

Minutes of the hybrid meeting held on 5 February 2025 at 4.30pm

Present physically at WSC: N Savvas, CEO

Present virtually: C Higgins J Drake, **acting Chair**

In Attendance: A Brewster, Group Head of Finance
A McGarel, CFO
D Barton, Assistant Principal Adult (part)
G Granger, CIO
L Carroll, Group Head of Project Accounting, Risk and Transformation
L Parish, Assistant Principal Apprenticeships (part)
P Stittle, Executive Director Business Development (part)
S Gales, Governance Professional
S Minns, Group Head of Admissions and Enrolment

Apologies: A Duffety, **Chair**
E D'Souza
L Moody, Principal Strategic Growth and Partnerships
M Chatt, **Vice Chair**
S Prickett, Group Director Finance & Operations

Absent:

1. Declaration of Interests and Apologies for absence

C Higgins declare his role as a Trustee and N Savvas as CEO of the Eastern Education Group Trust. No other conflicts of interest in relation to the items of the agenda were declared.

Apologies were received from A Duffety, E D'Souza, L Moody, M Chatt and S Prickett.

The Governance Professional informed that J Drake would act as Chair.

2. Minutes of the meeting held on 27 November 2024

The minutes of the meeting held on 27 November 2024 were **agreed** as an accurate record.

3. Matters Arising from meeting on 27 November 2024

Four of the six matters arising were complete and two were ongoing and scheduled to be presented to later in the year.

4. Finance Report

Governors received and noted the detailed financial report provided, and the Group Head of Finance summarised the report:

- The year-to-date position is a position worse than budget by circa £90k,
- The forecast year end position is a surplus position if the 'challenge' budget is achieved.

The Group Head of Finance summarised the key changes to the December position compared to the November position.

Governors noted that year-to-date non-staff costs are over budget by circa £230k and queried how confident the Executive are that we can achieve the 'challenge'. The Group Head of Finance explained that depreciation and agency costs are likely to outturn at higher than budgeted too and so we are undertaking a full review to identify where additional savings can be made and/or where additional income can be achieved, this will be included in next month's Finance Report. Governors thanked the finance team for the transparency and clarity of the paper and commended the rigour of their forecasting.

Action

<p>Governors noted the increased spend on agency staff and queried whether this is a cause for concern. The CFO explained the rationale for the use of agency staff especially in hard-to-fill areas and outlined approaches we have taken to work with staff to encourage direct employment. Governors queried whether the agency staff are reliable and whether there is any detriment to the experience of students by using agency staff. L Parish and P Stittle advised that in their areas the agency staff are in long-term roles and are core part of the team, and, given the scarcity of staff in hard-to-fill areas, use of agency staff therefore safeguards the standard for students. Governors queried whether, given this context, there is a reasonable chance that we will be maintaining this level of agency spend. The CFO confirmed that it is highly likely.</p>	
<p>Governors queried the reliability of the budgetary assumptions used to calculate the potential best-case and worst-case outcome. The CFO confirmed that the papers are written conservatively with the potential best-case and worst-case outcomes identified and agreed to include the range and reliability of budgetary assumptions in future papers.</p>	CFO
<p>Governors discussed the high level of uncertainty linked to the potential best-case and worst-case outcome (e.g. whether our growth case will be fully funded, to what degree we may receive funding towards National Joint Council staff pay uplifts, etc.) and noted that this makes it difficult to forecast the required level of 'challenge' to achieve our budgeted year-end position.</p>	
<p>Governors commended the cash flow position and proactive management of the debtors.</p>	
<p>5. <u>Key Performance Indicator Report</u> Governors received and considered the KPI report provided, which noted that of the KPIs, RAG rating of the data shows: 0 red, 6 amber and 9 green.</p> <p>Governors discussed the benchmarks used and queried when they were last reviewed / updated. The CFO advised that the FE Commissioner benchmarks are slightly old now (created in 2021/22) given the current economic climate, however remain appropriate as national sector benchmarks.</p>	
<p>6. <u>Student numbers for current year (Enrolments) and for next year (Applications)</u></p> <p>i. <u>Sixth Form Provision</u> Governors received and considered the report provided. S Minns provided a verbal update on the live enrolment data compared to the ESFA funded student allocation.</p> <p>Governors asked that future reports show previous year's data and show a comparison against the budgetary assumption, and identify variances and actions taken for adverse variances.</p> <p>Governors discussed that if ESFA growth case funding is not reliable we may need to carefully plan future growth to ensure student numbers are feasible given budgetary constraints.</p> <p>Governors asked that future reports include analysis of applications by course subject to provide additional context.</p>	S Minns S Minns
<p>ii. <u>University Studies Provision</u> Governors received and considered the report provided, though L Parish informed that the report is inaccurate and advised there is a substantial forecast shortfall in income compared to the budget position.</p> <p>Governance Professional to circulate the updated report for information.</p> <p>Governors discussed the impact of strategic changes to our HE provisions and the wider national context for the HE sector and queried whether other local universities are also experiencing reducing applications. S Minns confirmed that other local universities are</p>	Gov. Prof.

experiencing the downward application trend and informed that we are advertising to our students in our sixth form provision to attract further applications.

Governors asked for future reports to try to forecast the 2025/26 enrolment and income.

L Parish

Governors discussed the UCAS application by course and queried the number of students needed for courses to be viable. L Carroll explained that we aim for a standard minimum course size, however there is flexibility – especially when we are trying to establish a new course and/or where the course teaching can be blended with HNC/HND course delivery.

iii. **Apprenticeship Pipeline**

Governors received and considered the report provided and L Parish provided a verbal update on the live data compared to the budgetary target.

L Parish informed that nationally employers are becoming more cautious about taking on apprenticeships due to concern about the potential changes to the apprenticeship levy and how that can be spent, as well as about the changes to National Insurance.

L Parish informed that while our profiled starts are slightly below profile, the value of starts has counterbalanced our monthly position.

Governors commended the accuracy of apprenticeship forecasting and clarity of the reporting.

iv. **Adult Pipeline**

Governors received and considered the report provided and D Barton provided a verbal update on the live data compared to the budgetary target.

Governors discussed the data and queried if there were any concerns or emerging trends. D Barton advised that the FCfJ funding rules are very restrictive, so it is difficult to fully achieve and advised that uptake on Level 3 courses are low, and informed how we are working to promote uptake of these courses.

v. **Full Cost Pipeline**

Governors received and considered the report provided and P Stittle provided a verbal update on the live data compared to the budgetary position.

Governors noted that both national and local market confidence is low and queried whether this is having an impact on demand for full cost commercial courses. P Stittle fed back that employers are cautious however we continue to work to make it accessible and communicate the importance of training for staff recruitment, retention and succession planning.

L Parish explained the link between full cost and apprenticeships and explained the likely impact of changes to the employer apprenticeship levy rules.

7. **Risk Register Extract**

Governors received an extract of the updated Risk Register, with the risks relating to financial matters highlighted. Of these risks, post-mitigation, there were 1 red, 8 amber and 2 yellow risks.

L Carroll summarised the changes to the Risk Register and the explained the rational for the new risks.

Governors discussed risk EEG007 – relating to pay costs, and queried our strategy for staff pay. The CEO advised that, unlike schools, college staff pay is not fully funded and we have to balance competitive pay with affordability and financial sustainability.

Governors discussed the new risk EEG024 – relating to the new finance system and suggested the Audit and Risk Management Committee if the risk name reflects

A&RMC

sufficiently the broader risk relating to system scoping, design and implementation to ensure it is created to be an effective Group-wide system.

Governors reviewed the risks and **felt assured** by the mitigations proposed.

D Barton and L Parish, P Stittle left the meeting at 5.35pm

8. **Committee membership, skillset and training needs**

Governors received, considered and **noted** the paper provided.

The CEO informed of plans to propose the establishment of a joint Finance Committee and summarised the rationale for the proposal. The Governance Professional noted that, if the Trust Board and Corporation decide to establish a joint Finance Committee the membership will be further reviewed.

9. **Any Other Business**

- **Government consultation**

Governors discussed the government has opened a number of consultations for reforms of the education sector, and queried if the Group will respond and whether governance input will be sought. The CEO advised that due to short consultation periods the Group is contributing to the consultations via our sector membership representatives e.g. CST, SFCA and AoC. The CEO invited governance members to contribute feedback via the Governance Professional.

The meeting closed at 5.45pm