



**THE WINDSOR FOREST COLLEGES GROUP**  
**RESOURCES COMMITTEE**

**MINUTES OF A MEETING OF THE RESOURCES COMMITTEE OF**  
**THE WINDSOR FOREST COLLEGES GROUP**

**HELD AT LANGLEY COLLEGE ON WEDNESDAY, 1 MAY 2019**

			<u>Meeting Attendance</u>
PRESENT:	Tony Dixon	(Chair)	(3 out of 3)
	Ken Lamb	(Vice Chair – by phone)	(3 out of 3)
	Kate Webb		(3 out of 3)
	David Knowles-Leak		(3 out of 3)
	Martin Pritchett		(3 out of 3)
IN ATTENDANCE:	Graham Try	(Deputy CEO)	
	Pankaj Makwana	(Head of Finance)	
CLERK:	Lynn Payne		(3 out of 3)

**PART I**

<b><u>AGENDA</u></b> <b><u>ITEM</u></b>	<b><u>ACTION</u></b>
The meeting started at 6.00pm	
1. <u>Apologies for Absence</u> Apologies were received from Kiran Virdee and Arden Bhattacharya.	
2. <u>Declarations of Interest</u> There were no declarations of interest.	
3. <u>Minutes of the Previous Meeting Held on 27 February 2019</u> Minutes of the previous meeting held on 27 February 2019, having been previously circulated to members, were agreed as an accurate record and signed by the Chair. <b>All Members were agreed.</b>	
4. <u>Matters Arising from the Previous Meeting Held on 27 February 2019</u> It was noted that all matters arising had either been actioned or would be covered on the agenda.	
5. <u>Standing Agenda Items</u> a) <u>Risk Management Action Plan 2018/19</u> This item was presented by the Deputy CEO. Members considered the six high risks included in the College's overall Risk Management Action Plan and specifically within the remit of this Committee. The Deputy CEO provided an update on the risks, in particular, he referred to the risk of overspending the approved 2018/19 budget and the risk of breaking loan covenants in 2018/19 and the following year. He confirmed the Period 8 Management Accounts forecast was for an underspend of £13,000 against the £1million deficit budget, but that the contingency provision was reduced from £400,000 to £62,000. He advised that the covenant risk had reduced slightly to "medium" with £451,000 "headroom" against the highest risk EBITDA to debt service covenant. The covenants are forecast to be breached in 2019/20. The Deputy CEO said there was a separate report within this agenda on the matter outlining options to deal with any risk. . The Deputy CEO advised on the risk of the College falling into "Early Intervention", as per the recent guidance issued, and advised that retaining adequate cash was of paramount importance and would be monitored carefully via the monthly Management Accounts and Financial Forecast. The Deputy CEO went through the other risks, which were largely unchanged. <b>The report was noted.</b>	

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b) Treasury Management Update & Annual Strategy

This item was presented by the Head of Finance. Members were asked to note the latest credit ratings of the College's approved counterparties and note the details of the College's current investments.

**The report was noted.**

6. Period 8 Management Accounts to 31<sup>st</sup> March 2019

This item was presented by the Deputy CEO. He advised members that the College's forecast year-end income and expenditure position was for a deficit of £987,000, which was £13,000 lower than the £1million approved deficit budget for the year. He detailed the reasons for the year-end variations against budgets in the income and expenditure account, together with cash, capital spend and balance sheet positions.

The Deputy CEO said the most significant risk to the current and future years budgets was considered to be learner recruitment and its impact on funding body grant income and tuition fees. He reminded members they were regularly updated on the detail of progress against targets in the College Headlines and Enrolment reports, to the Resources Committee and the Board.

He reminded members that, as had already been reported to the Board, there was a forecast of a significant shortfall of around 230 16-18 learners in the current year and that the forecast would reduce the College's grant funding by an estimated £1.2 million in 2019/20. He confirmed the forecast reduction in funding would place significant financial pressure on the College in that year in achieving the £1million deficit budget in the College's latest 3-year financial forecast and it was unlikely to be achievable without unacceptable impacting on the quality of provision and reducing our capacity to respond to demographic growth.

The Deputy CEO confirmed there was forecast to be an increase in adult learner numbers and funding this year, but a reduction in the Higher Education and 14-16 learners and funding. He confirmed the other significant grant funded cohort of apprenticeship income was currently forecast to meet the budgeted income. The College's original central contingency provision had reduced from £400,000 to £62,000, mainly following virements to the Higher Education income budget to mitigate the shortfall and also to the 14-16 income budget.

The Deputy CEO reminded Members of the Santander bank loan covenants pertaining to the £4.4 million long-term loan with Santander. He advised on the covenant that gave rise to the highest risk is the ratio of EBITDA to debt service, which must not be less than 1.5:1. He said this gave "headroom" of an estimated £451,000.

The Deputy CEO confirmed this was currently assumed to be a medium risk, taking into account the reduced sum of £62,000 in the contingency provision for the remainder of the year. He confirmed senior post holders had put in place measures to restrict spending to essential items in the remainder of the year to seek to mitigate this risk.

Finally, he advised members that in the Budget and Financial Forecast report that ESFA "Good" financial health continued to be forecast for 2018/19. He said it was at the lowest end of the range at 180 points, with the overall range of 180-230. He confirmed an increase in the deficit may also risk the College slipping into ESFA "Satisfactory" financial health, and this is currently considered to be a medium risk.

**Members discussed the Management Accounts and the report was noted.**

7. Enrolment, Funding & Growth

This item was presented by the Group Principal. She advised Members there were no real changes since the last report to the Committee. She confirmed that at the time of reporting, 16-18 learner headcount across the College Group was 2,840, which was 164 below the 3,004 needed in November to meet the financial forecast. Apprenticeship enrolments were 465 and currently anticipated to be on target. Adult headcount was at 1,907 and indications were that the low-wage initiative and associated marketing campaign, coupled with the new



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adult course guides may have driven growth. Higher Education headcount numbers were at 192 and anticipated to be below target.

Martin Pritchett asked whether the marketing activities had produced more students. The Group Principal confirmed that the College had seen an increase in adults in 2018/19 but 16-18 applications for 2019/20 were lower. However, she advised applications had increased in the last month and the shortfall was smaller than in March. Strode's applications had improved, Windsor was relatively strong, Langley was down. A summary report will be going to the Board.

**The report was noted.**

8. Health & Safety Spring Term Report 2018/19

This item was presented by the Deputy CEO. Members were advised on Health & Safety related matters and performance, this term.

**Members noted the Health & Safety report.**

9. Annual Report on GDPR 2019

The Deputy CEO went through the annual report on GDPR. The report demonstrated that the College Group was meeting its legal requirements with regard to GDPR and as an organisational priority had an ongoing commitment to data protection. The report provided a summary of the GDPR work for the past year and contained information relating to data breaches. Also documented was key work done within the Group to ensure compliance and it was noted all staff were trained on GDPR. The Deputy CEO went through the aspects of the report in detail and these were discussed.

**The report was noted.**

10. Evaluation of Meeting

Members were pleased to contribute to an evaluation of the meeting, expressing where they felt they added value and made appropriate challenge.

11. Dates and Times of Future Meetings and Events

The dates and times of future meetings were noted as follows.

Scheduled for 6.00pm at Langley College on: Wednesday 26 June 2019

12. Any Urgent Business

No urgent business was raised.

The meeting ended at 6.25pm.

**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 .....