

## FINANCE COMMITTEE

### Minutes of the hybrid meeting held on 15 May 2024 at 4.30pm

**Present physically at WSC:** N Savvas, CEO

**Present virtually:** A Duffety, Chair E D'Souza  
C Higgins, Vice Chair

**In Attendance:** A Brewster, Group Head of Finance  
A McGarel, CFO  
D Barton, Assistant Principal Adult (part)  
E Lees, Executive Dean of Higher Education (part)  
G Grainer, Chief Information Officer (part)  
L Carroll, Group Head of Project Accounting, Risk and Transformation  
M Chatt, Interim CFO  
P Stittle, Executive Director Business Development (part)  
S Gales, Governance Professional

**Apologies:** J Drake  
L Moody, Principal Strategic Growth and Partnerships  
L Parish, Assistant Principal Apprenticeships  
S Minns, Group Head of Admissions and Enrolment

#### **Absent:**

#### **1. Declaration of Interests and Apologies for absence**

#### **Action**

C Higgins, E D'Souza and N Savvas declared their roles as Trustees of Suffolk Academies Trust. No other conflicts of interest in relation to the items of the agenda were declared.

Apologies were received from J Drake, L Moody, L Parish and S Minns.

#### **2. Minutes of the meetings held on 13 March 2024**

The minutes of the meetings held on 13 March 2024 were **agreed** as an accurate record.

In March 2024, pursuant to section 3.11.1 of the Financial Regulations and the authority delegated by the Finance Committee, the Chair of the Corporation and the Chair of the Finance Committee reviewed, agreed and signed lease documents for the PPL Centre in Haverhill.

In April 2024, pursuant to section 3.11.1 of the Financial Regulations the Finance and Resources Committees approved the lease document for the PPL Centre in Thetford and delegated authority to the CFO to sign the lease on behalf of the College.

In May 2024, pursuant to section 3.13.5 of the Financial Regulations the Corporation Chair and the CEO (who is also a Governor) executed a grant funding agreement with CPCA with the College's seal.

#### **3. Matters Arising from meetings held on 13 March 2024**

Three of the eight matters arising from the previous meeting were complete, four were ongoing and one is due to be discussed in 2024/25.

#### **4. Finance Report**

Governors received and noted the detailed financial report provided, and the Group Head of Finance summarised the report:

- The year-to-date position is a position worse than budget by circa £6k,
- The forecast year end position is a surplus position which is better than budget by circa £40k.

Governors commended the work of the Executive to create pay parity within the Group and queried the cost of this work. The Group Head of Finance outlined the costs and of achieving real-living wage pay.

Governors queried the key financial risks to the College achieving the budgeted year-end position. The CFO noted these include achieving the AEB and Full Cost income, the additional HNF is not yet confirmed, overspend on Apprenticeship end-point assessments and higher than budgeted premises maintenance and utilities costs.

Governors queried if the overspend on Apprenticeship end-point assessments is interlinked to achieving Apprenticeship income. The CFO explained the relationship.

Governors queried if the year-to-date budget reflects the Executive's understanding of the performance of the College. The CFO confirmed it does.

Governors queried if the forecast year-end position contributes enough reserves to ensure financial sustainability long-term. The CFO confirmed there is sufficient reserves and outlined plans to re-invest in the College to create capacity to support future growth.

## 5. **Key Performance Indicator Report**

Governors received and considered the KPI report provided, which noted that of the KPIs, RAG rating of the data shows: 13 green, 1 amber and 1 red.

The report noted the red KPI relates to higher than budgeted expenditure but notes this is matched by higher than budgeted income.

## 6. **Student numbers for current year (Enrolments)**

### i. **Apprenticeship Pipeline**

Governors received and considered the report provided and P Stittle provided a verbal update on the live data compared to the budgetary target.

Governors commended the success of the Apprenticeship team and queried the level of competition between local Apprenticeship providers. P Stittle answered this and noted WSC's appeal for employers is our extensive wrap-around support offer for students and flexibility and support for employers.

Governors noted the complexity of managing the administration and financial forecasting of Apprenticeships and queried if the Apprenticeship team have capacity to continue to grow. P Stittle explained how the team are structured to create the capacity.

### ii. **Adult Pipeline**

Governors received and considered the report provided and D Barton provided a verbal update on the live data compared to the budgetary target.

Governors noted both Suffolk and Norfolk have applied for devolution powers and queried the anticipated impact of devolution on our future AEB income. D Barton informed of the work we are doing to plan this with the Councils.

Governors queried the status of the projects and initiatives for the 2024/25. D Barton answered this and noted the status is different for each project with some spanning multi academic years and some may be extended, beyond their original end date. D Barton noted these would benefit next year's budget. Governors were reassured that the additional projects/initiatives would continue to remain part of the risk mitigation for the fluctuating adult AEB/CPCA achievement targets.

### iii. **Full Cost Pipeline**

Governors received and considered the report provided and P Stittle provided a verbal update on the live data compared to the budgetary target.

The Committee discussed the current market forces impacting training investment decision making for businesses.

Governors asked the next report to include a detailed update on NCTC to consider the return on investment to date generated by the centre.

## 7. Student numbers for year ahead (Applications)

### i. Sixth Form Provision

Governors received and considered the report provided, and the CIO provided a verbal update on the live application data compared to the ESFA funded student allocation.

Governors commended the strong applications and queried if there is a growing preference for vocational courses and if so, whether/how we can accommodate increasing student numbers. The CIO summarised plans to optimise resourcing to create capacity, the CFO informed we have commissioned a space utilisation report to help inform decision making and the CEO explained that there were other locations on the WSC site which were at present redundant/under-utilised and, depending on the outcomes of the space utilisation report, could be converted to teaching space. This would likely provide capacity, even on the most optimistic of grow assumptions until 2027.

### ii. University Studies Provision

Governors received and considered the report provided, and E Lees summarised the key information.

Governors noted the historic difficulty in accurately forecasting HE student numbers and queried if we have more confidence in our forecasting now. E Lees noted it is still difficult to predict and summarised the collaboration with the Group's sixth form team to try to build progression routes to support HE numbers. P Stittle informed of his teams' work to promote HE courses to businesses, to professionals in work, and to the Group's sixth form students; to help US create a more coherent pathway for wider WSC students to University level courses, and for employers to understand the benefits of supporting students/employees through a HE pathway. These strategies should HE student recruitment, which has been identified as under target and an ongoing risk.

Governors noted the work to renegotiate our partnership/validation terms with UEA and queried if the new contract is more realistic. E Lees and the CFO confirmed that it is, and the agreed fee is in line with other HE provider fees.

D Barton, E Lees, G Grainger, and P Stittle left the meeting at 5.39pm

## 8. Risk Register Extract

Governors received an extract of the updated Risk Register, with the risks relating to financial matters highlighted. Of these risks, post-mitigation, there were 5 amber and 4 yellow risks.

Governors discussed WSCR060 (relating to the HE provision) and queried if the risk is in-year or longer term. Governors proposed, if in year, we amend the risk name to clarify that the risk is relative to the budget and therefore as the budget has been reduced the post mitigation risk rating is fair. Governors noted, if longer term, there are ongoing concerns about the accuracy of student numbers forecasting and therefore suggest a further review/discussion. Governors **recommend** the Audit and Risk Management Committee review further and the Corporation consider our HE strategy to determine our aspirations and student number assumptions.

Governors reviewed the risks and **felt assured** by the mitigations proposed, except for WSCR060 as described above.

## 9. 2024/25 Budgetary assumptions

Governors received and considered the draft 2024/25 Budget and the deputy CFO summarised the key assumptions.

Governors discussed the need to ensure long-term sustainability of resource allocation. Governors asked the CFO to highlight and provide commentary in the 3-Year Financial forecast on the rationale and trends for expenditure lines.

The CEO noted the progress made to reduce borrowing and grow cash balances, which provides further long-term security for the College.

**10. ESFA Financial Health Grade**

Governors received and **noted** the ESFA Financial Health Grade.

The deputy CFO explained how the grade is calculated and our forecast grade for 2023/24.

**11. Signposting to new DfE Guidance**

Governors **noted** the paper provided.

**12. Any Other Business**

**- Future funding agreements with Cambridgeshire Peterborough Combined Authority (CPCA)**

The Governance Professional informed that we have been speaking to CPCA to see if we can find a more streamlined solution to execute future grant funding agreements and informed that CPCA have offered to accept documents “signed by directors and/or other personnel authorised to sign legal documents on behalf of the organization”. We asked if CPCA would accept documents signed by the CEO and counter signed by the CFO, if we had proof that our governance had granted delegated authority to the CEO and the CFO to sign all future CPCA funding documents on behalf of the Corporation. Their response was: “Providing the individuals identified are the appropriate people and have been properly authorised to sign legal documents in accordance with the Corporation’s governance procedures this will be acceptable to CPCA.”

Governors discussed the proposal and noted as it is income and will be reported to the Committee and be reviewed by the external audit process, it is low risk and **agreed to recommend to the Corporation that it grant delegated approval** to the CEO and CFO to sign future funding agreements with CPCA.

The meeting closed at 6.03pm