

FINANCE COMMITTEE

Minutes of the hybrid meeting held on 7 March 2023 at 4.30pm

Present physically in TG1.16: A Duffety, Vice Chair N Savvas, CEO

Present virtually: C Higgins, Chair (part) E D'Souza

In Attendance: A Brewster, Finance Manager
A McGarel, CFO
C Shaw, Principal of Sixth Form Provision
D Barton, Assistant Principal Adults (part)
E Lees, Executive Dean of Higher Education (part)
G Grainer, Chief Information Officer (part)
L Parish, Assistant Principal Apprenticeships (part)
M Chatt, Deputy CFO
P Ewan, Head of Finance
P Stittle, Executive Director Business Development (part)
S Gales, Governance Professional

Apologies: None

Absent: None

Action

1. **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.

No apologies were received.

The Committee noted the Chair's connectivity issues and the Vice Chair chaired the meeting with the Chair joining slightly late and contributing as connectivity allowed.

The Governance Professional informed that Rob Lawson would be reviewing the records of this meeting as part of the Corporations external board review.

2. **Minutes of the meetings held on 6 February 2023**

The minutes of the meetings held on 6 February 2023 were **agreed** as an accurate record.

3. **Matters Arising from meetings held on 6 February 2023**

Six of the matters arising from previous meetings were complete with four ongoing and due to be reported at the next meeting.

C Higgins joined the meeting at 4.35pm

4. **Enrolments and Applications**

4.i. **Sixth Form Provision**

Governors received and considered the report and five-year modelling of admissions provided and G Grainger summarised the key points.

Governors commended the report and noted that growth in 16+ numbers is expected to continue, although a regular watching brief must be maintained. Governors discussed other data sources available and suggested cross referencing in future.

Governors queried whether the 5-year forecast for WSC is impacted by ASFC. G Grainger explained the methodology used and the CEO explained how our Group

approach to admissions potentially increases applications to WSC sixth form as WSC and ASFC are not in competition and friends opt to study near to one-another.

Governors queried the review frequency for the forecast. G Grainger agreed to provide an update in the summer term.

G Grainger

4.ii. **University Studies Provision**

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

E Lees submitted the draft interim (one-year) contract with UEA for 2023/24 for consideration and approval, along with the 2023/24 course model and course viability model.

Governors commended the improved admissions data and student number predications and were reassured that the income budget for 2023/24 would now be more realistic than in past years.

Governors commended the progress with negotiating the improved contract, albeit an interim for one year, and discussed how this will inform the 2023/24 budget.

Governors discussed the potential instability at UEA following the resignation of the Vice-Chancellor and queried whether our partnership is at risk. E Lees advised that UEA are keen to continue the relationship and fed back that our students have not raised concerns about our current/ongoing partnership with UEA. C. Higgins noted that UEA had hit a financial problem, but it was resolvable and shouldn't affect the long-term reputation of UEA or the importance of partnerships such as that with WSC.

E Lees advised that the team are considering our student fees and will update the Committee as discussions progress, as this will impact the budget.

Governors discussed the methodology used to calculate the contribution analysis of our different provisions and noted it would be useful to see a high level summary of this.

CFO

In accordance with the levels of delegation specified in our Financial Regulations, Governors **approved** the draft interim (one-year) contract with UEA for 2023/24 and **delegated approval to the CEO** to sign and submit the contract.

CEO

4.iii. **Apprenticeship Pipeline**

Governors received and considered the report provided which shows the pipeline income is currently below the forecast and L Parish summarised the key points.

Governors recalled difficulties securing sufficient end point assessments in 2021/22 delayed apprenticeship completions, and queried if this problem persists. L Parish advised that it continues to be an issue affecting the sector, but advised the report shows apprenticeships planned to complete this academic year.

Governors noted the underlying causes of apprenticeship data mismatches and queried how we can improve reporting to provide confidence in the funds. L Parish and P Stittle outlined how we are improving internal processes and lobbying national policy to address this issue.

4.iv. **Adult Pipeline**

Governors received and considered the report provided which shows the pipeline income is currently slightly above the forecast and L Moody summarised the key points.

The CFO informed the Committee that Adult Learner Loans income is significantly below budget and L Moody explained the underlying causes of this.

Governors discussed the Local Authorities involvement in delivery of Adult Provision and queried how Devolution of the AEB budget will impact future allocations. L Moody outlined our relationships with the Local Authorities and how we work with stakeholders to plan our Adult Provision and fed back how CPCA's Devolution affected our AEB allocation for Cambridge and Peterborough.

Governors noted that AEB income is common cause for intervention by the FE Commissioner and commended the Executives approach to closely monitor the AEB pipeline.

4.v. **Full Cost Pipeline**

Governors received and considered the report provided which shows the pipeline income is currently above the forecast and P Stittle summarised the key points.

Governors queried the uptake of courses at NCTC. L Parish answered this.

G Grainger, L Parish and P Stittle left the meeting at 5.30pm

5. **Finance Report**

Governors received and noted the detailed financial report provided, and the CFO summarised the report:

- The year-to-date position is a surplus position which is better than budget
- The forecast year end position is a surplus position which is worse than budget

The CFO verbally summarised the draft 2023/24 funding allocations.

The CFO noted that the predicted surplus was small and depended upon successful delivery of the effectiveness plan (item 6). Governors re-iterated that it was important to ensure a surplus was delivered, however small, and that if necessary expenditure should be delayed until the year end position was a little clearer. The CFO and CEO reassured governors that they still expected to deliver a surplus.

D Barton joined the meeting at 5.32pm

Governors discussed the HE course fee income and queried what payments are outstanding, the actions being taken to recover the funds and the impact on the budget. P Ewan and E Lees answered this, explaining these were mostly fees from industry. For next year actions were being taken to ensure no student began their course until the relevant contract was signed.

D Barton left the meeting at 5.38pm

6. **Effectiveness Plan**

Governors received and considered the paper provided which outlined plans to deliver financial improvements circa £1m through a combination of increased income, tactical cost reductions and cost transformation. The Deputy CFO summarised the key points.

Governors commended progress but queried the Executive's confidence in achieving the remaining challenge budget. The Deputy CFO answered there is 99% confidence that this is achievable as there were unlikely to be any 'unknowns' out with our control impacting on the budget for the rest of the year.

C. Higgins asked whether there were any plans to include an 'effectiveness plan' underpinning next year's budget. The CFO/CEO assured governors this was unlikely to be the case as they were not expecting any last minute unknowns (e.g. electricity) to impact on the budget for 23/24, although it still promised to be a difficult year.

7. **Key Performance Indicator Report**

Governors received and considered the KPI report provided, which noted that of the KPIs, RAG rating of the data shows: 9 green, 6 amber and 3 red.

Governors noted the red and amber KPIs have been discussed above in agenda items 4, 5 and 6.

Governors queried if the KPIs still feel relevant and if the RAG rating accurately reflects the Executive's concerns. The CFO confirmed that it does.

Governors noted that 2023/24 will be exceptionally challenging due to costs rising further so we will need to maintain careful scrutiny of costs and high efficiency. The CEO added that ongoing collaboration with SAT for staffing is crucial to ensuring ongoing financial sustainability.

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 1 red, 3 amber and 3 yellow risks.

Governors queried if the RAG ratings accurately reflect the risks given the remaining uncertainty in the year-end forecast. The Deputy CFO confirmed that it does.

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

9. Bid Register Update

Governors received and considered the paper provided.

C Higgins, as Chair of the Resources Committee, informed that funding for the Green Skills (sustainability) project ends this academic year, but that continuation of some of this work was essential in the long term and noted that there were no bids in the register. L. Moody and the CEO outlined the priority for securing additional funding for these projects, and noted that critical aspects of the sustainability agenda will be incorporated into mainstream planning and budget irrespective of external funding.

CEO reiterated the need to ensure that sustainability projects are considered against a return-on-investment criteria, particularly through 2023/24 when cost pressures are significant.

10. Any Other Business

The Committee thanked the Vice-Chair for stepping in to Chair the meeting.

The meeting closed at 6.00pm