BOARD OF GOVERNORS: RESOURCES COMMITTEE

Minutes

Wednesday 20 September 2023 at 6pm

Online via Zoom

		Meeting Attendance
PRESENT:	Sam Foley *(Chair)*	(1 out of 1)
	Gillian May *(Group Principal and CEO)*	(1 out of 1)
	Peter Tyndale	(1 out of 1)
	Signe Sutherland	(1 out of 1)
APOLOGIES	Kiran Virdee	
	Angela Wellings	
IN ATTENDANCE	Richard Munday (Deputy CEO)	
	Tracy Reeve (Director of Governance)	
	Lucy Gill (Director of Finance)	
PART ATTENDANCE	Susan Brady (Director of People)	*(part)*
	Dan Fairbairn (Director of Digital, Marketing and Admissions)	*(part)*

PART I

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JOINT MEETING WITH MEMBERS OF AUDIT COMMITTEE *(starting at 6.00pm)*

1. **Risk Register**

The Group Principal (GM) presented the Risk Register for 2023/24 which continued to be reviewed and updated by the Senior Leadership Team. Audit Committee members noted the risks and their ratings, in detail and additional verbal assurance was provided for the key 'red' and 'amber' risks.

Risk 1 Failure to meet budget forecast (risk score remains at 16 'amber': As well as upwards pressure on pay, there was also inflationary pressure on utility and energy costs. The inflation pressures and the likely COL pay awards were now reflected on the Risk Register. However, SLT were still committed to keeping pay costs to a level which was below 70% of income. The mitigation of the FE Commissioner curriculum planning work was also now reflected. The CEO asserted the need for the College to maintain a positive EBITDA and Good financial health grade. The CEO confirmed that an additional risk in relation to the ILR Funding Audit (the college was in the random sample selected by the ESFA for 2022/23) had been included in the Risk Register report.

Risk 2 Uncertainty and risks associated with emerging national curriculum reforms (risk score remains at 12 'amber'): This key risk was being well managed and senior staff were fully engaged in advisory groups linked to reform but it did not appear that government were listening to FE college concerns. This sector-wide change posed an enormous threat to learner outcomes and college finances in all FE colleges. However, T Level plans were now in place for TWFCG from September 2024 with a strong marketing campaign which was providing more confidence around the T Level proposal.

Risk 3 External Safeguarding Risks (risk score remains at 12 'amber'): The meeting was assured that the Executive Team continued to work with all relevant agencies in relation to any safeguarding incidents. Additional Safeguarding and Prevent Training would take place for all staff and governors for 2023/24. GM highlighted the specialist Safeguarding audit that would take place early in 2024 and would provide valuable external assurance. The meeting noted the changes to the Keeping Children safe in Education (KCSIE) guidance for 2023; a summary of the new guidance had been circulated to all governors. GM highlighted the new duties associated with filtering and monitoring and the use of the software system CPOMs;

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detailed briefing on this would be considered at the Quality & Curriculum Committee on 26 September 2023. Audit Committee members were assured that a college working group had been established to ensure TWFCG was fully compliant with the new guidance across all four sites.

<u>*Risk 4 Poor student outcome data at Langley results in a challenge to the Good Ofsted rating (risk score remains at 16 'amber')*</u>: The meeting was informed that early indications were that the Langley data had improved for 2022/23. The detailed Quality Improvement Plan for Langley continued to be overseen by Vice-Chair of the Board (Rob Lewis). This was also discussed in detail at every Quality & Curriculum Committee meeting. Enrolment at Langley College for September 2023 was very strong and indicated a stronger reputation and a more appropriate curriculum offer.

<u>*Risk 5 Changes to external funding risks future financial sustainability (risk score remains at 12 'green')*</u>: The meeting was assured that the College was responding to future curriculum developments and the extraordinary strategy meeting for the Corporation (10 July 2023) had considered this in detail.

<u>*Risk 6 IT failure worth loss of data for staff and students (risk score remains at 12 'green')*</u>: GM confirmed that this needed to be kept under careful review to determine whether the risk profile should be increased. The meeting went on to consider IT in more detail.

Members NOTED and RECEIVED the updated College Risk Register.

- **College IT Security & Infrastructure Update**

The Director Digital, Marketing and Admissions (DF) presented a paper which updated Audit Committee members on IT security and infrastructure at the College within the context of the Risk Register. This was a brought forward action requested by Audit Committee members in summer 2023.

<u>*IT and Infrastructure update*</u>
The meeting noted the progress that had been made in this area which included the following:

i. Cyber Essentials certification had been renewed for the Group on 21/7/23
ii. Cyber Essentials Plus (CE+) accreditation was planned for Summer 2024. JISC would be helping the college to achieve this next level of assurance.
iii. The college was planning a Cyber Audit to be undertaken by JISC. This would take place before the CE+ assessment but JISC currently had a long backlog; the Education Sector was currently experiencing a great deal of risk related to cyber.
iv. An internal cross-College 'Safeguarding; Digital and Technology Standards Compliance' meeting was held every two weeks to review compliance with the new Keeping Children Safe (KCSIE) Guidance around technology. This focussed on filtering and monitoring and the CPOMs filtering software. DF assured Audit Committee members that TWFCG was compliant with the new requirements of KCSIE 2023.
v. The IT Team was currently working with an external consultant from Xiria (NS) who was advising on project work and recommendations for infrastructure
vi. A new Group Head of IT had been appointed with a starting date of 1/12/23. The appointee had strong education sector experience and contacts.

<u>*IT Estate*</u>

The meeting noted an outline of the current IT estate and equipment which had a lot of devices at, or nearing, the end of their life (6-10 years old). DF informed the meeting that students at Langley, Strode's and Windsor colleges were primarily using desktop computers with access to laptops; assets were mostly 6-8+ years old and there was no consistent manufacturer or vendor. Students at BCA had access to desktop computers and majority Google Chromebooks (laptops); whilst the desktop computers were end of life, the BCA estate was manufacturer and vendor consistent. DF highlighted that TWFCG had primarily purchased refurbished equipment that had a limited lifecycle, at a cost that would see greater value placed against the leasing or hire purchase of new and more relevant devices. The meeting discussed the unfortunate position of TWFCG having almost all of its end-user IT estate needing to be refreshed at the same time. The significant strain this would place on capital expenditure meant that the IT Team were also looking at a leasing option as a way forward. The leasing option would also eliminate the risk of reverting to a position across the

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	estate of having assets that were outdated. DF informed the meeting that further consideration would also be given to both the specification and longer-term support of the hardware. The meeting agreed that there would be considerable benefits of moving the infrastructure to the Cloud. These included: energy demands for powering and cooling physical servers; the reliance on maintaining internal server rooms; advancements in cloud technologies; and business continuity. DF confirmed that moving key infrastructure to the Cloud would provide robust 24-hour support and would enable internal teams to focus on end-user support as opposed to server maintenance. The current thinking was that only the infrastructure required for network services and internal applications would remain within an environment that the college maintained in a dedicated facility. DF highlighted that the Group would have several options available to move the infrastructure to the Cloud. The meeting noted the costs as well as benefits and disadvantages of taking forward the existing infrastructure using three different delivery models: colocation, private cloud, or public cloud. DF confirmed that the indicative costings did not account for efficiencies and consolidation of services, or options around moving key software to SAAS models (Software as a Service). However, DF highlighted that the costings did not factor in the efficiencies alluded to in his paper. This new approach would require considerable training across the organisation. The CEO/ Group Principal (GM) asked DF to highlight where the key operational risks were in relation to the IT Estate and Infrastructure at TWFCG. DF confirmed that the biggest risks were where the business was dependent on key individuals. There were also external factors - power supply issues etc. - which had considerable risk attached. DF confirmed that the move to a commercial data centre/ cloud infrastructure would offer reliability and reduce risk.. The meeting discussed the costs of the options and noted the high capital cost (£350-£400,000) for the purchase of replacement servers and storage. Co-location and leasing would cost circa £302,000 over a 36-month period. DF highlighted that although the costings made the Cloud options look expensive, the key benefit was reliability and resilience i.e. lower operational risk. Governors sought confirmation on whether a move to the Cloud would also generate savings in manpower, but the meeting noted that the Group was already very lean in resources and relied on one person maintaining the servers. However, a move to the Cloud would allow IT staff to focus more on the end-user experience and support. The Chair of Audit Committee sought confirmation on the likely timing for this change and noted that it was circa three years. However, Audit Committee members were concerned that this timeline was too slow especially as the IT equipment was already verging towards end-of-life. DF suggested that a better way forward would be to move software systems to SAAS as they came up for renewal e.g. the Human Resources system (iTrent). There would be a need to plan changes outside term time to minimise the impact on teaching, learning and assessment.	
	Governors suggested that the difficulty of recruiting technically experienced staff should be reflected in future papers as a key risk. This risk would be mitigated by a move to the Cloud. DF confirmed that it was getting harder to recruit IT staff with the necessary technical ability especially as the education sector paid less than many commercial sectors.	**DF**
	The update report on IT security and infrastructure at TWFCG was NOTED	
	ACTION: An update report with recommendations for moving forward on the IT Estate upgrade would be brought back to Resources Committee once accurate costings were available.	**DF/ RM/ LG**
	[DF left the meeting.]	
2.	**Budget 2023/24 Update** ➢ ***Letter from Minister in relation to additional funding*** The meeting noted a letter from Robert Halfon MP (Minister for Skills, Apprenticeships and HE) dated 12 July 2023 which had been sent to all FE College principals. This letter highlighted the additional £185 million funding (2023-24) and £285 million (2024-25) which had been ring fenced by the Government for FE colleges. This additional funding was to	

address key priorities including the recruitment and retention of staff. The meeting commended the additional funding of circa £1.52m for TWFCG 2023-24 which would enable the college to award a Cost of Living Pay award to staff.

The letter from Robert Halfon MP was NOTED

- ***Budget reforecast 2023/24***

The meeting noted a paper from the Deputy CEO (RM) which advised governors of the updated reforecasts for the current year (FY24) and next plan year (FY25). The meeting was reminded that the budget 2023/24 and financial plan 2024/25 had been approved by the Board on 5 July 2023. RM outlined the changes to the budget which were proposed:

FY24

Income

- Additional £1.52 million for pay review purposes (central government allocation notified in late July 2023 as per above).
- Apprenticeships income now expected to be £150K higher in each year

Pay costs

- Suggested 3% across-the-board pay award with effect from 1 September 2023. Total cost would be more than £0.9 million and this together, with harmonisation costs of £560K, would mean that the college would use the entire additional income of £1.52 million for pay-related purposes (as recommended by the Association of Colleges).

Non-pay costs

- Following a review of the final costs for FY23 and further reclassifications following the merger, individual category budgets had been revised but the net effect was limited to an increase in total non-pay costs of only 1.5% (£174K)

Outcomes

- Total income £45.0 million (£43.7 million)
- EBITDA £713K (£531K)
- Cash at year end £5.55 million (£5.36 million)
- Financial health Good – 200 points (Good, 200 points)
- Pay costs ratio 69.85% (70.02%)

FY25

Income

- Additional £1.52 million for pay review purposes as mentioned above
- A further increase of £1.3 million to reflect increased student enrolment in August 2023

Pay costs

- For FY24, an additional consolidated 3% pay increase for all staff (RM confirmed that this was not 'non-consolidated' as shown in the paper; ***this was an error and would be corrected for the October Board paperwork).*** **RM**

Non-pay costs

- 8% increases in non-pay costs to allow for inflation and higher student numbers (this was noted as being on the high side and could be amended).

Outcomes

- Total income £47.9 million (£45.0 million)
- EBITDA £1.37 million (£612K) – the £1.37 million is 2.9% of income compared to the ESFA's target minimum of 3%
- Cash at year end £5.16 million (£5.09 million)
- Financial health Good – 200 points (Good, 190 points)
- Pay costs ratio 67.59% (69.47%)

The meeting noted all of the options for pay awards in 2023 and 2024 in the Deputy CEO's paper and their impact on the College's EBITDA and other key financial key performance indicators. RM highlighted that the position would be less tight in 2024-25 as additional lagged funding would allow EBITDA to significantly increase. The importance of maintaining a positive EBITDA and Good financial health across both the current budget year (FY24) and the plan year (FY25) was discussed and agreed by the meeting. RM reminded the meeting that any drop in financial health to Requires Improvement would trigger intervention from the ESFA and potentially the FE Commissioner.

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	The meeting agreed that once approved by the Board (4 October 2023) the reforecast for 2023/24 should be adopted for monthly variance reporting purposes from 1 August 2023 onwards.	**RM**

- ***Cost of Living (COL) Pay award 2023***

The meeting considered the proposal contained in the revised budget for a starting point of 3% consolidated pay award for 2023 (going to a maximum of 4% during any union negotiation). The additional funding secured for 2023-24 and 2024-25 would fund this pay award.

The CEO updated the meeting on the likely risks around the discussions with Trade Unions who were looking for any pay award to be backdated to 1 September 2023; GM confirmed that the proposal and revised budget paper allowed for this. However, in recent days it had been become apparent that anecdotal evidence from the FE sector was that staff and unions had an expectation that the recent government pay award to schoolteachers – 6.5% - should be met for FE staff. Very recent briefing from the Association of Colleges (AoC) had suggested that colleges should be using all of the additional 2023/24 funding received from DfE for a COL pay award. However, GM reminded the meeting of the college commitment and action to bring in pay harmonisation for BCA staff post-merger. The cost of this was circa £560,000 which would have to be funded on top of any COL increase. The meeting was reminded that the Trade Unions were officially in dispute with the college and were seeking a 17% COL increase. The meeting was informed that the number of union members across TWFCG was relatively low (maximum 121 members of staff) so the impact of any strike action could be mitigated. GM also reminded the meeting that the strong enrolment in September 2023 would provide additional lagged funding of circa £1.7m in 2024-25. The Deputy CEO confirmed that every additional 1% on pay costs took circa £300,000 straight off the bottom line.

Governors sought confirmation on anecdotal feedback from other colleges whether a 6.5% increase was a fact or an aspiration; GM confirmed that at a recent AOC Principals meeting the majority of colleges were aiming to award 6.5% in autumn 2023. After discussion, the meeting agreed that the additional £1.5m secured in 2023-24 should all be used for a COL pay award (harmonisation costs to be funded separately); this would allow full transparency with the unions and made the college offer as good as it could possibly be.

Governors discussed the curriculum planning work that was currently taking place across TWFCG with the support of the FE Commissioner (FEC) Team (see agenda item 17). At this early point in the work, this was suggesting that any future cost-efficiencies would need to come out of support and back office. However, this would possibly provide a tension in the face of any impending Ofsted inspection as the College was looking to maintain its Good rating. GM also highlighted that the Leadership and Management structure at a middle management level was still generous post-merger and would need further review.

The Deputy CEO (RM) confirmed that in his current financial model, if the totality of the £1.52m was used for a COL pay award then this would result in a negative EBITDA for FY24. This would risk an 'inadequate' financial health grade and FEC intervention. Although the college was hopeful of securing additional in-year funding for the extra students 2023-24 this was not guaranteed. RM highlighted that if all of the £1.5m was ring fenced for COL then the offer could be 5.5% this year and then 6% next to maintain a positive EBITDA. The meeting supported the concept of offering the TUs a two-year deal as work could be undertaken to secure additional back-office savings for next year. The CEO confirmed that she agreed with that strategy. Governors suggested that the college had merged successfully – in alignment with ESFA guidelines – and might approach the agency for additional funding. Management confirmed that this was not an option. One of the issues for the new WFCG was that provision was delivered across four separate college campuses which was relatively more expensive than running across fewer sites. The meeting agreed that it would be key for the Trade Unions to understand the implications around potential restructuring if the pay award was higher than currently affordable.

	The meeting AGREED that a proposal should be taken to the Board on 4 October which was based on the following:	**Exec.**

i. ***All of the £1.5m additional government funding for 2023-24 to be ring-fenced for a COL pay award (harmonisation costs to be funded separately).***

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	ii. ***Options to be sought which would allow the college to maintain a positive EBITDA for 2023-24 and 2024-25.***	
	iii. ***The WFCG pay award to be as close to the AoC 'recommendation' of 6.5% for 2023-24 as possible (subject to 'ii' above).***	
	➢ ***<u>Capital Expenditure Update</u>***	
	The meeting noted an update schedule which outlined the utilisation and planned capital expenditure for the next two financial years for the monies received via the Reclassification Fund (£0.99 million), Energy Efficiency (£0.38 million) and the Transformation Fund (£1.34 million). The Deputy CEO reminded the meeting that this report would be a standing agenda item at the Resources Committee until all of the funds were fully utilised.	
	The Capital Expenditure update report was NOTED.	
3.	**<u>Enrolment Update 2023/24</u>**	
	The meeting noted the current enrolment against ESFA allocation by college. GM reminded the meeting that the number of funded students for 2023/24 was 4,150. At the time of reporting, 16-19 ESFA learner headcount across the College Group was 4,508, 385 ahead of the prior year enrolment (4,123). Full time adult learners who would join these programmes numbered 145, growth of 25 on prior year (120). Against current retention rates (circa 80%) management estimated that this would equate to between £1.7m and £1.8m of lagged funding to be received in 2024/25. Members were reminded that this report was an early indicator of enrolment performance: for 16–19-year-olds but numbers could fluctuate until the census date in November when the final funded number was confirmed. For adults and apprentices, enrolment would continue through the year and updates would be reported for these and the Higher Education enrolments at the October Board meeting.	
	GM highlighted the very pleasing figures at Langley College which had exceeded its enrolment target of 1,050 by 20% (1,262). This level of recruitment at Langley had been in the post-merger plan with a target completion date of enrolment 2024/25. The fact that it had been achieved a year ahead of this demonstrated the benefits of the BCA and TWFCG merger. The meeting noted that the successful enrolment at Langley College was due to several factors: an improved demographic; the impact of higher GCSE grade boundaries for the first time since 2019; attracting students from West London and better progression for existing students especially for ESOL learners. GM informed the meeting that there was a great atmosphere on site at Langley with a busy, purposeful energy. Learners were engaged and had been very well behaved since the start of the term.	
	Governors commended the very strong enrolment across the whole college group. GM confirmed that the college would be submitting a request for in-year growth funding 2023/24 if it became a possibility. This would not be known until later in the academic year and anecdotal evidence suggested quite a number of colleges had exceeded targets due to the return to pre-Covid grade boundaries which was likely to limit any additional funding available to individual colleges.	
	The enrolment update was NOTED	
4.	**<u>FE Commissioner Curriculum Planning work (CEFSS)</u>**	
	The meeting noted that as part of the post-merger review process the College had requested the support of the FEC team to undertake a review of the four colleges and their curriculum planning process. The CEO (GM) reminded the meeting that this had been suggested by Audit Committee Governors (AH) at a previous meeting. GM asserted the value of this suggestion from AH which was going to be really helpful and would provide the catalyst for the college to make the right improvements. GM confirmed that the initial meeting to scope the FE Commissioner 'Curriculum Efficiency And Financial Sustainability Support' (CEFSS) work had taken place and the detailed work was scheduled to commence on site on 6 November 2023. GM highlighted that payroll costs at TWFCG were currently running ahead of the benchmark (71% v 68% for the mix of FE, specialist land based and Sixth Form). In order to secure the future financial viability of the college group the Executive and Governors were mindful that there was a need to ensure that curriculum delivery was optimised to	

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	deliver a positive EBITDA and associated payroll costs in line with the sector benchmark.	
	The presentation from the initial meeting with the FEC Team and the detailed action plan were taken as read. GM highlighted the initial feedback from the FEC Team that as Industry Placement (IP) work was no longer funded the comprehensive offer at TWFCG for IP work with all learners was too expensive for the group to maintain. This work was now only funded in relation to T Level provision, but TWFCG had secured circa £300,000 for Industry Placement work under the Capacity Delivery Fund during 2022/23. GM reminded the meeting of the value of strong industry placements with regard to successful destinations and outcomes for students and strong IP work was regarded highly by Ofsted. ***The report on the CEFSS work 2023 was NOTED and RECEIVED.*** ***A further update to be brought to Resources Committee in November 2023.***	**TR/ SLT**
5.	**TWFCG Management Accounts July 2023** The Deputy CEO (RM) presented the management accounts for July 2023 which had previously been circulated to all governors by email. Although these were largely taken as read as they had been considered earlier in the meeting, RM made the following observations. The final position at 31 July 2023 was a negative EBITDA of £157,000 but this included in-year merger costs of circa £800,000. Although the negative EBITDA would ordinarily generate a financial health grade of Requires Improvement, RM asserted his belief that this would not be the case after moderation by the ESFA once exceptional merger costs were excluded. The meeting noted that the SLT had already spoken to the ESFA to this effect but a change to a 'good' grade would not be confirmed until early 2024 after the financial statements 2022/23 were submitted. Governors sought, and were given, confirmation that the ESFA would not contribute towards college merger costs. RM reminded the meeting that the total cost of the merger had included £300,000 in 2021/22 as well as £800,000 in 2022/23. The final key financial indicators for the period to July 2023 were noted as follows: • The operating deficit for the year amounted to £2.52 million compared to the reforecast of £1.99 million i.e., £537,000 adverse. (The meeting noted the differences between the EBITDA and operating deficit variances.) • For the full year, there were variances against forecast in income (£455K favourable), pay costs (£553K adverse) and non-pay costs (£493K adverse). • The reforecast indicated that pay costs for the full year would be 70.0% of adjusted income. The actual percentage was 70.7% and reflected the constant upward pressure on staffing costs that the group continued to face; this was partially mitigated by the higher-than-expected income. • The cash balance at the end of July was £6.91 million in credit, which was £173,000 above the reforecast. The Deputy CEO read a section from the Financial Handbook which highlighted the financial short-term impact of merger and the fact that the ESFA would take a 'lenient view' for 18 months post-merger. The Chair of Audit Committee agreed that looking outside the education sector 18 months would be considered a short timeframe for full financial recovery after a complex merger. RM reminded the meeting that the College now had a new full-time management accountant who was providing closer scrutiny of all financial metrics moving into the second-year post-merger. This item was largely taken as read with no further questions arising from governors as it had been discussed during the budget agenda item earlier in the meeting. ***The Management Accounts for July 2023 were NOTED and RECEIVED.*** ***[Audit Committee members left the meeting]*** ***RESOURCES COMMITTEE MEETING commenced at 7.05pm.*** ***[Susan Brady joined the meeting.]***	

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6.	**Apologies for Absence** Apologies had been received from Kiran Virdee and Angela Wellings. The Chair welcomed Signe Sutherland to her first Resources Committee meeting since she was appointed as a committee member.	
7.	**Notifications of any other business** The Deputy CEO informed the meeting that he had notified the Director of Governance of one additional item for information in relation to the college contract for copiers and printers. There was no other business notified.	
8.	**Declarations of Interest** No Member declared a conflict of interest with the agenda.	
9.	**Minutes of the Previous Meeting of Resources Committee** The meeting considered the minutes of the TWFCG Resources Committee meeting of 26 June 2023 which had previously been circulated to all members and **were agreed as a true record. They would be taken as signed by the Chair.** ***All Members were agreed***	
10.	**Matters Arising of the Previous Meeting of the Resources Committee** The Director of Governance (TR) presented a report which confirmed that all matters arising had been actioned or would be actioned in the future (timing not due for completion yet). ***The report was NOTED.***	
	ITEMS FOR APPROVAL	
11.	**TWFCG Revised Financial Regulations** The meeting noted the revised Financial Regulations which had been revised to reflect the increase in capital projects in the near future to utilise recent capital grant funding. There was also a need to clearly itemise the categories of purchase where a purchase order was not expected prior to an invoice being received. The Deputy CEO (RM) informed the meeting that he had originally planned to bring these changes through Resources Committee in November for approval by the Board in December 2023, but it had become apparent that this timeline would be too late; expenditure in relation to the capital grant funding awarded through the Reclassification Fund (£0.99 million), Energy Efficiency (£0.38 million) and the Transformation Fund (£1.34 million) would need to start before December 2023. The Deputy CEO (RM) highlighted the key changes in relation to: • the inclusion of a list detailing those categories of expenditure where a purchase order would not ordinarily be expected prior to an invoice being received (section 6.3.2) • increases in approval limits for tenders for the CEO/ Group Principal and the Resources Committee (section 6.4) RM highlighted that the request to increase the tender approval limits for the CEO/ Group Principal and the Resources Committee related to the size of the likely projects and was intended to reduce the likelihood of senior management having to approach both the Resources Committee and Corporation between planned meetings to seek approval for projects. RM assured the meeting that both Resources Committee and Corporation would be updated at all meetings as to the utilisation of the grants, which totalled £2.8 million. The meeting noted that this proposed change would also be of use as the Heritage Assets repair work would soon start at BCA (likely timeframe spring/ summer 2024). The proposal was to increase the tender approval thresholds as follows: a) CEO/ Group Principal GM: increased from £250,000 to £375,000	

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	b) Resources Committee: increased from £500,000 to £750,000	
	RM confirmed that these increases would only be in place on a temporary basis and there would be a standing report to Resources Committee and the Board detailing any large approvals. The meeting agreed that this should be approved but only on a temporary basis with a review in September 2024. The Chair suggested that anything 'contentious' should be brought to the Board for approval to meet the Managing Public Money Guidelines that colleges now had to adhere to.	
	The meeting considered the second proposal in relation to tightening controls around the non-use of Purchase Orders (PO). The Finance Team had analysed possible problems around insurance, catering and utilities and were trying to take a fresh approach in relation to written exceptions. The meeting accepted the aim of this change but asked for a review in September 2024 to try and reduce the number of exceptions. Governors sought confirmation that the Finance Team were meeting budget holders on a regular basis. RM confirmed that the new Group Management Accountant would be undertaking these meetings and detailed variance reports would be produced on a monthly basis. Any persistent non-use of the PO system could be addressed at these meetings.	
	Members considered and APPROVED the Financial Regulations as presented and AGREED to recommend them to the Board for approval.	
	• ***There was a caveat that the Finance Regulations would be reviewed in September 2024 to assess whether:*** ***i. The increased tender threshold approval levels were still necessary.*** ***ii. The number of exceptions to the mandatory Purchase Order process could be reduced.***	**LG/ RM/ TR**
	All Members were agreed.	
12.	**<u>Estates Update</u>**	
12.1	• **<u>Capital Development Steering Group (CDSG) Minutes, 12 September 2023</u>**	
	The meeting noted the minutes from the last CDSG meeting. The CEO asserted how well the CDSG model was working to react to the quick timeline for decisions around the land sale at BCA. Meetings had been held at short notice which allowed timely decision making. The Resources Committee noted that a further CDSG meeting was scheduled for Friday 22 September to make a final decision on the land sale.	
	The meeting NOTED and RECEIVED the minutes from the last meeting of the CDSG.	
12.2	• **<u>Sale of Land for Honey Lane Development at BCA</u>**	
	The meeting noted a verbal update from the CEO/ Group Principal (GM) which reminded the meeting that the final interviews for the land developer had taken place on Monday 18 September. GM confirmed that governors alongside management and the procurement specialist from Tenet had been present at these meetings. The meeting noted that the final two shortlisted companies had been Octagon Developments and Elivia Homes who had both submitted bids in excess of £12m. The bid from Elivia Homes was the highest at £12.045m. However, the CEO highlighted that the bid from Octagon Developments had included the proposal that they would go back into the planning process to gain additional square footage from the development by building into the roof line of the houses (with dormer windows). There was some uncertainty within CDSG membership and the external advisers around the dangers of going back to RBWM planners with amendments.	
	The Deputy CEO (RM) gave the meeting a summary of his investigations into the financial stability of each of the final bidders. RM had spoken to the CFO of Octagon Developments earlier in the week and was now content with their financial position as a sub-division of Octagon Holdings which were very secure. RM also confirmed that there were no issues with Elivia Homes credit worthiness as they were part of the very large Octopus Energy group.	
	The meeting agreed that although the quality and legacy value of the build would be important, both housebuilders – Elivia and Octagon – would provide a house of sufficient quality even if Elivia had less experience in top end builds. The Director of Governance reminded the meeting that there would need to be a concern about Elivia's build quality to justify the Corporation accepting a less favourable offer with regard to the 'best value for	

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	money' requirements of Managing Public Money (MPM) guidelines. The Resources Committee meeting noted that a final recommendation on which developer to choose would be made on Monday 25 September. This would allow final discussions with the two shortlisted companies, a final decision to be taken at the CDSG meeting on 22 September and ratification by the Chair of CDSG on 25 September. ***The verbal update on the sale of the land at Honey Lane (BCA) was NOTED.*** ***ACTION: A recommendation on which shortlisted developer to sell the Honey Lane land to would be taken to Corporation on 4 October 2023 with a clear, transparent rationale.***	**TR/ SLT**
12.3	• **Appointment of Project Managers for BCA heritage works** The meeting was reminded that the tender exercise – run by procurement specialists Tenet – had now been concluded. The Coreus Group (a construction consultancy based in the southwest) had been selected as the successful candidate from a competitive tendering process overseen by Tenet. The tender process had produced four viable bids which were shortlisted to two companies: Curry & Brown and Coreus Group. These two bidders were interviewed on 26 July 2023 with CDSG Members involved (IT and SF). The meeting noted that the decision to appoint Coreus Group was subject to references and a credit check. The meeting noted that the appointment contract was currently being reviewed by college solicitors Field Seymour Parkes. The Director of Governance confirmed that the contract should be taken to Corporation for final approval on 4 October in order to ensure that there could be no risk of a lack of compliance with TWFCG Finance Regulations or MPM Guidelines. The meeting noted that a pre-contract onsite familiarisation meeting with the project managers from Coreus Group took place at BCA on the 6 September 2023. The next step for the heritage works project would be as follows: • Determine project governance; roles and responsibilities to be identified. • Establish the project 'vision' and scope. • Establish the critical path for the entire project • Identify information gaps and surveys required. • Undertake costing exercise to match expenditure to income from the Honey Lane land sale. **The update report was NOTED and RECEIVED, and the Resources Committee APPROVED the recommendation from CDSG to appoint the Coreus Group to the Heritage Works project management role.** ***ACTION: Contract for BCA heritage work project management with Coreus Group to be taken to Corporation for approval on 4 October 2023***	**SLT/ TR**
12.4	• **MUGA at Langley College** The meeting noted the written report prepared by the CEO (GM) which highlighted that no progress had been made in commissioning a joint valuation of the MUGA plot; Slough Borough Council (SBC) and TWFCG jointly. However, GM informed the meeting that this report had been superseded following a meeting between college management and representatives of Slough Borough Council on Monday 11 September 2023. GM informed Resources Committee Members that at this meeting she had asked SBC to consider an overage and to look at deferred payment for the MUGA and they had agreed to consider this option. However, SBC had recently appointed a new Finance Director who appeared to be taking a different view – looking at a longer-term solution - from the previous interim FD. Members were reminded that the council was still required to comply with the Section 114 notice and to seek 'best value' for land disposal under Section 123. However, it had been suggested by council representatives that SBC might be interested in a revenue option for the MUGA i.e. a long-term lease back to TWFCG. GM informed the meeting that the annual income for the College from the MUGA was currently circa £35,000. Members were also reminded that the existing arrangement for the college to access the MUGA for a 'peppercorn rent' would stay in place until 2025 without amendment.	

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GM informed the meeting that at the last CDSG meeting (12 September) she had been given permission from the CDSG to go away and explore the option of a long-term lease for the MUGA further with SBC as this solution would suit both parties and resolve any ongoing issues around access, drainage etc. SBC could then go ahead and market the land around the MUGA as it would be unencumbered. The general consensus from CDSG Members for the CEO to negotiate was that the longer lease the better (≥ 25 years), with break clauses at every five years. The aim would be to avoid a CPI uplift in lease costs but maybe agree to a rent review at 10 years.

The MUGA update was NOTED.

13. **<u>Human Resources (HR) Report: Pay Harmonisation Update</u>**

The meeting noted a report presented by the Group Director of People (SB) which outlined where the college was in relation to aligning terms and conditions of employment post-merger. SB confirmed that whilst the BCA staff had no automatic legal right to the same terms and conditions as the WFCG staff, (as outlined in the November 2022 report to Resources Committee), the Executive Team believed it was appropriate to align the terms and the Board had supported that proposal. The two key differences related to pay and holiday entitlement and the meeting noted the process that continued to be undertaken to align those terms, as far as is possible, with effect from 1st September 2023.

SB reminded the meeting of the biggest issues that had been raised by staff just before the summer break:

i. Not accounting for experience of Lecturers in determining their position on the pay scale
ii. Curriculum Leaders not feeling that their additional work was being valued
iii. Relative position in terms of pay band now that band F has been removed
iv. How we might recognise some staff as academic, but enable flexibility to deliver all year round

The meeting noted that the Executive were working on a revised proposal in relation to the curriculum lead/ manager roles with a view to discussing this with those involved in the next couple of weeks. SB asserted that the removal of band F was the right thing for the Group to do in ensuring that all WFCG staff were paid above the national living wage. However, this had caused a knock-on effect on all the other pay scales and was something that HR would be working to resolve this. Governors also noted that the Executive had reviewed the pay and terms of the Skills Coaches which had enabled them to retain some of their academic terms (Teachers' Pension Scheme) but would give the college the flexibility to deliver the necessary support to apprentices all year round. SB confirmed that any staff who chose not to accept the new contract would retain their current terms and conditions and would have the option to change at any point in the future, although not for it to be backdated.

- *<u>Next Steps</u>*

SB informed Resources Committee members that due to the scale of the task (with more than 300 new contracts to issue) it had been agreed at the union meeting on 30 August, that HR would issue the new contracts in two stages:

a) October – support staff
b) November – academic staff

Staff would be given two weeks to decide if they wanted to accept the new contract and to return a signed copy. The new salaries would be implemented in the payroll of the following month: November for support staff and December for academic staff. In both cases, pay and terms would be backdated to 1st September 2023.

- *<u>Communication</u>*

The meeting was given assurance around the ongoing communication with staff. A Frequently Asked Questions (FAQ) update was circulated to all staff before the summer break to answer the last remaining questions. On return an all-staff email went out on the 23rd August, with an update following the union meeting of the 30th August, being sent on 7th September outlining the next steps. Question and answer sessions were being run at briefings and curriculum leadership meetings and the dedicated email address had remained

MINUTE No		ACTION
	available and was reviewed daily by staff in HR. SB highlighted the other issue that many staff and the recognised unions still held the view that the Group should be 'equalising' pay at the same time as the alignment. However, there had been some recognition of the college's tight financial position by the trade unions, and they had asked that that management start consultation on agreeing a reasonable cost of living increase at the next union meeting (11 October 2023). SB confirmed that the Cost-of-Living increase would need to be considered by the Corporation on 4 October prior to the union meeting. The meeting thanked the HR Director (SB's) for the considerable work that had been put into this pay harmonisation process. The CEO commended SB's experience and strength in union negotiations which had allowed a settlement to be reached. ***The meeting NOTED the HR Update Report on pay harmonisation.***	
14.	**Dates and Times of Future Meetings** The Director of Governance informed the meeting that the current dates for the Resources Committee would be changed to separate them from Audit Committee. ***NOTED*** ***ACTION: Revised calendar invites would be sent for the full year 2023/24.***	**TR**
15.	**Any Urgent Business** • Copiers and printers The Deputy CEO informed the meeting that the College was now out of contract at all colleges with the copier/ printer providers. RM informed the meeting that he had assurance that the current supplier would continue to provide support for the foreseeable future, but he would be aiming to action a new contract tender process early in the new calendar year (2024). There were no other urgent items of business raised.	

The meeting closed at 8.00pm.

Chair.. Date...