

College of West Anglia
Minutes of
The Finance and General Purposes Committee
28 February 2024
8.30am
Meeting Room – Principal’s Suite

Present	Hein van den Wildenberg	Governor (Chair)	In person
	Carolyn Rand	Governor (Vice Chair)	In person
	Alan Measures	Governor	In person
	Malcolm Pearson	Co-opted Governor	In person
	Donna Woodruff	Governor (Staff)	In person
Attending	Rachel Nicol	External Governance Reviewer	In person
	Paul Harrison	Vice Principal Corporate Services	In person
	Kerry Heathcote	Deputy CEO/Vice Principal Curriculum & Quality	In person
	Rob Petto	Assistant Principal Funding & Performance	Remote
	Jenny Quaif	Head of Finance	In person
	Paul Smith	Head of Employer Liaison, Partnerships & Commercial Training	In person
	Raza Tahir	Head of IT	Remote
	Michelle Blake	Marketing Manager	Remote
	Adam Thompsett	Head of Property Services	In person
	Jules Bridges	Head of Governance	In person

No.	Action
1 Apologies Apologies for absence were received from David Pomfret.	
2 Declarations of Interests There were no declarations of interest.	
3 Minutes of the previous meetings held 15 November 2023 The minutes of the meeting held on 15 November 2023 were reviewed and agreed as being an accurate record of the meeting.	
4 Matters Arising The progress against the outstanding matters from previous meetings was summarised in the report. External auditors have advised on making CWA Development dormant to avoid future audit costs and administration. This was raised in their management letter. The recast budget and medium-term financial plan were shared with the committee under agenda item 6 of the meeting. The Anti-Fraud policy is due to be updated in March 2024 so the changes to strengthen the section around gifts and hospitality will be incorporated then. All other items were completed and are to be removed from the report	VPCS HoG HoG
5 Management Accounts – December 2023 Items 5 and 6 were considered and reported together noting that the reforecast column of the management accounts had been prepared first in line with the management accounts where the	

material adjustments from last year are shown such as in line 3.1 adjusted to account for the £1.45m additional government funding for pay increases under 16-18 income. The budget paper took a more detailed approach.

D Woodruff joined the meeting at 8.35am

Overall, the accounts show a YTD deficit of £196k against a budgeted deficit of £92k; represented by a surplus in income of £431k, a £645k overspend in pay and £110k savings in non-pay but support a YTD and forecast financial health rating of 'good'.

Apprenticeship income is £189k below budget YTD (attributed to reduced S4PL provision), with an expected £400k below budget expected outturn.

In terms of the budget recast, increases include the £1.45m additional pay increase attributed to 16-18 income, in year growth for additional learners (£568k funding uplift) and apprenticeship levy to £78k. Staffing costs have increased in the budget to allow for the pay increases to support the additional learners and likewise staffing costs in High Needs for additional LSOs.

Non-pay is 2.4% favourable to budget year to date although utility costs are continuing to rise with £213k additional costs added to the reforecast. It was noted that the revised budget is propped up by an increase (one-off) on commercial activity of £400k relating to an overage on a parcel of land disposed of by the college in Wisbech.

The recast budget informs the revised mid-term financial plan which shows good financial health is maintained throughout the plan, a minimum cash balance of £8.1m, and assumes pay increases of 4% year on year. This will be adjusted before presenting to the Corporation at the meeting to be held in March 2024 and will also be remodelled continuously as more intelligence on student numbers, demographics and increases in any income lines or pay costs emerge.

HoF

A governor commented that the 24% student support staff cost increase seemed disproportionate and it was explained that this is the cost area where LSOs are held, and the increase of high needs funding requires more LSOs to deliver the increased demand. In addition, these staff are at the lower pay bands who benefited from higher pay increases than other staff so staffing costs do look disproportionate in comparison.

Finally, it was noted that energy and animal feed costs continue to increase which was surprising to governors. Teams consistently work to procure the most cost-effective supplies/suppliers and in terms of provision the increase in equine is bringing increased income but also increased expenditure. A change in full time programme manager has encouraged improved growth in this area of college provision.

The Chair asked that the committee sees the contribution analysis and it would be interesting to see how catering is performing and Applewood Nursery which are both areas of some financial concern.

HoF

The college has updated its treasury management policy and has started the process to commission a treasury adviser who can look to place larger sums on deposit.

It was noted that an external audit debrief meeting has been convened with RSM. Governors remain concerned that the finance team is stretched although the HoF commented that the team is back on track, the management accountant joined in October 2023 who will add resource and capacity, the first-year audit was more robust and some personal circumstances within the team caused some delay but the focus now is on this year's audit and regular monthly management accounts. A new finance system will bring efficiencies and streamlining of process and resource will be bought in to project manage the identification, implementation, and deployment of a new system.

Rob Petto joined the meeting at 8.50am

The Chair commented that there is no formal announcement yet of the new metrics for calculating financial health which will focus more on EBITDA. The VPCS confirmed that the return to the ESFA, using the existing and new tool both out turned good financial health.

6 Recast Budget and Revised Mid Term Financial Plan

Discussion covered in the item above.

A Thompsett joined the meeting at 8.55am

7 Capital Programme Review

The VPCS confirmed an increase in capital activity for the college and several building projects running at the same time to manage. Conditions associated with various funding streams, means that the associated expenditure is demanded over compressed timeframes, the regular project management support has been lost so the risks associated with these builds is high. An operational group to manage these projects has been established and the VPCS proposed reinstating the governors Property Steering Group for governance and project oversight. The VPCS will work with the HoG to establish the group.

VPCS
HoG

Confidential item under Article 17(2) of the Instrument and Articles of Government

This item was deemed to be confidential

The Chair noted that the report confirms that the Property Strategy is proposed to be shared with the committee in June 2024 and he asked that utilisation of all areas of the campus will be visible.

Finally, a governor asked how renewables feature in the proposals for the front block boiler replacement, development at Wisbech, and the School of Nursing extension for example. The HoPS confirmed that renewables are utilised wherever possible and options, where viable, are always considered but sometimes are cost prohibitive. It was agreed that the Renewable Energy Feasibility Study for the college would be shared with the committee for information.

HoG

Adam Thompsett left the meeting and Paul Smith joined the meeting at 9.45am

8 Subcontracting Partnership Report

The procurement process to replace Norfolk Fire and Rescue delivery of Princes Trust has been completed and Pilot IMS will take on the contract to deliver its first cohort in King's Lynn as of 11 March 2024. Subsequent programmes will commence in May 2024 and will then rollout thereafter into other delivery locations in/around the Norwich area.

St Edmundsbury Society (St. Eds) of Norwich continue to seek an additional funding partner and they have expressed an interest to work with CWA. They have an existing contract with East Coast College but are keen to secure a second channel of funding so initial due diligence checks have commenced.

Confidential item under Article 17(2) of the Instrument and Articles of Government

This item was deemed to be confidential.

Paul Smith left the meeting at 9.55am. The meeting adjourned and resumed at 10.00am

9 Funding Position and Data Control

The APF&P reported that the funding allocation data has been received for the 2024/25 academic year and an in-year growth allocation received of £586k reflecting the strong recruitment performance in September 2023 with an assumption made in the reforecast that £85k may be reconciled back.

There are a number of changes coming in 2024/25. The college will see the benefit of the strong recruitment in September (lagged funding) and an improvement in funding through the retention factor of around £300k. Information from the agency has been received about the planned adjustments to funding next year. There are two significant elements to report. One is the 1.89% increase in funding base rates, the other is a mandated requirement from 2024/25 to impose a minimum number of delivery hours on maths and English. This will be 4 hours for maths and 3 hours for English and this will impact most significantly on functional skills delivery as the college currently delivers lesser hours on both subjects. The requirement is effective from 2024/25 but will not be monitored by the agency until the 2025/26 academic year. Due to the significant impact on study programme design and curriculum planning process CWA will not implement in the 2024/25 academic year but will plan to deploy in 2025/26.

It was noted that the additional funding off the back of this expectation in the 2024/25 academic year will have to be utilised to build capacity and resource to plan for the implementation of this mandated funding requirement in 2025/26. It is likely that 11 additional FTE staff will be required to deliver the additional teaching hours notwithstanding increased room utilisation against increasing student numbers. This year the intake of learners for maths was 34% up and 58% up on the previous year for English and the additional funding to meet this requirement is unlikely to cover the cost of implementation. Governors expressed concern that students will be expected to attend longer classes for maths and English potentially in exchange for reduced learning hours for their main programme of study and if there are the specialist staff across the sector to recruit.

In addition to the increased hours the agency has stipulated that the hours have to be classroom based, face to face delivery and they are also looking to remove the 5% tolerance meaning that all funding is at risk for any learner who does not meet the new expectation. CWA tolerance is around 3% on current learning hours but the agency is committed to enforce the new funding rules.

From a funding point of view for next year the college is looking at a £2.1m increase in funding between this year and next year based on the current in-year expectation and including the £500k in year increase this year so a £2.6m increase on the original 2024/25 budget position and into 2025/26 which is not insignificant.

Governors questioned the retention rate, and it was reported that this is ahead of previous years and improving so there is confidence the retention funding factor is on track and an improved position.

The AEB position is challenging with a current budget of £1.875m and the expectation is that the college will fall short. In part due to the loss of partnership with Princes Trust delivery and loss of Art Academy East resulting a net effect £186k reduction in partnership income.

The original budget was predicated on the college delivering £200k additional AEB compared to the 2022/23 financial year and the forecast is that the college will be close to achieving this albeit CPCA delivery is down on 2022/23 (£242k vs £271k). Governors questioned is there was a relationship between unemployment levels and AEB take up in the Fenland area. This does not appear to be the case however two factors are low wage and low aspiration so at Wisbech there has been low take up of maths and English but more emphasis and understanding of need will be undertaken to improve and attract adults into learning. Although not AEB, but adult provision, the first skills boot camp is running successfully at the Wisbech campus and conversations continue about growing and delivering more boot camps.

The 2023/24 apprenticeship budget expectation is £4.05m. The current forecast outturn is £3.65m affected in part by the decision to cease subcontracting with S4PL and a planned reduction in the number of Apprenticeship Standards being offered, to consolidate provision to a reduced range to improve quality and efficiency. The Chair challenged the predicted £200k year on year budget increase in the mid-term financial plan asking what was driving the predicted growth. There are initiatives to move study programmes onto apprenticeship provision over the next 5 years that will positively impact growth.

Finally, the APF&P confirmed that the final report from PwC on the full funding audit that concluded in December 2023 has not been received and concern it is believed has been raised by the ESFA on the robustness of the audit. The college continues to respond and make improvements on the recommendations made arising from the audit and its own intelligence to change and enhance systems and practice.

10 Contracts £100k-£500k and Single Payments >£1m

The report was noted by the committee with no arising questions given that single payments more than £1m between 26 October 2023 and 30 January 2024 was a nil return.

Raza Tahir joined the meeting at 10.40am

11 IT Services – Biannual Update

The Head of IT Services highlighted that the IT service has been running in-house for two years now. The service desk is over performing on the service level agreement with 91% calls closed

against 90% target. There was a total of 457 calls received in January 2024 with 414 closed on time, 13 still open, 19 on hold and 11 not closed but resolved. It was noted that there is a 5-day delay to close a call whilst confirmation is awaited from the caller that their issue has been resolved. It was further noted that none of the calls were P1, critical, or P2, major.

The apprentice appointed in 2022 has progressed into a full technician role and their vacancy already filled by a female apprentice member of the team.

In summary, it was reported that:

- The college is in the process of replacing the old Mitel phone system with a more cost effective and flexible telephony system, through TEAMS.
- Cyber Security Plus has been achieved and a new IT health check has been mandated to be completed every year.
- All current servers are being updated
- The new database administrator is in post and is working well
- The move to Downham Market is now complete with internet services finally installed
- The wireless infrastructure and PCs at Cambridge have been upgraded
- The CCTV system at Wisbech needs to be replaced

There is a long term need to replace 700+ PCs by November 2025 to upgrade to windows 11 as after this date there will be no more windows 10 updates or security patches, meaning that these devices will become vulnerable. Microsoft are offering extended support for windows 10 from 2025 for 2 years but this will be a paid for service and it will be more cost effective for the college to replace the equipment. This will also apply to laptops and capital spend will be factored into the budget. Governors recognised that not replacing essential equipment will negatively impact the cyber security plus accreditation.

Concern was raised that a blanket block has been put on students using AI as this is such a valuable tool. The Head of IT Services explained that the block is temporary and imposed because of misuse. A Steering Group has been established to understand how much it impacts on teaching and how it will be used in the classroom so that it can be deployed and used safely and appropriately.

Raza Tahir left the meeting and Michelle Blake joined the meeting at 10.55am

12 CWA Website – Annual Review

The Marketing Manager highlighted that Google Analytics 4 (GA4) has replaced Universal Analytics (UA) so some of the year-on-year comparisons are now not necessarily like for like.

Governors noted the marked decreased in HE repeated web page views in the table on page 6 of the report which has almost halved compared to previous years. Interestingly though HE features as the second most engaged page on the college website at 62.9%. The team has heavily invested in google advertising, there is always a need to do more but from a priority point of view HE remains high.

The Chair asked if, compared to other colleges, the CWA website is up to date, relevant and interactive. Best practice is shared, and the team is always looking for improvements. A recent addition is an accessibility tool with over 6500 visitors to the site using the accessibility widget and an AI chat bot will be installed to the website by the end of March 2024 who will answer questions raised by website visitors. The next area for improvement will be how systems and processes can improve the conversion pipeline.

Governors wondered if the college pays for google advertising and what words are used for searching. Google adwords and googlesearch are used and the college pays to be top of those google search answers. Additional advertising is part of the marketing strategy, and these are used to target specific reference points, clearing, A Levels, HE, Adults etc.

Michelle Blake left the meeting at 11.05am

13 Strategic Targets 2023/24 Progress Review

It was noted that good and reasonable progress has been made against the strategic targets assigned for monitoring by the committee. A couple of targets are behind, but it is still early in the reporting year so good progress to achieve target by the year end is expected.

14 Any other business

A governor asked if carbon calculations can be factored into the specification of the new finance system, and it was confirmed that this could be fed into the scope if applicable/useful to the college.

15 Chair's items for briefing to Corporation

Chair

- The recast budget includes additional income received and informs the MTFP which are to be shared with the Corporation at the meeting to be held in March 2024.
- It is proposed that the Capital Projects Steering Group will be reinstated for governance and capital programme oversight.
- Land Advisors, Cheffins, are advising the college on potential development opportunities at Wisbech and Milton campuses.
- A new provider has been appointed for the Princes Trust provision. Programmes have started this month.
- The college will benefit from increased funding (£2.6m) in 2024/25 and 2025/26 due to strong recruitment (lagged funding) and positive retention factor.
- The ESFA are mandating a minimum number of delivery hours on maths and English with effect from 2024/25 and will remove the 5% tolerance. All funding therefore is at risk for any learner who does not meet the new funding expectations.
- The PwC full funding audit report has still not been received. The team continues to put improvement in process and practice in place.
- Capital spend to replace 700+ computers and laptops will be required before November 2025 when the operating system upgrades to windows 11

16 Date and time of next meeting

Wednesday, 19 June 2024 at 8.30am

Meeting ended at 11.10am