

## FINANCE COMMITTEE

### Minutes of the hybrid meeting held on 16 February 2022 at 4.30pm

**Present physically:** N Savvas, CEO S Clarke, Chair

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

**In Attendance:** A Wright, Group Director Progression  
E Lees, Executive Dean for University Studies (part)  
J Raffel, CFO  
L Moody, Principal Strategic Growth and Partnerships  
P Ewan, Head of Finance  
S Gales, Governance Professional

**Apologies:** None

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

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

There were no apologies.

#### 2 Minutes of the meetings held on 1 and 8 December 2021

The minutes of the meetings held on 1 and 8 December 2021 were **agreed** as an accurate record.

Governors commended the Governance Professional on the ongoing accuracy of minutes.

#### 3 Matters Arising from meeting on 1 and 8 December 2021

The matters arising from the meeting were summarised in the report and all actions reported had either been completed or, where appropriate an update had been provided on progress elsewhere on the agenda.

MA4 L Moody informed all that significant work is underway to strengthen reporting and forecasting of Apprenticeships, and for the next meeting the Apprenticeship Pipeline report will include monitoring of planned achievers.

#### 4 Finance Report

Governors received and considered the detailed financial report provided, and S Clarke summarised the key data:

- The year to date deficit is £547k compared to the budgeted surplus of £122k.
- Due to the shortfall in income, overbudget teaching costs and forecast overspending in non-pay costs; there is significant risk that the College might not achieve the re-forecast year-end surplus.

N Savvas outlined the contributing factors which have caused the adverse variances against budget and the actions being taken by the Executive to achieve savings and efficiencies and increase income.

N Savvas noted that due to our student numbers this year, we will have an increased allocation next year and therefore can expect greater revenue income; however, we need to carefully manage the period until the year end to achieve the agreed surplus.

Governors discussed and agreed that it would be helpful to see forecasted figures at each meeting of the Committee. Governors asked the finance team to re-forecast the finances monthly and discuss with the Committee Chair.

### Action

JRaffel

Governors noted that the finances were last re-forecast in the October accounts and having regard to the concerns arising from the December accounts agreed that a reforecast now needs to happen urgently to inform the Finance Committee. Governors agreed to receive the re-forecasted report and plan for mitigating the adverse variances by Friday 4 March 2022.

## 5 **Key Performance Indicator Report**

Governors received and considered the KPI report provided. S Clarke noted that of the KPIs, RAG rating of the data shows: 11 green, 3 amber and 4 red.

Governors noted that, due to the lack of reforecasting, the WSC KPIs 1-3 are unchanged from the previous report.

Governors noted that of the red KPIs all remain as discussed at the last meeting, and discussed HE enrolments and applications in *agenda item 6*.

Governors discussed the re-forecasted cashflow position and noted that it shows a year-end position significantly above the budgeted position due to the reduced capital expenditure forecast in the current year.

## 6 **Enrolments and applications**

Governors received and considered the report provided, and A Wright summarised the key data to date:

- An additional 250 16-18 submitted applications compared to last year
- An additional 5 Level 4 direct funded applications compared to last year.

A Wright confirmed that we are on track to achieve our 16-18 ESFA allocation.

Governors queried how we are marketing the College to the students at the Group. A Wright summarised the approach taken and noted that we continue to support all students across the Group to study on the right course at the right level to support them to achieve and progress. A Wright noted that this has enabled students at ASFC and OSFC to enrol at the College.

Governors queried the definition used for Level 4 direct funded applications. A Wright confirmed the definition used and L Moody noted that this does not include Level 4 Apprenticeships as these have separate costs associated with this delivery.

E Lees summarised the work being undertaken to map the progression routes from the Group's sixth form provision into University Studies to identify routes and any gaps; to understand the reasons for instances of non-conversion of applications and non-continuation between years of post Level 4 study; to create additional HNC and HND offerings and potentially develop further higher and/or Degree Apprenticeships. E Lees

E Lees advised that she is working with UEA (as our validation partner) to discuss additional delivery models, however this would be a longer-term development.

Governors queried how many students do not progress to further study post Level 3 (or equivalent). A Wright advised circa 40% of WSC Sixth Form students do not progress to university (with circa 50% of OSFC students and 20% of ASFC students), and staff are working with these students to ascertain if University Studies might be the appropriate progression route for these students.

Governors noted that last year the conversion rate between application and enrolment at University Studies was less than planned, which adversely impacted the budget; and asked what steps are being taken to improve conversion and reporting. E Lees outlined the changes to the application and enrolment process and the structure which will measure the impact of these changes. E Lees noted that we are also in a more competitive market and other university providers are incentivising students with iPads and unconditional offers.

Governors asked what is being done to advertise to external students. A Wright summarised the marketing activities and the additional advertising compared to last year.

**7 Apprenticeship Pipeline**

Governors received and considered the report provided. L Moody noted the report provided is incorrect and agreed to provide S Gales with the updated report to circulate to the Committee. L Moody confirmed that the actual performance is better than the re-forecasted budget.

L Moody

Governors queried the actual performance at R06 and whether by year-end it will achieve the 2021/22 budget. L Moody confirmed that we are forecast to surpass the year-end budget.

**8 Review of Treasury Management Policy**

Governors received, considered and **approved** the tracked changes updated policy provided, subject to reference to I&E report being amended to read as the 'Finance Report'.

**9 Financial Regulations**

S Gales advised that a comprehensive review of the Financial Regulations is underway to strengthen the negotiated procurement policy, to slim the document down and use simple language wherever possible to increase accessibility, and to cross check against the latest versions of the conditions of funding and auditing codes to ensure compliance. S Gales informed that wherever possible the formatting structure of the Financial Regulations will align to those of the Trust to best support Group working.

Governors agreed with this approach and asked S Gales to highlight any substantive changes to operational procedure compared to the current version of the Financial Regulations, in the version presented to the Committee.

SGales

*ELees left the meeting at 6pm*

**10 Contracts awarded (between £50k and £100k)**

Governors received and considered the report provided which outlined the contracts approved by the Executive between the value of £50,000 and £100,000 in 2021.

Governors asked for an additional column to confirm if the contract had been awarded in compliance with a competitive tender or if the supplier was specially selected (e.g. an awarding body).

JRaffel

Governors queried the impact of unbudgeted costs associated with upgrading the IT systems. J Raffel advised that this is outside of this report, however will be reported in the next financial reports and re-forecasting.

**11 Bid Register Update**

Governors received and considered the bid register provided and discussed the bids which have been successful, unsuccessful and are pending outcomes.

Governors commended the executive summary report and agreed that they do not need to see the appended detailed bid register.

JRaffel

Governors noted the other T Level bids were missing from the executive summary report, and asked these to be included in future reports.

JRaffel

**12 Any Other Business**

No items raised.

The meeting closed at 6.08pm