

FINANCE COMMITTEE

Minutes of the hybrid meeting held on 26 June 2024 at 4.30pm

Present physically at WSC:	A Duffety, Chair J Drake	N Savvas, CEO
Present virtually:	C Higgins, Vice Chair	E D'Souza
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) L Carroll, Group Head of Project Accounting, Risk and Transformation L Moody, Principal Strategic Growth and Partnerships (part) L Parish, Assistant Principal Apprenticeships M Downes, WSC Governor (observing as part of induction) M Chatt, Interim CFO S Gales, Governance Professional S Minns, Group Head of Admissions and Enrolment S Graham, CPO (part)	
Apologies:	G Grainer, Chief Information Officer P Stittle, Executive Director Business Development	

Absent:

The agenda was discussed in the following order: 1, 2, 3, 4, 5, 6.i., 6.ii., 6.iii., 7.ii., 12, 7.i., 10, 8, 9, 11, 13 and 14.

Action

- Declaration of Interests and Apologies for absence**
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 G Grainger and P Stittle.
- Minutes of the meetings held on 15 May 2024**
The minutes of the meetings held on 15 May 2024 were **agreed** as an accurate record.
- Matters Arising from meetings held on 15 May 2024**
One of the five matters arising from the previous meeting were complete, three were ongoing and one is due to be discussed in 2024/25.
- 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 £300k,
 - The forecast year end position is a surplus position which is better than budget by circa £240k.

Governors discussed the impact on the forecast year-end position if all the worst case scenarios occurred. The Group Head of Finance confirmed it would still result in a positive contribution to reserves.

Governors discussed the history of reported results and queried if there are cashflow concerns associated with the year-end position. The CFO assured there isn't great concern and noted the improvements in phasing of expenditure.

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 and 2 red.

Governors discussed the KPI relating to the 'cash days in hand' and noted this is red compared to our internal benchmark, whereas it is a strong position compared to the FEC benchmark. Governors asked for our internal benchmark to be specified within the report for amber and red RAG rated KPIs.

CFO

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

i. **Apprenticeship Pipeline**

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

Governors commended the progress on minimising the financial value of the mismatch report, and thanked the teams involved for their hard work.

Governors noted the total forecast new starts for 2023/24 compared to the target and queried the impact of the shortfall. L Parish explained many of these resulted from a strategic decision to delay the start dates for a number of students to move them into the 2024/25 year and explained the rationale for this.

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 queried the Executive's confidence in the forecast 'total opportunity/risk' position. D Barton confirmed her confidence in the figures.

Governors noted that in previous year's the Adult team has closed the gap and achieved the financial target, and queried the reasons for less optimism that this success could be replicated. D Barton explained the context for each income line and the CFO noted that while the Adult income may not be fully achieved, it has still grown year-on-year.

Governors noted the ESFA income lines seem easier to achieve than the CPCA income lines and queried the reasons for this. D Barton noted the CPCA funding is harder to achieve due to the narrower cohort of eligible Adults – e.g. it is only applicable to Adults who *live* in Cambridgeshire and Peterborough, regardless of whether they work in the area. The CEO noted this is part of the complexity of the devolved AEB income lines.

D Barton informed of changes to Adult funding in 2024/25 and summarised how we are working with Suffolk and Norfolk to help shape their devolution plans.

iii. **Full Cost Pipeline**

Governors received and considered the report provided.

Governors queried why the position in the report differs from the position in the monthly accounts. P Stittle to (via the Governance Professional) send supplementary report to the Committee.

P Stittle

Governors noted the variability of Adult and Full Cost income in year and queried how sensitive the overall budget is to these variances. The CEO noted the College's full year income is reliant on the total number of SEN students and 16-19 students, with Adult and Full Cost income impact evident in-year. The CEO noted Project income and HE income can cause significant variances and are less easy to forecast.

Governors asked for analysis on the contribution of each provision type to understand the overall sensitivity of the budget.

L Moody joined the meeting at 5.14pm

7. Student numbers for year ahead (Applications)

i. Sixth Form Provision

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

The CEO noted the college may apply for growth funding, to supplement in-year funding which is lag funded.

ii. University Studies Provision

Governors received and considered the report provided, and E Lees summarised the key information including plans to further target admissions and decide course viability.

D Barton, E Lees, L Parish and S Minns left, and S Graham joined the meeting at 5.31pm

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 2 red, 4 amber and 4 yellow risks.

Governors reviewed the risks and **felt assured** by the mitigations proposed.

9. 2024/25 Budgetary and 3-year financial forecast inc. Financial KPIs for 2024/25

Governors received and considered the 2024/25 Budgetary and 3-year financial forecast inc. KPIs, and the Group Head of Finance summarised the key points.

Governors commended the 'opportunities and risks' section and asked for this format to be used in future reporting.

Governors noted the uncertainties associated with multiple income lines (e.g. HE) and queried how these have been considered and incorporated into the budgetary assumptions. The Group Head of Finance noted the HE income is best-case, which based on previous performance could result in an additional 'challenge' position. The CEO summarised the work with the Executive to try to achieve this income line and/or achieve savings to counterbalance any under achievement.

Governors discussed the sub-contract partner costs and queried the rationale for the increased cost assumption. L Carroll explained that many of the college contracts are in the process for being renewed and given inflation these are often at a higher cost.

Governors queried the Executive's confidence in their ability to achieve the income lines. The CFO and Group Principal UPD confirmed confidence in the 16-19 and Apprenticeship income lines, with potential variability anticipated for the other income lines.

Governors noted the significant value of proposed capital spend and queried if this is prudent and sustainable. The CEO summarised the rationale and explained any capital expenditure will be prioritised within the context of achieving the agreed year-end position and will be project funded wherever possible.

Governors **agreed** the documents and to **recommend them to the Corporation for approval**.

10. 2024/25 Subcontracting Arrangements

Governors received and considered the subcontracting business case strategy, subcontracting procurement policy, and subcontracting and supply chain fees policy for 2024/25; along with the proposed subcontracting partners for 2024/25: West Suffolk NHS Trust and North West Anglia Foundation Trust.

Governors queried the total amount of subcontracted provision. L Parish answered this and noted it may soon fall under the reporting threshold

GHoF

Governors **agreed** the documents and to **recommend them to the Corporation for approval**.

11. **WSC Insurance Renewal**

Governors received and considered the insurance renewal quotes.

In accordance with section 3.9.4 of the Financial Regulations, the Committee **approved** the contract and **authorised the Executive** to enter into the agreement.

E D'Souza left the meeting at 5.45pm

Governors asked that future reports show the cost per pupil/staff.

CFO

12. **UEA Validation Renewal**

Governors received and considered the newly renegotiated UEA validation agreement.

Governors discussed the proposed UEA validation agreement and queried if the base is realistic and achievable. The CFO noted the base includes progressing students as well as new students, so is feasible.

Governors noted plans to convene in early Autumn to discuss the longer-term strategy and viability of HE and queried if it would be better to delay signing until after the meeting. The CEO noted the proposed agreement is for 1-year and E Lees noted we are working with UEA on our longer-term curriculum strategy linked to future agreements.

In accordance with section 3.9.4 of the Financial Regulations, the Committee **approved** the contract and **authorised the CEO** to enter into the agreement.

13. **Any Other Business**

• **Financial Regulations**

The CFO informed that following the Audit and Risk Management Committee's review of the fraud, corruption and bribery sections of the Financial Regulations, they recommend amendments to clarify the process in the event of suspected involvement of the CFO and/or CEO. The CFO to update the Financial Regulations to incorporate the changes and share with the Committee Chair. Governors **agreed** to receive and review the updated regulations and **delegated authority to the Committee Chair** to approve the amendments, and to **recommend them to the Corporation for approval**.

CFO
Committee
Chair

• **Thanks to Martin Chatt**

The Committee thanked Martin Chatt for his contribution to the College as a member of the Executive and welcomed him rejoining the Committee in 2024/25.

A Brewster, A McGarel, L Carroll, L Moody, M Chatt and N Savvas left the meeting at 5.53pm

Confidential item

14. **Remuneration Recommendation**

The meeting closed at 5.56pm