

College of West Anglia
Minutes of Finance & General Purposes Committee
Wednesday, 13 November 2024
8:30am – 11.00am
Remote Meeting via TEAMS

| | | |
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| Present | Hein Van Den Wildenberg Cally Rand Donna Woodruff Joe Yexley | Governor (Chair) Governor (Vice Chair) Governor (Staff) Governor |
| Attending | Kerry Heathcote Paul Harrison Rob Petto Paul Smith Michelle Blake Raza Tahir Jules Bridges | Deputy CEO/Vice Principal Curriculum and Quality Vice Principal Corporate Services Assistant Principal Funding and Performance Head of Employer Liaison, Partnerships & Commercial Training Marketing Manager Head of IT Head of Governance |

| No. | | Action |
|-----|---|-----------------|
| 1 | <p>Apologies Apologies for absence were received from David Pomfret and Alan Measures. The Head of Finance, Jenny Quaif also passed on her apologies. It was noted that Malcolm Pearson has resigned from the co-opted role. The chair has thanked Malcolm for his contributions to the committee and CWA. It was agreed that membership for the committee will be reduced to six and quoracy reduced to 3 members.</p> | HoG |
| 2 | <p>Declarations of Interests There were no items of interest declared.</p> | |
| 3 | <p>Minutes of the meeting held on 2 October 2024 The minutes of the meeting held on 2 October 2024 were reviewed and agreed as being an accurate record.</p> | |
| 4 | <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>The procurement of a VAT advisor regarding CWA Developments is still in progress. The VPCS confirmed that there are two advisors interested in the appointment and external auditors are also keen to advise so there are a few options to consider.</p> <p>The recommendations arising from the CEFSS report had been considered by members. Governors are interested to see the ETIO (Tribal) benchmarking report that was confirmed would be shared at the corporation meeting to be held on 18 December 2024.</p> | VPCS HoG |
| | <p>R Petto joined the meeting at 8.35am</p> <p>More benchmark and utility cost comparisons will be provided at the next meeting of the Property Steering Group, to be convened. The standout area of the ETIO (Tribal) benchmarking report interestingly highlights that utility costs for the college are particularly high compared to other colleges on a square metre basis.</p> <p>Contribution analysis remains as a matter arising for the next meeting of the committee.</p> | HoF |
| | <p>Agenda item 6 superseded item 5</p> <p>P Smith joined the meeting at 8.50am</p> | |

5 Subcontractor/Partnership Activities Update

The final return (R14) has been submitted so all achievements have been posted for the year with a financial outturn of c.£1.3m. The greatest variance between plan and actual was caused by low enrolment on Princes Trust (now the King's Trust).

The partnership plan for this academic year has good initial enrolment figures by all partners.

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

This item was deemed to be confidential.

P Smith left the meeting at 9.00am

6 Management Accounts – September 2024

While it is early in the financial year to report the overall position with certainty it is at this point reasonably healthy with the college reporting a financial health grade of 'Good' (230 points, being at the top of the range of 180 to 230).

The bottom-line surplus sits at £54k YTD against a budgeted deficit of £7k. The balance sheet includes cash balances of £12m at the end of September 2024. The November 2024 management accounts will provide governors with better oversight of the income position and some of the emerging uncertainties can be built into the budget such as the increase of the national living wage (as of April 2025) and of course the position around in-year growth funding is yet to be determined and unlikely to be known until February 2025. The November 2024 management accounts are to be circulated to governors as soon as they are available.

HoG

Pay budgets have a 2% built in pay increase but the AoC have recommended a 2.5% increase (c£170k additional pressure). Governors asked if the decision on pay is still deferred to January 2025, and it was confirmed that this is the case. The government has announced £300m revenue funding for the FE sector which would apply from the government tax year beginning April 2025. Modelling around pay is to be worked through and there is the intention to backdate any award to the beginning (August) of the 2024/25 financial year. The Chair commented that it would be prudent to recast the budget given the increased 16-19 student numbers and potential for in-year growth funding, and decision on pay award.

HoF

The Chair asked a question about the largest income variance noted in the report being tuition fees and this is due to timing at this point in the year where income is lagged from employers. Furthermore, the Chair asked that free reserves are included in the management accounts, and it was agreed that this will be included routinely.

HoF

P Smith joined the meeting at 8.50am

Regarding Treasury Management a governor asked if an advisor had been appointed to manage this area of college finances. Disappointingly the public sector framework used had not captured any interest. An approach will be made through professional contacts of a member of the committee who will discuss offline with the Vice Principal Corporate Services and procurement rules will be checked to ensure that this variation in process can be undertaken.

VPCS

The Chair returned to Item 5 of the agenda.

7 Catering Comparison Report

In summary despite the college position compared to benchmark being the less favourable the positive is that there is an improving financial picture, as the total deficit across all catering in the 2023/24 academic year was £73k against a forecast deficit of £90k and a prior year deficit of £151k. The team continues to make improvements in the current academic year and interestingly it was noted that the ETIO (Tribal) benchmarking report shows a more favourable position for CWA compared to most colleges.

8 Funding Position and Data Control

Recruitment on 16-19 study programmes remains exceptionally high with c.500 additional learners up on 2023/24 and exceeding plan. Many enrolments are still subject to data controls and pre-census withdrawals (c.100 still to meet census), but in-year growth funding is now highly likely, but the extent of this remains unknown until February 2025. Income modelling will be undertaken in due course to assess likely positive financial impact.

Adult income for 2024/25 is up approximately £30k on the same point in 2023/24. The budget is based on a £258k increase in college delivery (particularly at Cambridge) which remains achievable, but this increase is unexpectedly more weighted towards CPCA than non-Devolved. These allocations are going to need careful management throughout the year to ensure that guaranteed funding levels (110% on non-devolved and 103% on CPCA) are not exceeded on either/both. Governors were interested to know what was driving the increase. Maths, English and ESOL are recruiting well, and several adult community courses are attracting more learner numbers. More analysis to understand emerging trends in recruitment particularly around Cambridgeshire learners will be undertaken.

In terms of adult growth, the Norfolk devolution deal is still pending (outcome likely 2 February 2026) that will impact the future allocation of adult funding and skills from 2025/26. If the vote is successful, this would be positive for CWA but if not, successful we would look to negotiate a higher allocation of non-devolved.

Apprenticeship income in 2023/24 finished c.£55k behind budget. The 2024/25 Apprenticeship position compared to plan currently is unclear due to delays with enrolments and impact of rationalising the number of standards, but a clearer position will be known in the New Year.

The loans position is expected to fall short, ending up in the region of £340k against the budget target of £400k.

External auditors' income testing is ongoing with most issues resolved and the remaining now predominantly relating to apprenticeship training plans. Income testing is expected to conclude in the next few weeks with no financial adjustments anticipated.

9 CWA Accounts for the year ended 31 July 2024

1. *Draft members report and financial statements*

The committee received V1 of the draft accounts, but the team are now working on V4. Areas to be finalised include the data for the KPI table in the strategic report, correction of several rounding errors and a final figure for holiday pay accrual. It was noted that the table in the covering report showing the adjustments has resulted in a swing in the financial position positively increasing the surplus to c.£700k because of some grant income received in the year and release of the £400k overage received.

Governors had some minor typographical corrections which were agreed would be taken outside of the meeting. On page 36 the staff numbers compared year on year show a higher increase in non-teaching staff compared to teaching staff, and it was explained that in the main this is due to the additional provision required to support high needs learners. Special payments (page 16 and 36) include reference to a £16.5k severance payment and it was agreed that the wording of the narrative is to be revised to reflect the historic payment made in the 2022/23 financial year.

The accounts will be subject to scrutiny and comment by the Audit and Risk committee at the meeting to be held on 4 December 2024 before presenting and recommending to the Corporation for approval at the meeting to be held on 18 December 2024.

2. *Draft letter for representation*

It was noted that the auditor's letter of representation which sets out specific assurances required by the auditor prior to the completion of their work and the issuance of their opinion on the accounts is yet to be received. This will be presented to the Audit and Risk committee at the meeting to be held on 4 December 2024 and the Corporation meeting to be held on 18 December 2024.

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

The report confirmed a nil return in respect of contracts of £100k-£500k and single payments greater than £1m between 18 September 2024 to 25 October 2024.

11 Treasury Management Policy

An annual update of the policy has been completed with tracked changes notably highlighting in paragraphs 3.7 and 3.8 that the requirement to hold 40 days' worth of cash (in the original policy) has been changed to match the requirements of the Reserves Policy to hold a minimum level of free reserves that would allow the college to operate for between 42 and 60 days.

A governor disclosed that they had not had opportunity to read through the policy ahead of the meeting but collectively the committee was content to accept the changes proposed and **approved** the policy as presented. This governor will contact the HoG to confirm his acceptance once they had opportunity to read the document. The Chair asked that this policy together with the Reserves Policy are considered at the same time for approval and this will be updated and reflected in the business cycle for the committee.

HoG

12 Financial Regulations – Annual Review

The financial regulations are reviewed on an annual basis. Changes from the 2023 version had been tracked highlighting several changes that have been made because of the publication of the revised version of the ESFA's College Financial Handbook 2024. The ESFA revisions that follow Treasury's Managing Public Money, have been reflected in the copy of the Financial Regulations considered by the committee.

Regarding section 26 it was agreed that this will be amended to reflect that the committee approves a financial forecast.

VPCS

As disclosed in the previous item a governor will contact the HoG to confirm their acceptance once they had opportunity to read the document. The committee collectively was content to accept the revisions proposed and will recommend to the Corporation to approve the Financial Regulations at the meeting to be held on 18 December 2024.

Chair

13 Strategic Targets 2024/25 Progress Review

The dashboard showed the progress made in the autumn term to date against the nine financial and property related strategic targets. In summary good progress had been made with five targets, two had made reasonable progress and two were behind target. These related to the unknown position of the devolution of AEB and it is too early in the year to have made much progress against achieving a 4% net carbon reduction.

It was agreed that target 4.5 (new finance system) would be downgraded to a grey cell as this would better reflect that this target has commenced but had only recently made some progress. For strategic target 4.11 the Deputy CEO/Vice Principal Curriculum and Quality confirmed that there are five areas in scope of the Digital Elevation Strategy: Student experience, staff experience, IT infrastructure, leadership, governance and management and curriculum design and these will be able to be benchmarked against 66 other college nationally. It was agreed that progress of this target would be dual owned by this committee and the Performance Review and Quality committee.

HoG

HoG

R Tahir joined the meeting at 9.40am

14 IT Strategy Update

The Head of IT reported that the service desk continues to receive positive feedback and meet service level agreements. There is currently a member of the team on long-term absence which is one of the more senior roles but is currently being covered by the wider team. A second line engineer has capacity, and the team are responding positively to additional and increased responsibilities to support the absence and cover the requirements of the role.

The department has recently re-achieved Cyber Essentials accreditation and is in the process of submitting for Cyber Essentials Plus accreditation. CWA has held the Plus accreditation for the last two years, but reaccreditation is now required on an annual basis.

A network security issue emerged in October 2024 associated with the renewal of network security certificates which affected access to VPN (Virtual Private Network) for users off and on for about 3 weeks. While the issue was investigated and resolved this was made more challenging by the staff absence who would normally have led on such an issue and who had done much of the work leading up to the renewal.

There are several active projects expected to conclude soon. These include AI policy and strategy, installation of new switches in the King's Lynn campus Front Block (completed at the weekend) and an upgrade to the Downham Market broadband connection (planned to complete next week). The college continues to prepare for the 2025 Windows 10 switch off as Windows 11 comes into play in November 2025 so devices on windows 10 will require upgrade/replacement.

It was noted that the CCTV system at Wisbech campus requires replacing. The system was installed some years ago using what was available at that time but is now not fit for purpose. A few issues have arisen when trying to use footage on occasion when it has either been impossible to retrieve due to lack of coverage or the recording was of insufficient quality to be useful. A full-site CCTV replacement has been scoped but is subject to budget and affordability and it was noted that the same CCTV coverage issues are apparent at the Cambridge campus which is known and understood.

It was noted that the capital budget is currently suspended pending the tower block roof repairs so unless grant funding is secured other capital projects will be on hold. The committee receives the capital budget for consideration in the year so will be updated on the status of any project pending. Finally, a discussion ensued concerning mobile phone devices (over 3 years old) that will no longer be supported and 3G is also being switched off which will leave a good proportion of college devices with limited functionality. The Head of IT confirmed that the college will look to procure on a contractual basis for its mobile phone devices in the future.

R Tahir left the meeting and M Blake joined the meeting at 9.55am

15 Annual Marketing Plan – Review of progress 2024/25

The committee received and considered the quarterly report that reflected marketing activity between 1 August and 31 October 2024 broken down by market segment (matching the marketing plan). The team will have attended 25 schools by the end of October to deliver school leaver talks to year 11 learners (approx. 4,500 learners).

The target for case studies has doubled enabling promotion of a larger range of programmes of study. T Levels continue to be digitally advertised, and employer engagement is positive and above target. LinkedIn is now better utilised and a main feature of social media resource. HE school liaison has been increased with over 10 presentations delivered and more booked in for January 2025. Open Day attendance figures for UcWA are up and the numbers are double on previous events demonstrating that awareness is up, and promotion is heightened.

Governors were made aware that the college UcWA Instagram account has been blocked, locked or potentially hacked so postings from this account have not been possible for the past few months. The team are working to resolve the issue and if access cannot be gained then a new account will be created. After discussion it was confirmed that the college has stopped posting from its Twitter (X) account.

Regarding the adult market the team continues to support the School of Nursing with the Apollo Project. Funded by Health Education England and working in collaboration with East Coast College, this is a funded project to attract learners and develop routes into health careers and flexibly and rapidly extend the suite of health and social care courses.

Governors were interested to know how regularly the recruitment figures are monitored against marketing activity and how fluid this is. Digital advertising has given the team the ability to monitor trends and gaps, and the team works closely with the admissions team to identify potential target audience based on intelligence of interest, enquiries and contact.

Notably governors commented on the positive number of learners recruited following the late applicant events and questioned if the events hadn't run would the learners still have come? These events were first trialled last year and due to the success were run again this year. Some learners would still have come but many would not have got the experience, and advice to get them onto the right course for them, first time.

Finally, after raising a question it was confirmed that the website import of applications from Cambridge and Norfolk through a portal will be uploaded earlier in the academic year ahead of the start of term.

M Blake left the meeting at 10.15am

16 Any other business

Official notification has been received from the ESFA who confirms that the colleges financial health for the 2023/24 is 'good'.

It was noted that C Rand is not able to attend the meeting of the committee to be held on 12 March 2025. The HoG will record their apologies. HoG

17 Chair's Items for Briefing to the Corporation

- S4PL are completing the Apprenticeship Provider and Assessment Register (APAR) application to become a main provider with a revised submission date of 12 November 2024. CWA continues to support their application and transition learners to S4PL
- The November 2024 management accounts will provide governors with better oversight of the income position and some of the emerging uncertainties can be built into the budget. The November 2024 management accounts will be circulated to governors as soon as they are available.
- Government has announced £300m revenue funding for the FE sector which would apply from the government tax year beginning April 2025.
- The committee considered the first draft of the financial statements. The Audit and Risk committee will recommend the accounts to the Corporation for approval at the meeting to be held on 18 December 2024.
- The committee approved the revised/update Treasury Management Policy.
- The committee will recommend the approval of the revised/updated Financial Regulations to the Corporation at the meeting to be held on 18 December 2024.
- The committee received positive update reports on progress against the IT Strategy and the CWA Marketing Plan for the 2024/25 academic year.

18 Date and Time of Next Meeting:

Wednesday 12 March 2025 at 8:30am (Meeting Room, Principals Suite, KL)

Meeting ended at 10.20am