

FINANCE COMMITTEE

Minutes of the hybrid meeting held on 1 December 2021 at 3pm

Present physically: N Savvas, CEO S Clarke, Chair

Present virtually: C Higgins E D'Souza
C Ridgeon (part) S Healey Pearce
D Wildridge, Vice Chair

In Attendance: A Wright, Group Director of Progression
C Bundy, SAT Finance Manager
J Raffel, CFO
R Bamford, Group Vice Principal Data and MI
S Gales, Governance Professional

Apologies: None

1 Declaration of Interests and Apologies for absence

CHiggins, ED'Souza, NSavvas and SClarke declared their roles as Governors of West Suffolk College. No other conflicts of interest in relation to the items of the agenda were declared.

No apologies were received.

2 Minutes of the meeting held on 3 November 2021

The minutes of the meeting held on 3 November 2021 were **agreed** as an accurate record.

3 Matters Arising from meeting on 3 November 2021

The matters arising from the meeting were summarised in the report and all actions reported had either been completed or, where appropriate an update had been provided on progress elsewhere on the agenda.

4 Finance Report

Trustees received and considered the detailed financial report provided, and SClarke summarised the key data:

- The year-to-date position is £185k which is £351k better than the budget
- Full year forecast is £252k which is £372k behind the budget

JRaffel informed all that we have implemented a new budgeting and forecasting system which has resulted in the different presentation of the income and expenditure account. JRaffel noted that these headings now match the ESFA code list.

The Committee discussed the presentation of the income and expenditure account headings and asked for future reports to be rationalised/grouped together to aid the Committee to identify meaningful trends. SClarke to work with JRaffel to identify the best groups.

The Committee also asked for the key risks to be highlighted within the report.

The Committee discussed the overspend of staff costs, and JRaffel noted the need to provide clear commentary to show how these costs have been counterbalanced; for example the cost of the CEO and CFO which are now staff costs rather than procured via SLA.

The Committee queried why there has been such a significant increase in staffing costs. JRaffel noted that when the budget was set we did not anticipate the some costs relating to student support, and other areas. NSavvas noted that we continue to work to improve our forecasting process and it is becoming more accurate. We are also

Action

SClarke
JRaffel

JRaffel

heavily subsidising ASFC whilst it is in its early growth phase and we are also investing in staff across the Trust to support our community, as we are still over-coming the after-effects of the pandemic.

The Committee agreed there is need to invest in staff but that we need to monitor expenditure closely. The Committee asked, for future reports, to show the potential contribution to reserves based on best case and worst case.

JRaffel

5 **Key Performance Indicators**

Trustees received and considered the KPI report provided, and SClarke noted that of the KPIs, RAG rating of the data shows: 7 green, and 2 red.

The two red KPIs relate to the forecast surplus/deficit for the year and the forecast staff pay as a % of forecast income, which were discussed in agenda item 4.

The Committee noted that KPI 3 should be amber.

JRaffel

The Committee queried the pupil to teacher ratio and asked if they were at the right level. NSavvas noted that we are very close to our benchmark.

6 **Applications**

Trustees received and considered the report provided, and AWright summarised the key data to date:

- Circa 550 submitted applications for ASFC
- Circa 1,000 submitted applications for OSFC

The Committee noted that ASFC applications are progressing well and queried what this was due to. AWright noted that the ASFC open event was very successful, we are getting a good flow of applications from local feeder schools.

NSavvas added that because ASFC opened within a Trust, operating within a Group, ASFC could focus on getting the right students on the right course with the right support and the best teachers; which has raised the reputation of ASFC which helps it become an established and known provider.

CRidgeon joined the meeting at 3.25pm

7 **Audited Accounts for the year ended 31 August 2021**

Trustees received and considered the draft Audited Accounts for the year ended 31 August 2021.

JRaffel summarised the key points:

- The Trust now qualifies as a large company, hence the accounts template is slightly different to previous years
- The accounts have been audited and the figures will not change
- However, there will be some tweaks to the disclosures following the advice of our legal advisors and in response to the external auditors
- The building of ASFC is a new addition to the accounts
- The year-end financial position was £967k

The Committee queried the KPI report on page 13 and whether the July column should be included and whether the benchmarks used were up to date. JRaffel to update the KPI report and benchmarks to show progress against the year-end position.

JRaffel

The Committee discussed the Streamlined Energy and Carbon Reporting section and how best to monitor/benchmark the date to provide meaning for data. The Committee noted that compared to last year, we opened a new sixth form centre which accounts for the sizable increase in consumption and asked JRaffel to add this commentary to the accounts.

JRaffel

The Committee discussed that internal monitoring of Streamlined Energy and Carbon Reporting will be considered by the Sustainability Steering Board, which will then report into the Resources Committee.

The Committee discussed the related party transaction (RPT) irregularity and queried whether this version of the accounts includes the latest disclosures about this. JRaffel confirmed that the final version will include this disclosure now that we have written confirmation from the ESFA that they will not take further action relating to the RPTs to date. NSavvas summarised the discussions to date with the ESFA and DfE with regards to future ways of working and RPTs.

The Committee queried the rent and liability for ASFC. JRaffel explained how this is calculated and apportioned.

The Committee asked for the contribution to reserves to be highlighted in the accounts more clearly, at the start of the accounts.

JRaffel

The Committee queried what metrics are used to determine whether a Trust is a large company or not. JRaffel outlined the metrics used.

The Committee **agreed to recommend the accounts to the Trust Board** subject to the amendments discussed above and the addition of further disclosures as discussed. The Committee asked JRaffel to outline the changes compared to this version, to enable the Committee to give assurance to the Trust Board.

JRaffel

8 **Cost of WSC Services to SAT Annual Report**

Trustees received and considered the report provided which covers the actual costs involved in procuring the various services from WSC for the period 1 September 2020 to 31 August 2021.

The Committee agreed that these services provide good value for money.

9 **Any Other Business**

• **HVAC system at OSFC**

SClarke advised that following a meeting of the Resources Committee last week, the Finance Committee is asked to consider the proposal to replace the HVAC system at OSFC. Due to the urgency of this replacement and upon the recommendation of the Resources Committee, the Finance Committee **agreed to consider the proposal via email and approve by written resolution.**

JRaffel

The meeting closed at 4.14pm