



Agenda items 9 and 10 preceded agenda items 4 to 8 and 11 through to 14 inclusive.

**Finance Items**

**4 Finance Report**

At month nine, the actual net surplus of £1,480K is £808K higher than the budget YTD. This is due to staff costs being lower than budget by £536K YTD and also non-staff costs are lower than budget by £259K.

It was noted that the finance report covered the financial position to April 2017 with 3 months still to go for the academic year and the Committee questioned if given the decision at the last meeting to invest £250K in the estate, did this investment pose a risk to achieving a positive yearend outturn. The Vice Principal Finance and Resources confirmed that no risk is likely given the financial position as at May 2017 and the forecast set for the year end outturn.

There were no further issues arising from the content of the report.

**5 Key Performance Indicators**

Student numbers are now at 2,860 as at last week against the funding allocation target of 2,892; 32 behind target but further enrolments are still being pursued and this shortfall is expected to reduce further.

It was noted that the Staff cost to income ratio has reduced from 67.9% at the last report down to 66.6% forecast year end and it was noted that this ratio does include the proposed pay award to staff.

There is still no confirmed position of the bank concerning the loan covenants. The College had received draft new covenants for comment and it was noted that these would negatively impact on compliance for the College. The Vice Principal Finance and Resources has challenged the proposed changes.

**6 Sub Contract Provision Performance**

There are no concerns of partners' performance to report. There is one area; health and social care apprenticeships which is performing 1% lower than predicted but financially this poses no risk to the College.

It was noted that the additional performance tables added to the report is for the interest of the Standards and Excellence Committee whose role it is to consider the quality of provision and alert this Committee to any risk that could financially impact the College. These should be omitted from future reports.

LMoody

**7 Supply Chain Fees and Charges Policy**

In accordance with ESFA Funding Rules the College's Supply Chain Fees and Charges policy is subject to annual review and approval of the Principal and Governors. The Committee questioned why the charges published in the table appended to the policy do not reflect the 15% retained fee charged. The Vice Principal Employer Engagement will review the policy for publication on the College website and subject to this review and amendment to remove the appended table and appropriately adjust the risk factor checklist the Committee were content to delegate **approval** of the Supply Chain Fees and Charges Policy to the Chair of the Committee and the Chair of the Corporation.

LMoody

At the request of the Committee it was noted that the risk rating of WS Training is to be escalated to a higher rating.

LMoody

**8 Subcontracted Provision for 2017/18**

The ESFA will be starting a new procurement exercise of non-levy paying employer funding so at this time it is unknown what the budget will be but what we do know is that it is their intention to award contracts with effect from 1 January 2018 to April 2019.

The proposed partners and suggested contracting values for August to December 2017 were detailed in the report for a total contract value of just over £200K. It was noted that the risk to the College of not working with these partners is that they will undoubtedly work with others if we don't and we would not be able to provide a complete vocational offer without the specialisms that currently we don't deliver ourselves; e.g. roofing. The Committee **approved** the contracts as detailed in the report.

**9 Full Time Applications and Enrolments 2017/18**

The College is slightly down on application numbers at the time of reporting but we are up on the number of applications received and the conversion rate has substantially increased to 93%. 214 additional students have been invited in to enrolment week, this week. Enrolment has been encouraging at 72% which is higher than previous years indicating that enrolment will be up for the 2017/18 academic year.

An additional 141 students have been enrolled compared to the number enrolled last year at this point. An additional 60 applications have also been received further to the release of the recent marketing campaign. Feedback from the curriculum staff is that students are motivated and interested in their course options and looking forward to being part of the College experience. It was noted that the funding target for 16-18s next year is 2,866 and there is quiet confidence that this is achievable. Health and Social Care applications are unfortunately down on previous years. It is thought that increasing entry requirements and changes to work experience to work with adults rather than children may be the reasons why students are not choosing Health and Social Care to study.

A Wright left the meeting at 4.25pm

**10 HE Applications 2017/18**

There are currently 375 applications and 149 of those are accepted offers. Recruitment is down on last year but we anticipate over the summer through clearing a further 80 Engineering and Combined Routes students plus a further number of students progressing through from year 1 to year 2 of their degree programmes.

An intensive marketing campaign is underway targeting level 3 students in College to encourage higher education opportunities to this cohort of learners. Regional advertising is also out there and in place over the summer months to hopefully attract more learners to the UoS at WSC.

A conservative view has been taken by course to calculate the likely level of funding for budgeting purposes and this has concluded a reduction of £200K as originally assumed in the 2017/18 budget as a realistic assumption. The Principal confirmed that enrolments would be closely monitored early in the next academic year and if these are significantly below target staffing levels would be adjusted accordingly.

It is thought unlikely that the change in university status for the UoS is impacting our ability to recruit and our marketing is very much targeted around selling our USPs as opposed to encouraging learners to take their studies at the Ipswich hub.

R Kirk left the meeting at 4.20pm.

**11 College Budget 2017/18 and 3 Year Financial Forecast**

It was noted that the capital sheets and appended lists at the back of the document can be disregarded.

The proposed budget remains a draft operating surplus of £70K which reflects the application of a capital budget during the year of £258K. The Committee did question the level of risk attached to presenting a budget of £70K against a turnover of £27m and agreed that this posed a greater degree of risk than that eluded to in the report. It was recognised at the meeting that the budget is of course fraught with risk and a great deal of financial management will be required and undertaken throughout the course of the year to keep within and achieve the budget proposed. The statement made in the report is to be amended to recognise the risks posed and the Vice Principal Finance and Resources will update the statement in the report to the Corporation meeting to be held on 7 July 2017 to read 'This budget is not entirely without risk to the College and the risks are set out in detail in the attached report'.

SJones

The Financial Objectives were considered by the Committee and it was agreed that each of the six objectives detailed in the report were adequate and did not require amendment. The Committee agreed to include two additional objectives; 'to achieve a green status rating for financial health (Outstanding or Good)' and to achieve a green rating against the sector benchmarked operating surplus ratio' (subject to agreeing the level of % to be measured). On this basis the Committee was satisfied to **approve** the budget 2017/18 and will put a recommendation to the Corporation at the meeting to be held on 7 July 2017.

SJones

SClarke

The Committee considered the three year financial forecast and agreed that these allowed for modest growth over the coming years. It was noted that all income lines, including the rent received from Vintens have to be disclosed but this line is not included in the management accounts to the Committee. The Committee **approved** the forecast and will put a recommendation to the Corporation at the meeting to be held on 7 July 2017.

SClarke

**12 2017/18 Insurance Renewal**

In accordance with the Financial Regulations, the College Secretary is responsible for the College's insurance arrangements. The award of contracts over £50K are to be approved by the Resources Committee.

The renewal date for insurance is 31 July 2017 and it is the intention this year not to move our insurance arrangements away from the current provider as premiums sourced in 2015/16 have been held for the next two years to 2017/18. During 2017/18 the College Secretary will enter into a competitive tender exercise to test the market again. The Committee **approved** the appointment as documented.

**13 Property Items  
Property Update**

There are no issues to report and all summer works are planned and are to be invoiced before the year-end as agreed by the Committee.

Works to the Barrack Wall are planned. Although the spend will occur in the next academic year we must ensure that the work is carried out and an order has been placed with specialist contractors to undertake the necessary renovation work.

A Property Task and Finish Group meeting is to be convened for August 2017. The Clerk will send an invite out to members.

JBridges

**14 Any other business**

*Confidential item under paragraph 18(2) of the Instrument and Articles of Government.*

**Date of next meeting**

Wednesday 8 November 2017 at 4.00pm. Room TG1.16.

The meeting closed at 5.55pm.