

College of West Anglia
Minutes of Finance & General Purposes Committee
Wednesday, 2 October 2024
8:30am – 11.00 noon
Meeting Room – Principal’s Suite, King’s Lynn Campus

Present	Hein Van Den Wildenberg	Governor (Chair)	In person
	Alan Measures	Governor	In person
	Malcolm Pearson	Co-opted Governor	In person
	David Pomfret	Governor (Principal)	In person
	Donna Woodruff	Governor (Staff)	In person
	Joe Yexley	Governor	Remote
Attending	Kerry Heathcote	Deputy CEO/Vice Principal Curriculum and Quality	In person
	Paul Harrison	Vice Principal Corporate Services	In person
	Rob Petto	Assistant Principal Funding and Performance	In person
	Jenny Quaif	Head of Finance	Remote
	Paul Smith	Head of Employer Liaison, Partnerships & Commercial Training	In person
	Jules Bridges	Head of Governance	In person

No.	Action
1	<p>Apologies Apologies for absence were received from Cally Rand.</p>
2	<p>Declarations of Interests There were no items of interest declared.</p>
3	<p>Election of Vice Chair The committee nominated and appointed Cally Rand as Vice Chair of the committee.</p>
4	<p>Minutes of the previous meetings held on</p> <p>1. 19 June 2024 The minutes of the meeting held on 19 June 2024 were reviewed and agreed as being an accurate record.</p> <p>2. 11 September 2024 – Extraordinary The minutes of the extraordinary meeting held on 11 September 2024 were reviewed and agreed as being an accurate record.</p>
5	<p>Matters Arising The progress arising from the previous meeting were summarised in the progress report and all actions reported had either been resolved or, where appropriate, an update had been provided on progress elsewhere on the agenda.</p> <p>Specialist advice with regard to the benefit of CWA Developments as a VAT shelter is still to be obtained so this remains an active area of discussion and no conclusion reached as yet. A VAT advisor is to be appointed, and the college is currently advertising for this post through a procurement process.</p> <p>As requested, a note explaining which of the recommendations arising from the CEFSS Report was tabled at the meeting. This outlined which of the recommendations would be taken forward, and which ones not, with a brief rationale. Members will consider this ahead of the next meeting of the committee. It was noted that the Tribal (ETIO) Benchmarking exercise has commenced and will be reported to the committee and the Board by the end of the calendar year.</p>

VPCS

All

It was confirmed that the college is covered for flood and storm damage. The policy wording has been updated and can be shared with the committee by email. HoG

A proposal to extend the membership of CWA Enterprises on the Board was circulated to committee members at the meeting. The committee agreed that the opportunity to join the board of the subsidiary company should be opened wider and the terms of reference amended to remove the restriction of Audit and Risk committee members of the college from joining the board. From a governance perspective there is no reason why Audit and Risk committee members of the college cannot be a director of a subsidiary company. The Chair of the committee will take the proposal to the Search and Governance committee meeting to be held on 9 October 2024. Chair

Chair requested that the matters arising from the extraordinary meeting held on 11 September 2024 are included in the overview for the next F&GP meeting. HoG

6 Property Steering Group Update

The first meeting of the Property Steering Group was held on 11 September 2024. Five members of this committee are part of its membership together with Ray Harding, and Russel Liddington. Ray Harding was nominated Vice Chair of the Group.

This item was deemed to be confidential.

Item 9 superseded items 7 and 8. P Smith joined the meeting at 8.55am

7 Subcontractor/Partnership Activities Update

The partnership team are in the final stages of closing off the 2023/24 academic year. The R14 return to the ESFA will take place on 10 October 2024 and despite some flux between planned and actual delivery with the withdrawal of Norfolk Fire and Rescue service, and Art Academy East the overall likely year-end position is positive. The greatest variance between plan and actual was caused by low enrolment numbers by Pilot IMS.

The partnership plan for the 2024/25 academic year has been implemented but it is too early to report on progress at this time. It was noted that programmes are planned to run in Norwich and Great Yarmouth areas (essentially out of catchment for CWA) and members were interested to know where boundaries and locations stop and start. These areas are predominantly where there are higher numbers of people who are NEET and there are no other providers delivering this offer, so locations are based on demand and need.

Confidential item under instrument 17(2) of the Instrument and Articles of Government
This item was deemed to be confidential.

8 Partnership Management Policy

The policy was created to satisfy the requirements of the ESFA Subcontracting Management Standard and following the publication of further guidance and feedback following the Management Standard audit the policy has been reviewed and reformatted. It was noted that the management structure chart on page 6 of the policy required update and subject to this amendment the committee was content to **approve** the policy as presented. HoELP&CT

P Smith left the meeting at 9.30am

9 Preliminary Financial Results 2023/24

It was noted that the full year-end figures are likely to change following the R13 and R14 ESFA returns later this term, but the report represented best estimates with a bottom-line surplus of £209k against a forecast surplus of £11k in April 2024. This is a positive outcome; however, governors were reminded of the £400k overage sum included in income that this is a one-off, non-trading transaction, that has supported the surplus year-end position.

The college is reporting a financial health grade of 'good' (230 points, being at the top of the 'good' 180 to 230 range). Cash balances as at 31 July 2024 were £11.0m.

EBITDA continues to be an area of focus and improvement. This is a strategic target for the 2024/25 academic year and will be a particular focus at the Management Development and Strategy session to be held next week. The treasury position is 43-44 days of free reserves, which is in line with the college policy. The treasury role is still out to tender but the college continues to engage with Lloyds for support with placing deposits. Currently there is £1m on a 32-notice account at 3.5% and £3m on a 3-month fixed account at 4.81% which is due to mature on 8 November 2024. Members welcomed that interest receivable is now included in the report and governors asked for more narrative on contribution analysis for the next report to the committee.

HoF

J Yexley joined the meeting at 9.00am

It was noted that Applewood Nursery has made a modest £6k deficit but nursery applications are up, and an upward trajectory of intake, reputation, and profit is now evident.

The engineering skills boot camp was well subscribed last year, and the college has bid for four more boot camps for the Wisbech campus with CPCA, but these are still to be awarded so the college is not in contract for bootcamps in this academic year.

The financial statements first draft will be in place next week and financial auditors, RSM, are progressing their income testing and preliminary audit work.

Items 7 and 8 preceded item 10

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

The report was acknowledged by governors noting the four contracts in the period between the value of £100k and £500k essentially for the payment of exam fees. There were no arising questions given that single payments more than £1m for the period 1 June 2024 to 17 September 2024 was a nil return.

11 Funding Position and Data Control (Outturn 2023/24 and Headline Figures 2024/25)

Recruitment of 16-19 Study Programme learners for the 2024/25 academic year is exceptionally high, up almost 595 learners on 2023/24 (R04 position) and exceeding budget (based on a growth of 370). The actual figure will be subject to data controls and pre-census (October half term) withdrawals, but in-year growth funding is now highly likely, but based on affordability and so the extent of this is uncertain and unlikely to be known until February 2025. On the plus side these additional learners will create in year growth funding based on 450 learners of approximately £1.5m and £3m funding allocation in 2025/26 with the retention factor. Increased student numbers create challenges in terms of accommodation, catering facilities, recreational spaces, wellbeing and support for learners, car parking and increased transport (buses) to the college. There is demographic growth predicted for the next few years and then a downturn in 3-4 years' time.

Governors asked if there is an analysis of where students come from and if marketing has influenced increased applications in some areas and where marketing could perhaps focus campaigns in the future. There is a gap analysis and labour market intelligence exercise that is being undertaken which inform curriculum planning and the marketing strategy for the college. Governors also questioned the viability of the 'free courses for jobs' campaign and how this is working for the college. CWA delivers very little and therefore the impact is low.

It was reported that AEB (Adult Education Budget) will become the ASF (Adult Skills Fund) and regarding the 2023/24 year-end position, adult income is broadly in line with budget, c.£12k behind income target but more college delivery than expected, with a shortfall in partnerships there should also be a corresponding saving in partnership payments. It is too early to update on the 2024/25 position, but this will be reported to the committee in the year although it is predicted that the college will achieve 110% allocation which is being closely monitored and measured. The committee was informed that in 2025/26 the devolution deal with Norfolk and Suffolk has been withdrawn so this funding line is particularly uncertain.

Apprenticeship income is £100k behind budget essentially due to end point assessments and is unlikely to improve. The ESFA full funding audit undertaken by PwC for the 2022/23 year-end has now concluded with three additional management letter points (MLPs) received in relation to apprenticeships and a c.£8k funding adjustment expected due to incorrectly claimed Additional Learning Support (ALS) payments. Consequently, at the R14 return (due next week) the college is reviewing its ALS allocation for the 2023/24 academic year and is likely to result in a c.£30k funding adjustment. Governors raised their concern about this provision and the delivery impact on this income line. Quality remains the improvement focus; standards have been rationalised and processes continue to be changed and modified to ensure compliance with these complex funding rules.

The external audit income testing for the 2023/24 year-end has commenced. Most issues have been resolved with the remaining (14) now predominately relating to training plans. The process is expected to be concluded well ahead of the accounts sign-off timeline.

The committee was informed that the ESFA will close in March 2024 and the DfE will absorb its functions.

12 Strategic Targets Progress Review 2023/24 Final

The report confirmed the year end position of the progress against the strategic targets set for the 2023/24 academic year confirming that 55% of targets have been achieved.

Good and reasonable progress has been made against the remaining targets with only one target (4.6) behind target and one target (4.10) not achieved relating to achieving in-year carbon reduction by 4% and identifying and procuring a new finance system respectively. It was noted that strategic target 4.6 was not achieved as opposed to behind target. A 4% reduction was not achieved essentially due to increased energy costs impacting the ability to reduce carbon although initiatives such as closing buildings over the summer has positively impacted but unfortunately not at the level required to achieve the target.

13 Any Other Business

A governor queried the content of the catering benchmarking exercise shared under matters arising where the cost of meals was averaged at £3.50 per head. Free school meals are allocated at £2.52 per student, per day to the college and is further supplemented by ALS funding so learners have £4.50 to spend on lunch and in addition a free breakfast, subject to eligibility, is also available to some learners. The Chair asked that for the next meeting the HoF presents catering results, with previous year results as a comparison

HoF

14 Chair's items for briefing to Corporation

- The committee approved the Partnership Management Policy.
- The year end is likely to end with a bottom-line surplus of c.£209k against a forecast surplus of £11k in April 2024. This is subject to external audit. This is a positive outcome; however, the £400k overage sum included in income that this is a one-off, non-trading transaction, has supported the surplus year-end position.
- The college is reporting a financial health grade of 'good' (230 points, being at the top of the 'good' 180 to 230 range).
- Cash balances as at 31 July 2024 were £11.0m.
- EBITDA remains a focus and area for improvement.
- The external audit of the financial statements is reported to be on track.
- Recruitment of 16-19 Study Programme learners for the 2024/25 academic year is exceptionally high, up almost 595 learners on 2023/24 (R04 position) and exceeding plan.
- In-year growth funding is now highly likely, but based on affordability and so the extent of this is uncertain and unlikely to be known until February 2025
- Adult income is broadly in line with budget, c.£12k behind income target but more college delivery than expected
- Apprenticeship income is £100k behind budget essentially due to end point assessments and is unlikely to improve.
- The ESFA full funding audit undertaken by PwC for the 2022/23 year-end has now concluded with three additional management letter points (MLPs) received in relation

Chair

to apprenticeships and a c.£8k funding adjustment expected due to incorrectly claimed Additional Learning Support (ALS) payments.

- A review of the 2023/24 ALS allocation before the R14 return is likely to result in a c.£30k funding adjustment.
- The ESFA will close in March 2024 and the DfE will absorb its functions.

15 Date and Time of Next Meeting:

Wednesday 13 November 2024 at 8:30am, Meeting Room, Principals Suite, KL

Meeting ended at 10.25am