures for 2017/18 at all three Colleges.

The Group Principal said that the 16-18 year old enrolment at East Berkshire College was currently slightly below the target of 2,220. 16-18 enrolment at Strode's College was currently 1,030. Members noted the report; presenting summary performance for EFA and SFA funded enrolments as at 30 March 2017.

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The Group Principal went into detail, reporting the 16-18 learner headcount for all three Colleges and adult enrolment across all three Colleges. There was a report on Apprentices, maths & English enrolment and a summary performance for Higher Education. In summary, the Group Principal said the target for 2017/18 enrolments across the merged College was 3,320 and the applications at Windsor and Strode's College were noted as down but that plans were in place to maximise opportunities for internal progression across the merged College group. The Group Principal provided a summary of applications for 2017/18 at East Berkshire College and at Strode's College. She said recruitment of new students for 2017/18 needed to be at, or above, 600 with the same internal progression rate from year 1 into year 2.

There was a discussion on whether the target enrolments sought was aiming too high.

The report was noted.

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Health & Safety Report Summer Term 2016/17

This item was presented by the Deputy CEO. Members were advised of the Health & Safety performance this term. In line with good health & safety management practice, Governors were regularly kept aware of Health & Safety performance within the College. Members were advised that a new College Group Safety Policy had been completed and that a complete review of all College safety policies and procedures was planned for the summer period to take account of the new merged organisation. Members noted the areas in which risk assessments had been reviewed and updated. There was also a report on the fire evacuations and safety training that had taken place at the various campuses. Finally, there was a report on the accidents and incidents since the start of the academic year for noting.

The report was noted.

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Termly HR Report

This item was presented by the Deputy CEO. Members had received HR information relating to staffing, including sickness absence, staff turnover and disciplinary issues. Members felt the report was very helpful.

The report was noted.

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Terms of Reference

This item was presented by the Clerk. Members noted the Terms of Reference for the Resources Committee and these were agreed. However, it was noted that the Group Principal and Chief Executive was a Member of the Resources Committee and had not been included in the Membership so Membership was set at eight to include her. **All Members were agreed.**

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Members also noted the revised Terms of Reference from the Property Redevelopment Advisory Forum and how they had been changed. Members agreed to recommend them to the Board for approval. It was noted that the changes were to declassify the Membership and merely state the number and to no longer call the Property Redevelopment Advisory Forum but to remove "Advisory", and call the Forum - Property Redevelopment Forum.

All Members were agreed.

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Evaluation of Meeting

Members were pleased to complete an evaluation of the meeting highlighting where they had added value and made appropriate challenge.

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Dates and Times of Future Meetings

Members noted the dates and times of future meetings as:

Scheduled for 6pm at Langley College: Wednesday 22 November 2017
Wednesday 28 February 2018
Wednesday 2 May 2018

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Any Urgent Business

There was no urgent business.

The meeting ended at 7.30pm.

ACTION

At this stage of the meeting, it was agreed by all members present that matters of a private and confidential nature were to be discussed and had there been any members of the public present they would have been asked to leave the meeting.

Chair

Date