

**College of West Anglia
Minutes of
The Finance and General Purposes Committee
27 September 2023
8.30am
Meeting Room – Principal’s Suite**

Present	Hein van den Wildenberg Carolyn Rand Alan Measures Malcolm Pearson Donna Woodruff David Pomfret	Governor (Chair) Governor (Vice Chair) - Remote Governor Co-opted Governor Governor (Staff) Governor (Principal)
Attending	Paul Harrison Kerry Heathcote Rob Petto Jenny Quaif Paul Smith Jules Bridges	Vice Principal Corporate Services Vice Principal Curriculum and Quality Assistant Principal Funding, Performance & Projects Head of Finance Head of Employer Liaison, Partnerships and Commercial Training Head of Governance

No.		Action
1	Apologies There were no apologies for absence.	
2	Declarations of Interests There were no declarations of interest.	
3	Minutes of the previous meetings held on: 21 June 2023 The minutes of the meeting held on 21 June 2023 were reviewed and agreed as being an accurate record of the meeting. 19 July 2023 The minutes of the meeting held on 19 July 2023 were reviewed and agreed as being an accurate record of the meeting.	
4	Confidential minutes of the meeting held on 21 June 2023 The confidential minutes of the meeting held on 21 June 2023 were reviewed and agreed as being an accurate record of the meeting.	
5	Matters Arising from meetings held on: 21 June 2023 The progress against the outstanding matters from previous meetings was summarised in the report. Item 1 - remains outstanding and RSM will be approached again to discuss the value of retaining the two subsidiary companies and the VAT implications. Item 3 – a meeting with Edu Lettings was held last week and they are working on a 'lite' proposal but there is little confidence they will be able to support a wider promotion/commercial interest of college facilities.	VPCS VPCS

Item 5 – the refectory analysis of other colleges was shared with the committee. This is a college wide issue. CWA finished with a £153K loss in the 2022/2023 academic year and the finance team continues to work with the catering department to make adjustments to bring a more tolerable level of contribution/modest loss or potential break-even position in the 2023/2024 academic year.

19 July 2023

The progress against the outstanding matters from previous meetings was summarised in the report. There were no items to carry forward.

It was noted that the FE commissioners work to analyse the college's curriculum planning and alignment with financial planning will commence later this year; December 2023.

All other items were completed and are to be removed from the report

HoG

6 Election of Vice Chair

The Chair **proposed** to appoint Carolyn Rand as Vice Chair of the Committee which was **seconded** by D Pomfret.

7 Subcontractor/Partnership Activity Update

The year end accounts are yet to be closed with income still due as outstanding learner achievements for 2022/2023 are processed. The final outturn will be reported to the committee at the next meeting to be held in November 2023.

HoELP&CT

This item was deemed to be confidential

The compliance audit of the subcontracted management standards has concluded. All metrics were either green or amber and the team are working through the arising actions. The deadline to submit to the ESFA was met and then the agency extended the deadline by another month. CWA is waiting to hear if the college has met the standard and it is anticipated that the ESFA may conclude that CWA has not met the standard, but would be able to do so, if a series of identified actions are completed, which will demonstrate compliance with the standard. A timeframe to complete the actions would be determined by the ESFA. An update report will come back to the committee at the meeting to be held in November 2023.

HoELP&CT

P Smith left the meeting at 9.10am

8 Preliminary Financial Results 2022/23

The results show a positive year end position, but governors were reminded that this is mainly due to the large balance sheet release of project funding and there may be some changes at the R014 submission once income for completing learners is secured.

CWA is anticipating a response from the ESFA regarding the S4PL business case in the coming weeks. The potential clawback is an arbitrary figure based on other college intelligence and is a sensible estimate. There may be other financial risks arising from the apprenticeship PwC funding audit and as detailed above this may delay the conclusion of the external audit work to prepare the year-end financial statements.

It was noted that deposits made with a high street bank are generating 3% on £100K deposit but more substantial sums will be deposited in line with the revised Treasury Management Policy, once approved under agenda item 11 below.

9 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 25 May 2023 and 8 September 2023 was a nil return.

R Petto joined the meeting at 9.40am

10 Funding Position and Data Control (Outturn 2022/23 and headline figures 2023/24)

The final return will be made in a few weeks' time and the outturn may be subject to change given the outcome of the PwC full funding audit.

The APFP&P reported a healthy increase in funding of around £1.4m (due to the DfE announcement to invest £185m in the FE sector, linked to the National Pay Award). The college has benefited disproportionately from this funding in large due to the significant volumes of high programme weighting provision and recruitment has been strong with 200+ students recruited above student numbers recruited last year. This will bring a sizeable growth in study programme income. The ESFA may fund in-year growth, but this is not guaranteed. CWA growth rate is around 10% and growth on English and maths around 50% which will put pressure on college finances, as due to GCSE low results there are more students enrolling at the lower learning levels, which may positively increase the number of learners progressing (staying in college longer). Student numbers will be secured at the census point giving us confidence around October half term of the actual level of income.

The consequence of losing Princes Trust and Art Academy East subcontracted provision is a loss of £420K AEB income.

Apprenticeship income has been budgeted at the same target level as last year (£4.05m) but the outcome of the P4SL decision, as discussed above, will impact this income line and potentially could be a big gap to plug. There were no further questions raised by governors having received a comprehensive report.

R Petto left the meeting at 9.55am

11 Treasury Management Policy (V2)

The policy has been updated in line with the comments/feedback received from the committee at the last meeting and tracked changes highlighted the amendments made.

It was noted that the committee was keen to get the policy in use although regarding bank ratings many banks are likely to be rated lower than triple A so it was requested that the policy should allow for some flexibility to enable a wider choice of where to invest.

VPCS

The committee **approved** the policy as amended and were content that minor tweaks may be required as the policy is enacted.

12 Confidential item under paragraph 17(2) of the Instrument & Articles of Government Additional DfE Funding for Pay Award Update

This item was deemed to be confidential

13 Any other business

It was noted that the Chair of the Committee will be absent for the Corporation meeting to be held on 11 October 2023, but the Vice Chair will take committee items to the Board.

The committee received a presentation delivered by the Head of Finance covering the topic of Contribution Analysis/Development Training after the meeting had concluded.

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Chair's items for briefing to Corporation

Chair

- Two subcontracted partners have withdrawn from delivery this academic year; Norfolk Fire and Rescue Service, and Art Academy East. This is a potential loss of AEB income of £420K. There is interest from other partners who have been invited to tender for the contract.
- New apprenticeship starts with Polymer 4 Solutions have been suspended pending the outcome, yet to be received, from the ESFA. The potential clawback is £615K (best case) and £1.6m (worst case). We await the decision of the ESFA.
- As a consequence, governors should be aware of the associated risk of the potential clawback, negative impact on the college's financial health grade and external auditors' ability to certify the accounts for the year end, additional audit fees, and auditors' opinion of the college's financial statements.
- There is still some movement before finalising the year-end figures, but the positive end position is mainly propped up by large balance sheet release of project funding.
- The committee has approved the release of the college's Treasury Management Policy.
- The Principal/CEO will provide a confidential proposal regarding a pay award for the consideration of the corporation at the meeting to be held on 11 October 2023.

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Date and time of next meeting

Wednesday, 15 November 2023 at 8.30am

Meeting ended at 10.20am