

SUFFOLK NEW COLLEGE

**Report and Financial Statements
For the Year Ended 31 July 2023**

Suffolk New College

Financial Statements for the year ended 31 July 2023

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Suffolk New College

Reference and administrative details

Board of Governors as at 31 July 2023

Ms A Beech
Mr J Coe
Ms H Clements
Mr M Cole
Ms S Davis
Ms S Dent
Mr R England
Mrs A Gordon
Mr P Harrison
Mr G Jagpal
Mr B Keaney
Mr J Legh-Smith
Dr M Lyne
Ms S McGregor
Mr S Pugh
Mr S Sheppard
Mr A Stevenson
Mr S Wingrove

Clerk

Ms R Robson (Resigned 13 October 2022, 11 September 2023 temporary appointment)
Ms E Attwell (Commenced 14 October 2022, Resigned 12 July 2023)

Executive Team

Mrs V Gillespie	Principal and Accounting Officer (Left 31 March 2023)
Mr A Pease	Principal and Chief Executive Officer (CEO) (Appointed 9 May 2023, Acting Principal 4 January 2023 – 8 May 2023)
Mr A Pease	Deputy Principal (Transferred 8 May 2023)
Mrs M Gleave	Deputy Chief Executive Officer (CEO)
Mrs M Flack	Deputy Principal (Appointed 1 July 2023)

Principal Office Rope Walk, Ipswich, Suffolk, IP4 1LT

Suffolk New College

Reference and administrative details

Professional Advisors

External auditors	RSM UK Audit LLP, Bury St Edmunds
Bankers	Barclays Bank, Cambridge
Solicitors	Leathes Prior, Norwich
	Gotelee, Ipswich
	Birketts, Ipswich
Advisors	Scrutton Bland LLP, Ipswich,

Suffolk New College

Strategic Report for the year ended 31 July 2023

OBJECTIVES AND STRATEGY

The members of the Corporation of Suffolk New College present their report and the audited financial statements for the year ended 31 July 2023.

Legal Status

The Corporation was established under the Further and Higher Education Act 1992 for the purposes of conducting Suffolk New College. The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011.

The Corporation was incorporated as Suffolk College Corporation. The Secretary of State granted consent to the Corporation to change the College's name to Suffolk New College with effect from 1 August 2007.

The College maintains a single overall name but operates specific campus names to help with the identification of the multiple campuses, these include 'Ipswich', 'Suffolk Rural' for Otley, and 'on the coast' for Leiston and Halesworth.

Mission, Vision, and Strategy

Suffolk New College is committed to playing an active and vital role in the area's skills transformation that is required to fuel a more productive and high value economy.

Suffolk is an area of growth and is predicted to continue to increase its population and economy. The College has many opportunities to support this and the key areas for development are articulated in the Strategic Plan. We have a clear sense of direction, and our plan, under its five strategic focus areas, sets out how we will fulfil the Strategic Aims of the College. As a multi-campus College across a number of locations, we service a wide-ranging community, with complementary aspects of urban, rural and coastal communities.

Suffolk New College commits to treating everyone with dignity and respect. We wish the ethos of the College to reflect a community that is free from discrimination, valuing all members of our college community equally and fairly.

The Values of Suffolk New College are:

- openness and trust; having a learning culture to support all staff.
- providing platforms for expressing opinions, concerns and views for all staff at all levels.
- involvement in decision making.
- recognising, appreciating and celebrating achievement and success areas.
- actively encouraging and finding time for continued professional development, creating time to generate new ideas and experiment.
- valuing and respecting differences and views of others, promoting diversity.

The strapline for the College for 2022/23 was, 'Exceptional Student Experience'.

Implementation of Strategic Plan

In January 2016, the College adopted a strategic plan for the period to 2020, which was updated in 2019 to 2024, and in 2021 to 2026. This strategic plan includes property and financial plans. The Corporation monitors the performance of the College against these plans. The plans are reviewed and updated each year. It is a rolling five year strategic plan and therefore, on an annual basis the next five years are planned.

The College's continuing strategic focus areas are:

- Raising Standards and Aspirations
- Linking with Employers and Promoting Employability
- Responding to Local and Regional Priorities
- Seeking Involvement with Staff, Learners and The College's Community
- Growth and Sustainability

The College is on track and reports progress against these strategic focus areas.

The plan has been expanded to include the multi-site approach and the strategic action plans have been updated accordingly. There are a number of specific strategic action plans that sit below the overall strategic plan which set out the ways in which the College will achieve these strategic focus areas. These plans are kept up to date and reviewed regularly. There is an annual process of signing off the previous year and agreeing the next year for each area.

Within the strategic plan, analysis on the local labour market drives the key projects and priorities. This shows how the College will support developments such as the Sizewell C Nuclear if it proceeds, Freeport East and other large infrastructure projects. There are plans to develop the College's provision, commercial areas, sites and also partnerships with other organisations. Tech Campus, a building specifically focussed on delivering a digital curriculum adjacent to the Ipswich Campus which opened in September 2022, the Net Zero Skills Centre, as part of the Town Fund Grant for Ipswich which opened in April 2023 are indications of the College's response to employer need. The Net Zero Skills Centre has a focus on sustainable construction, renewable approaches to electrical engineering and plumbing, along with hybrid and electric vehicle training. A new Health Science Campus was built during 2022/23 with a planned opening in autumn 2023. The project is partly funded the College along with a grant from the Department for Education Post-16 Capacity Building funding and includes a mock hospital ward, virtual reality lab, occupational therapy rooms, mock children's nursery and a new science lab. The key focus of this project has been to provide specialist space to enhance the training and skills development in the priority area of health and science.

These projects are all focussed on achieving the College's strategic plan which is aligned to the local, regional, and national priorities.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Student Numbers

The College suffered a small decline in student numbers to 2,729 in 2022/23 which is in line with the national picture following the pandemic. The College increased from 2,721 in 2019/20 to 2,950 in 2020/21 and in 2021/22 the College 16-18 numbers reduced slightly to 2,865.

The slight reduction in these student numbers is directly attributed to young people wishing to earn money either through jobs, with such a demand for staff nationally, or an apprenticeship, and is also aligned with the number of young people who have struggled to return to education following the pandemic. The College has plans to reinstate these numbers for 2023/24 including the focus on key skills as part of the various projects that are underway in priority areas. Student numbers at the Suffolk Rural site have significantly expanded as a result of some courses increasing recruitment, along with the movement of some provision out of Ipswich to Suffolk Rural. This took place in 2021/22 and 2022/23 with the aims of putting similar provision together, to utilise the workshops at Rural, and also to make space for provision that needs to be in Ipswich. The student numbers at Halesworth grew again in 2022/23 as the facility developed and was available for prospective students to see.

Curriculum Developments

The College focuses upon providing a curriculum that meets the needs of students, employers and the wider community. The offer considers the needs of providing a skilled workforce for the future. The College's curriculum provides an extensive range of learning across a broad number of areas, which are Science and Digital Industries; Care Industries; Creative Arts; Engineering and Construction; Land Based, Animal and Equine; Service Industries; Sport and Public Services; Inclusive Learning; English and Mathematics; ESOL (English for Speakers of Other Languages) and Apprenticeships.

The curriculum of the College is broad, covering 14 of the 15 subject sector areas, the largest being health and social care, digital, engineering, arts and media, and construction. The College implements a large re-sit programme for learners who do not achieve maths and English at grade 4 or above at school. These numbers reduced slightly in 2022/23 as a result of the changes to assessment approaches during COVID, and this also impacted on the levels that some students came in at for their main qualification, as more were centre or teacher assessed at grade 4 or above. It is anticipated that the numbers needing to study maths and English as part of their study programme will increase back to pre-COVID levels in 2023/24.

The College implemented a number of enhancements to the teaching and learning experience in 2022/23 and continued to focus on integrating the Suffolk Rural Campus into the College. The College anticipated an Ofsted inspection during the year, and so there was particular focus on ensuring that there were consistent approaches to the curriculum across all sites, and that any changes or developments were achieved without delay. A number of enhancements and investments have taken place across all of the College's sites to ensure that suitable equipment and spaces are available for the curriculum requirements. The College now delivers a number of T-Levels with new ones that started during 2021/22 and 2022/23, with further ones due to commence in 2023/24.

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Strategic Report for the year ended 31 July 2023

The College offers a broad curriculum, with provision in all areas apart from A-Levels. With nearby provision in schools and sixth form colleges it has not been felt necessary or appropriate to compete with A-Levels. The College has focussed on vocational, technical and academic provision which meets the community needs across Suffolk from entry level through to degrees in certain subjects.

The College was inspected in November 2022, which resulted in a movement from 'Requires Improvement' (previous inspection in November 2019) to 'Good' across all areas including Quality of Education, and an 'Outstanding' for Personal Development. The College was also assessed as making reasonable contribution to meeting skills need.

Ofsted recognised that 'leaders ensure that the curriculum they offer is inclusive, improves aspiration and increases social mobility.' They also highlighted that 'many employers participate effectively in and influence the design and implementation of the curriculum.'

The College was extremely proud to achieve an 'Outstanding' for Personal Development from Ofsted. This recognises the huge amount of work, and high priority that the College has given this part of the learner experience. The elements that make up Personal Development include employability skills, career development, student support, safeguarding, British Values, and positive destinations. The College continues to offer and has further developed the 'e-Pass scheme' which supports learners with their route to employability through supporting them to develop their skills in being 'confident', 'resilient', 'work ethic', 'enterprising', and 'professional'. A broad range of work experience, work related projects, guest speakers, and visits took place during the year to enhance the learning experience and to prepare learners for their next steps.

During 2022/23 the College launched a new website which not only focussed on external audiences but also supported internally the careers information available. The College's site has live labour market information, local vacancies and career explorers which staff use as part of their course delivery to show the links between what is delivered in their course and how it will help them achieve their future destinations. The new website was audited in April 23 and found to be compliant with Web Content Accessibility Guidelines (WCAG) requirements for accessibility.

The College continued in 2022/23 to maximise data from the systems available. Core systems which supported the College's operations during the year included dashboard reporting systems, online safeguarding platforms, e-portfolios, which enabled the curriculum teams to have real-time and integrated data on student progress, attendance and performance. The teaching teams continue to focus on delivering an Exceptional Learner Experience.

Throughout 2022/23, the College has responded well to the demands to maintain the student experience. There was no break in learning for any students, the College never closed and we continued to operate on a daily and weekly basis for all students. Staff have continued to work from College sites and there is little or no hybrid working taking place as a reflection of the College's business which is delivering face-to-face education.

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The use of a variety of digital systems during the pandemic helped to transform how the College approaches teaching and learning and many of these approaches have been maintained. Whilst the majority of the provisions are offered face-to-face, a small number of adult programmes have remained on-line as that meets the needs of those students. This includes part time maths and English in the evenings. The College also launched an online course aimed at young people who have struggled to return to education following the pandemic. This was launched in January 2023 with c40 students, with an aim of supporting them to achieve a qualification along with supporting them to feel able to return to face-to-face activities. This was well received by those students, their families and the local authority who have a focus on NEETs. Further intakes are planned during 2023/24.

Alongside the main Ofsted Inspection, the College also welcome visits from a range of other organisations, including a DfE Quality Review of the Skills Bootcamp provision who cited best practice, a successful ESFA Apprenticeship Accountability Framework Review, FE Commissioner review of the merger, and a FE Commissioner Adult Education Budget research visit which will be presented at the Association of Colleges Conference in November. The College welcomed opportunities throughout the year to demonstrate how the College had developed and now is performing. As a result of the 'Outstanding' judgement for Personal Development, the College was approached by over six other colleges across the country to offer support for their inspections.

The College has continued to work in partnership with Inspire Suffolk Ltd on the Prince's Trust, tailored for young people who are not in education, employment or training (NEETs) within the local community, and worked with Needham Market Football Club to offer high quality sports qualifications which support players with progressing into relevant careers and higher education. The College also commenced discussions with ITFC (Ipswich Town Football Club) Foundation with the aim of launching a new education and football partnership in 2023/24.

The partnership with the University of Suffolk for the delivery of higher education courses in Civil Engineering continued, along with initial teacher training for College staff. The College had previously taken on the lead role for initial teacher training for the Further Education Colleges in the partnership in 2021/22, supporting the University with achieving a Good from Ofsted for this provision.

Current Year

The College had an exceptional year with regards to changes at a senior level of staff, however despite this, the College still managed to maintain strong quality of provision and finances. The Principal, Mrs V Gillespie, announced her intention in January 2023, that she was planning to retire in the summer of 2023. She was unwell from January and sadly passed away in March 2023. During this period of her sickness the College seconded the Deputy Principal, Mr A Pease, into the position of Interim Principal/Chief Executive. The College did not appoint an interim Deputy Principal, and instead continued with two Executive members of staff (Interim Principal and Vice Principal/Deputy CEO) but uplifted on a temporary basis two Directors into Assistant Principal positions to provide some senior leadership capacity. Due to the fact that the permanent Principal was retiring a national recruitment campaign was carried out, and following a robust assessment process, Mr A Pease was appointed permanent Principal in May 2023. Following this appointment, a permanent recruitment process then took place for Deputy Principal, and Mrs M Flack was appointed in July 2023.

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The College has a strong financial track record as demonstrated by previous financial health performance. The College has continued to maintain strong reserves, whilst making investments into equipment and facilities with a particular focus on the Government priority of Science, Technology, Engineering and Mathematics (STEM) curriculum, along with health and land based which are local needs. Along with the new building projects, the College was able to make investments into equipment and provision at Ipswich, Rural and Halesworth. The College is well run financially and this translates into investments into equipment and facilities that are at industry standard and meet the needs of the courses and learners. Where possible the College has pursued grant funding to further support the resources available for investment, and this is an area which the College is now more experienced in and is supporting other organisations through a leadership role. Some donations were also made by employers with materials or equipment to support the delivery of technical curriculum.

The College had an Ofsted Inspection in November 2022 and the overall result was 'Good' in all areas and an 'Outstanding' for Personal Development.

Inspectors found that 'learners feel welcome and safe in the College'. That Learners on apprenticeship programmes benefit from the training they receive from employers, and they enjoy learning from industry experts. As a result, they swiftly become valuable employees in the businesses where they work.'

Ofsted summarised what they witnessed during the inspection, 'most learners at Suffolk New College enjoy their time at the college and value the new skills and knowledge that they learn. They appreciate the support that they receive from tutors, learning support practitioners and industry experts.

The inspectors found, 'leaders have clear strategic aims and values, which they share well with staff, and which are supported by governors.'

Through the annual review the College maintained the accreditation of Matrix, which is the assessment of the independent advice and guidance approaches that are in place. This was due for full re-accreditation in October 2023. The College was awarded the Matrix Standard, measured against both the old and new framework. The College is one of the first organisations to meet the new framework standard.

The College is actively involved in a wide range of local networks and with key groups who are leading the strategic vision for Suffolk. This includes the local chamber of commerce (the College is a patron of Suffolk Chamber of Commerce), Local Skills Improvement Plan & Fund, Suffolk County Council, Ipswich Borough Council, Strategic Development Fund, ESF projects, Ipswich Central & Locus Board, Ipswich Policy Development Panel, Suffolk Agricultural Association, University of Suffolk, and the other colleges.

Despite the challenges of the cost-of-living increases during 2022/23, the College was still able to make investments and to progress planned capital works. The College commenced a complete replacement of the Wi-Fi at the Ipswich site and the College received FE Capital Allocation (FECA) funding towards essential maintenance and conditions issues, and energy efficiency, along with equipment funding towards T-Levels. The College prioritised these capital allocations taking into consideration priorities and where investments were needed. Any works to the sites were part of the College's Estates Strategy which was developed in 2020/21. The College has no identified RAAC across any sites or buildings.

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The decision was taken during the year that Further Education colleges would be re-classified as part of the public sector. This led to some immediate changes to the way that the College and the sector operates but the specifics of this change which are not yet known. The College has taken due consideration of the Government's 'Managing Public Money' and ensured that the expectations of this are being met. Changes have been made to policies and processes to take into consideration the impact of this. The College is aware of additional requirements for reporting and seeking permissions. Any returns due have been completed on time, but the College needs to wait for the new College Handbook to be issued before all of the detail of the impact of this change is known. Fortunately, a number of key staff have had experience of working in the public sector and for local authorities.

Future Prospects

The College completed the Zero Skills Centre projects during 2022/23 and built the new Health Science Campus with an official launch planned for the autumn 2023. The Tech Campus opened as planned in September 2022. These new spaces with specialist equipment will facilitate not only full-time curriculum in those areas, but also the upskilling and support for local employers. The College worked on new projects at the Suffolk Rural site during 2022/23 including an outside classroom, outdoor gym, enhancements to the farm, new equipment, signage and the development of a shop. Where possible the College pursued grant opportunities to help make them possible.

The new Rural Shop is now complete and opened in November 2023 supporting the sales of student made items across the whole college and products grown/produced on the farm will be sold. This will help provide further opportunities for our learners to develop commercial and retail skills.

Further curriculum developments are planned over the next few years and the College will be implementing new T-Levels as they are released. The new online NEET provision will be expanded in 2023/24 to help provide opportunities for learning to harder to reach groups. This meets a range of local and government priorities and supports key parts of the community.

The College is engaged in active discussions with key stakeholders and partners to support national infrastructure projects in STEM, such as Sizewell C, and Freeport East. There are plans to develop further Suffolk New College, 'on the coast' in Leiston and at Halesworth.

Investments are continuing to be made into college sites, assets and equipment. It is important that our estates and facilities are in excellent condition and are adapted to the needs of new developments. Alongside this is the implementation of our Sustainability Strategy which has a commitment to be Net Zero across all sites by 2050 or sooner.

The College considers it appropriate to operate on a 'going concern' basis having due regard to best practice developments in the UK Corporate Governance Code 2018 in respect of going concern and risk management reporting.

The College believes that it will be able to continue in operation and meet its liabilities, considering the current position and principal risks for at least the next 18 months, including cash flow and reserves.

The College has a Financial Plan linked with the Strategic Plan, with strong reserves, cash flow, cash days and there has been no risk to the College's bank covenants.

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There have been some recent announcements from central Government regarding funding for the sector. Whilst this did not impact in 2022/23, they do have an impact on the future prospects of the College. Government confirmed funding rate increases for 2023/24 and 2024/25 to support staff retention and recruitment. Early indications are that the College will benefit from this as a college that has majority of 16-18 year old students. This additional funding being added to the funding rate helps to mitigate the impact of increases to costs. The Government seems more committed to FE Colleges and is more regularly referring to them in their policies and decisions rather than just the school sector.

The College was not subject to industrial action in 2022/23 despite receiving national pay claims from the three recognised unions. Due to the extra funding being made available, the College has been able to present a solid package of pay and other terms and conditions enhancements which the unions now feel is strong enough to present to members to vote on. The results of this vote in October 2023 meant that an agreement was reached and any prospect of strikes within the next period was avoided. It is also anticipated that these enhancements will positively impact on staff joining and staying with the College. There is no risk to the College's financial position from these changes and they have been carefully modelled.

RESOURCES

The College has various resources that it can deploy in pursuit of its strategic objectives.

The College employs 285 academic staff, 281 business support staff and 79 learning support practitioners, 645 in total (based on headcount as at 31 July 2023).

In 2022/23, there were 2,741 16-18 year olds, 1,383 part-time adults and 371 apprenticeships, and 58 HE students in partnership with the University of Suffolk.

The College has £34.1 million of net assets (including £nil of pension asset) and long-term debt of £5.9 million.

The LGPS pension scheme has moved from an asset of £4.8m in 2021/22 to a £Nil value in 2022/23. High discount rates have continued which places a significantly lower value on the pension obligations which has resulted in a pension asset. The College, however, has chosen to apply an asset ceiling adjustment as it has not been proven that employers have an unconditional right to a refund in the LGPS. When the UK and global economy returns to a more stable position there is a likelihood that the discount rate will reduce, resulting in an increase in the value of the pension liabilities, which could result in the LGPS returning to a deficit position.

The College has a strong reputation locally as a community college that focuses on key skills to support positive destinations, with over 97% progressing onto employment or a further course. Regionally the College has a prominent presence and the Principal represents the College on a number of groups. The College has strong links with New Anglia Local Enterprise Partnership (NALEP), Local Skills Improvement Board, Energy Skills Board, University of Suffolk, Suffolk Chamber of Commerce, Ipswich Chamber of Commerce, Association of Colleges in the Eastern Region (ACER), LANDEX, Felix Thornley Cobbold Agricultural Trust, Suffolk Agricultural Association, Association of Colleges National Apprenticeship Group, Ipswich Central & Locus Board, Ipswich Borough Council and Suffolk County Council. Links with employers have grown over the past few years, with an increased emphasis on business development at the College.

There are a number of stakeholder groups taking place, engaging with business representatives, along with businesses who have given their support to the College and are represented in the College atrium on logo boards in Ipswich. A new Employer Engagement Strategy was implemented in 2022/23 and the College expanded its industry partner approach.

STAKEHOLDERS

Suffolk New College has many stakeholders including:

- Its current, future and past students
- The employers it works with
- Its staff and the three recognised trade unions of UCU, Unison and NEU Leadership.
- The professional organisations in the sectors where it works.
- Its partner schools and universities; the wider college community
- The local borough council, local authority and the Local Enterprise Partnership

The College recognises the importance of these relationships and engages in regular communication with them through the College Internet site and by meetings.

PUBLIC BENEFIT

Suffolk New College is an exempt charity under the Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity, are disclosed on page 1. In setting and reviewing the College's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education.

In delivering its mission, the College provides identifiable public benefits through the advancement of education to approximately 4,500 students, including almost 300 students with high needs.

The College provides courses without charge to young people, to those who are unemployed and adults taking English and maths courses. The College adjusts its courses to meet the needs of local employers and provides training to almost 1,000 apprentices. The College is committed to providing information, advice and guidance to the students it enrolls and to finding suitable courses for as many students as possible regardless of their educational background.

FINANCIAL POSITION

Financial Review

During the 2022/23 Academic Year, one of the biggest challenges facing the College was the cost of living crisis. This impacted on numbers of students choosing to study, those studying, staff working for the College and non-pay costs. The College worked hard to make efficiencies where possible but not to compromise the quality of delivery. Decisions were taken early in the year to make a pay award to all staff worth 3.5% for the year, along with supporting staff and students with free breakfasts, and staff a free gym. Creative ways were found to offer financial support indirectly if direct funding was not available.

There was careful planning and managing of budgets to help with inflated costs, and the College sped up decisions where possible to ensure that prices quoted were held rather than risking further increases as interest rates, inflation and other changes occurred in the year. Investments in capital projects helped in some areas to reduce revenue costs, such as replacement boilers at Suffolk Rural.

During the whole year, the College has had additional welfare processes in place for vulnerable staff and students, who have been affected by the cost of living crisis. The College geared up to provide more mental health support as a result of the long-term impact of the pandemic and used this to support the current issues associated with financial hardship and the war in Ukraine. For students this included additional resources, more staff mental health first aid trained, dedicated appointments and specific early help staff. For staff the College invested into an Employee Assistance Programme and training. The College also made additional bursary payments for students and increased the level of free college meal funding per day.

College priority continued to be a return to levels of activity from before the pandemic as the current financial challenges have extended the impact of it. The areas particularly focussed on were full cost or income-generating areas, which were significantly affected such as apprenticeships, where people pay to use our buildings, leisure learning, hire of the sports centre, and client services. The reduction in apprenticeship take-up that the College experienced was recognised during the pandemic across the country as a key issue for all colleges and training providers. The College did see increases in these areas when compared to during the pandemic period but progress has been affected by staff shortages in some areas. There is a national situation of more vacancies than the number of people unemployed, and the College has found it more challenging than ever with some specifically skilled posts. There has been success with other posts, and the College benefitted from a number of leavers returning to the College which meant that their induction into their roles was quicker and meant they were more immediately effective.

The College was particularly successful with grant funding during 2022/23 and this has now led to an expansion in the areas associated with the grants with a number of key roles funded by projects. This is a priority for 2023/24, with the College leading projects on behalf of all of the local colleges.

Financial Results

The College made a surplus before other gains and losses in the year of £334,000 (2021/22: Deficit of £1,382,000), with a total comprehensive income deficit of £4,418,000 (2021/22: Surplus of £17,698,000).

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Developments

Tangible non-current asset additions during the year amounted to £3,787,000.

Work has completed on the Health Science Campus, which opened in November 2023, which is part funded by a Department for Education grant. This purpose-built facility includes a mock hospital setting, a mock nursery as well as science laboratories.

The College opened a Net Zero Skills Centre as part of the Town Fund grant for Ipswich, with a focus on sustainable construction, renewable approaches in engineering and construction, along with hybrid and electric vehicle training.

The College received grant funding from the Strategic Growth Fund. A number of projects were undertaken to promote green skills including building an outdoor classroom, digital technology and electric vehicles.

The College also continued to invest in industry standard equipment required for teaching, maintaining the high level of IT hardware, implementing systems across the College's multi-sites to facilitating working practices and making adaptations along with improvements to the building to provide enhanced teaching facilities in response to student and employer feedback.

There were intangible non-current asset additions of £136,000 during the year, in respect of new software.

Reserves

The College has unrestricted reserves of £34,134,000 (2021/22: £38,552,000) including cash and short-term investment balances of £11,626,000 (2021/22: £8,251,000).

Sources of Income

The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2022/23, the FE funding bodies provided 85.2% of the College's total income. (2021/22: 85.5% excluding donations).

Financial Plan

The College Corporation approved a financial plan in July 2023, which sets objectives for the period to 2025.

Treasury policies and objectives

The College has treasury management arrangements in place to manage cash flows, banking arrangements and the risks associated with those activities. Short-term borrowing for temporary revenue purposes is authorised by the Principal. All other borrowing requires the authority of the Corporation.

Cash Flows and Liquidity

Net cash inflow from operating activities was £2,687,000 (2021/22: £2,060,000).

The net cash flow was a result of maintaining and in some areas growing income levels, along with managing expenditure. The College also received an increasing amount of grant funding during the year to continue environmental projects such as Net Zero. There is also a robust strategy in place for debt prevention and credit control.

The College has a £10 million long-term loan, which was put in place as part of the financing sources for the College's new build, of which £6,327,000 remained at the year-end (2021/22: £6,712,000)

At the year-end, the College had cash at bank and in hand of £11,626,000 (2021/22: £8,251,000). This includes unspent capital grants of £3.9m (2021/22 £1.1m) expected to be spent in 2022/23.

Reserves Policy

The College requires reserves for contingency and investment purposes. This enables the College to make investments towards technology and building programmes. Therefore, the technology available for teaching and learning remains current and enhances the student experience. In addition, the College's building is kept in good condition and the internal spaces are conducive to teaching and learning.

The College currently has total reserves of £34,166,000 (2021/2022: £38,584,000)

The College has a separate Reserves Policy in place approved by the Corporation. In line with the profile of the funding received, the College maintained a net current asset ratio of at least 1.5 and a minimum of 25 cash days throughout the period to ensure that the College met all its liabilities when due, as required by the policy.

PRINCIPAL RISKS AND UNCERTAINTIES

The College has well-developed strategies for managing risk and strives to embed risk management in all that it does. Risk management processes are designed to protect its assets, reputation and financial stability. The Corporation has overall responsibility for risk management and its approach to managing risks and internal controls is explained in the Statement on Corporate Governance.

A risk plan, which includes a register of the College's risks, is maintained at the College level. The Audit & Risk Committee reviews this on a termly basis. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. A new Risk Management specific IT system which links into the board paper system was implemented in 2022/23. This is a dashboard system which makes reporting on risks much more transparent and directly links the work of the Corporation into the risk approach. This link provides the reassurance that Governors need on the up to date status of risks within the College.

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The register is shared with managers via Senior Management Team and Business Support Managers for their comments and contribution.

The main factors affecting the College are outlined below along with the actions taken to minimise them. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

- Student Recruitment – the College is aware of the impact that COVID has had on increasing numbers of NEETs and also some young people going out to work for financial reasons. Further targeted provision has been offered and is planned for future years to support the skills development of these young people.
- Curriculum Reform – the impact on current provision, which is unknown and unclear in terms of funding, along with the implementation of T-Levels.
- Cyber Security – many actions were taken to mitigate this risk last year culminating in the achievement of Cyber Essentials, and successful tests and reviews of our systems.
- Staff Recruitment challenges – linked with national shortages, which has led the College to diverse strategies, enhance terms and conditions, and to offer staff referral schemes.
- Business Continuity – plans were tested and enhanced during the past few years and further developments are planned to mitigate the risk of interruptions.
- Costs increasing – this is a pay and non-pay risk as we identify cost of living and wage increase impacts. This is an ongoing risk which is being carefully managed.

With regard to the future viability of the College, a number of additional areas are being monitored including the impact that inflation, increases in energy prices, and wage pressures could have on the College's financial health. The College remains towards the upper end of Good, close to Outstanding.

Government Funding

The College has considerable reliance on continued Government funding through the further education funding bodies. In 2022/23, 85.2% of the College's revenue was ultimately publicly funded and this level of requirement is expected to continue. There can be no assurance that Government policy or practice will remain the same, or that public funding will continue at the same levels or on the same terms.

The College receives Industry Capacity Building Funding to increase the number of students experiencing longer work placements in preparation for the requirements of the new T Levels, where placements are a key component. The funding from this grant enabled the College to gain some experience of these longer placements, which will help with the implementation of T Levels going forwards. It was challenging to meet these requirements in some sectors and so employer led projects were implemented to ensure that if there were issues alternatives were in place. The College has made significant progress in 2022/23 but this is an area that is under constant monitoring as it is affected by the response of local employers and therefore affected by financial challenges that they experience. These are out of the College's direct control. The College was not alone with these challenges and across the sector there was difficulty in meeting them.

Apprenticeship numbers, both levy and non-levy grew in some areas but stayed static in others from levels prior to the pandemic. The College now offers Standards and has moved to Standards in all the key areas where they are now available.

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Strategic Report for the year ended 31 July 2023

The College managed to maximise the funding available under the Adult Education Budget as much as possible during the year with the overall aim of supporting adults to achieve higher level qualifications than they had previously to support social mobility and employment. A range of technical short courses 'tickets' and bootcamps were offered in key areas to meet the specific requirements of groups of employers. There has been positive feedback from the Department for Education, learners, and employers on the impact that these short technical/professional courses have.

The College's High Needs Students, funded directly by the ESFA (Education Skills Funding Agency) for element 2 remained at 288. (2022: 288).

The College is focussed on utilising the funding levels currently available and to pursue opportunities for further funding. The College has oversight of all the funding streams through the Funding Group, which meets regularly to plan the use of funding and to advise Senior Managers on strategies and information related to funding.

These risks are also mitigated in several ways:

- funding is derived through a number of direct and indirect contractual arrangements.
- ensuring that the College is rigorous in delivering high quality education and training.
- considerable focus and investment are placed on maintaining and managing key relationships with the funding bodies.
- ensuring the College is focused on those priority sectors which will continue to benefit.
- regular dialogue with funding bodies.
- a focus on increasing funding from a range of sources.

Quality

Following the Ofsted inspection in November 2022 a key objective has been to ensure that the College did not start to slow down or have a negative impact on performance as a result of the more positive result. The College undertook a number of actions to manage this risk. The actions undertaken included having clear targets and reporting on the progress against these targets which were then scrutinised by Governors. Lesson observations and learning walks took place to validate the level of teaching and learning taking place. This was particularly important at the Rural campus to be able to pitch their level of performance at the point of merger and then to work on a plan for any areas which needed to improve over the past two years.

Tuition Fee Policy

In line with the majority of other Colleges, Suffolk New College balances the need to charge an appropriate level of fee, which is also in line with the ESFA expectations, but also to support adults with entering education during what has been challenging financial times. As a result of this and comparison with other providers, the College maintained tuition fees at the same level for a number of years but did make a small increase in 2022/23 to reflect increases to costs. The risk for the College if fees are increased too high is that demand falls off. This will impact on the growth strategy of the College.

This risk is mitigated in a number of ways:

- Ensuring the College is rigorous in delivering high quality education and training, thus ensuring value for money for students.
- Close monitoring of the demand for courses as prices change.
- Opportunities for students to pay in instalments but for a first payment to be paid which amounts to a 1/3 of the total fee.
- A proactive management of tuition fee repayments and a strategy to resolve any debts as they occur.

Maintain adequate funding of pension liabilities.

The financial statements report the Local Government Pension Scheme (LGPS) in the College's Statement of Financial Position in line with the requirements of FRS102.

This risk is mitigated by an agreed funding plan with Suffolk Pension Fund.

Failure to maintain the financial viability of the College.

The College's financial health grade was classified as 'Good', confirmed by the ESFA in July 2023. This was due to income levels, reserves, cash flow, performance against key performance indicators including ratios and strong financial management. Notwithstanding that, the continuing challenge to the College's financial position remains the constraint on further education funding arising from the on-going cuts in public spending whilst maintaining the student experience.

This risk is mitigated in a number of ways:

- By rigorous budget setting procedures and sensitivity analysis.
- Regular in year budget monitoring.
- Robust financial controls.
- Exploring procurement efficiencies.
- Diversifying income streams.

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Strategic Report for the year ended 31 July 2023

KEY PERFORMANCE INDICATORS

The College's long term financial objectives are:

- To remain financially viable
- To increase income to the College from diverse income streams.
- To remain within the financial covenants as set out in the loan facility terms for the remainder of the original £10 million long-term loan from Barclays Bank.
- To maintain a good level of short-term liquidity.

Performance indicators have been agreed to monitor the success of these objectives.

The short-term financial priorities and objectives, taking into consideration the end of year position for 2022/23 of the college for 2023/24 are:

- Achievement of the approved budget deficit.
- Minimum levels of cash reserves / cash days in hand.
- Compliance with loan covenants.
- Effective management of grant funding to ensure requirements are met; and
- Timely completion of major capital projects.

These have been identified to reflect the challenges facing the college in 2023/24 and will be used to help monitor and review in-year financial performance.

Key Performance Indicators	Target	Actual from accounts for 22/23	Education and Skills Funding Agency Sector Specific*
EBITDA as % of income	> 6%	10.84%	6.83%
Borrowings as % of income	< 40%	20.81%	21.91%
Current ratio	> 1	1.60	4.67
Financial Health Score	Good	Good	Good

EBITDA is arrived at by taking the surplus (deficit) before other gains and losses £334k, adding back the depreciation and amortisation figure (£2,894k), interest and other finance costs (£68k). This comes to £3,296k, which is expressed as a percentage of the income £30,402k.

* The Education and Skills Funding Agency (ESFA) sector specific KPI's differ from the accounts in the following ways:

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Strategic Report for the year ended 31 July 2023

- EBITDA adjusted by the net return on the pension scheme of (£1k), and by the release of capital grants (£1,363k) and EPP adjustments of (£37k)
- Income is adjusted for release of capital grants (£1,363k), and return on the pension scheme ((£168k)).
- The current liabilities are adjusted by removing the accrual for holiday pay (£484k), and capital grants (£5,365k), which impacts the current ratio.

Payment Performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods and services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. During the accounting period 1 August 2022 to 31 July 2023, the College paid 82% of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this period.

ACHIEVEMENTS

The College Senior Management Team and Governors have worked together to analyse areas of the budget affected by the worldwide financial cost of living crisis. At the start of the year, areas of income at risk were identified, risk rated, tracked, additional expenditure incurred where needed to secure funding, and where possible actions were taken. Decisions were taken with regards to delaying or halting vacancies and making efficiencies through the non-replacement of leavers. A range of courses started in year and the college was successful with receiving two additional advanced learning loan amounts due to high levels of adult recruitment. As it was an Ofsted year it was important to mitigate the impact of making financial savings to ensure that the quality of provision was not negatively affected through disruption and change.

The integration of the Otley Campus, with effect from 1 January 2020 has increased the size and number of sites for the College. During 2021/22 and 2022/23 some provision was relocated with the aim of maximising spaces available and to ensure that learners received the best possible experience. Inclusive learning students with complex needs were relocated to Suffolk Rural where they have access to a much broader range of learning environments. All of the Suffolk Rural buildings are now being used and the numbers of staff and learners on site has significantly increased. This has also freed up space at Ipswich which has been used for the expansion of specialist spaces for students and to meet growth on some courses. The transportation links to Rural have been maintained, with some new ones introduced, along with an arrangement for subsidised buses to support learners with getting to Halesworth and Leiston.

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The College has grown provision at Halesworth and Leiston as part of 'on the coast'. Having access to these different campuses across a wider geographic location has enabled the College to diversify provision and to grow beyond the limit Ipswich facilities can allow within a tight campus. These young people would most likely be NEET if suitable provision was not available for them locally. The College has further plans to continue to grow over the next few years. This provides an opportunity for the College to offer a broader range of curriculum and to continue to secure a land based agriculture offer for Suffolk. Although provision has expanded at Rural, the site still has more capacity than has been to date utilised, and the College has already started to implement plans to grow and enhance the current provision offered, particularly taking into consideration the Sizewell skills need.

The new Health Science Campus and Net Zero Skills Centre were major projects in 2022/23. All of these facilities demonstrate investment into key skills areas and grow the College's capacity, and ability to deliver specialist training. They introduce new funding streams and more provision into the College.

The partnership with the University of Suffolk remains in place with accords for student progression, and also links between the capital projects of Suffolk New College and the University. Examples include the digital and health science areas where both organisations have new buildings and investments in these areas. The college provision links directly into the university courses and students are well placed to receive an enhanced educational experience as a result.

The College is a T-Level pilot provider and rolled out the first T Level in Construction in 2020/21, followed by further T-levels in 2021/22 and 2022/23 and more planned over the next few years. Again, this introduces new funding streams into the College and enhances the students' choice of learner pathways.

During 2022/23 the College had strong cash, reserves and good financial health. This meant that investments could be made including ones related to buildings, equipment and IT.

The College has been successful with a range of grants, both capital and revenue. The investment into a new Director of Business Development & Major Projects, has provided the resources needed during 2022/23. There has been sufficient growth in this area for investment to be made into the team, with a number of new members of staff. A number of grants were successful in 2022/23 but will result in the funding being received in 2023/24 and beyond. The College has a key focus on targeting a range of revenue streams and to continue to raise the profile locally, regionally and nationally of our achievements.

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Student Achievements

In 2022/23 headline achievement rates for students are;

Key Performance Indicators (KPIs)	2021/22	2022/23	National Average (NA)
Headline Achievement Rates			
• Classroom Based Learning	• 82.7%	• 84.7%	• 86.3%
• Apprenticeships Overall	• 61.0%	• 41.6%	• 60.7% (QAR)

The College had a significant number of students taking either or both maths and English at Functional Skills or GCSE level. In 22/23 the headline achievement rates are:

Key Performance Indicators (KPIs)	2021/22	2022/23	National Average (NA)
Headline English and Maths Achievement Rates			
• GCSE English 9-1	• 91.1%	• 90%	• 83%
• GCSE English 9-4	• 31.3%	• 24%	• N/A
• GCSE Maths 9-1	• 91.7%	• 94%	• 82.2%
• GCSE Maths 9-4	• 29.9%	• 21%	• N/A

Streamlined Energy and Carbon Reporting

The College is committed to reducing its carbon emissions and has taken the following measures in the year to improve energy efficiency:

- Progression of program to change lighting from conventional lighting to LED.
- Completion of the new Tech Campus building including integrated BMS system, full multi-control LED lighting and photovoltaic system.
- Progression of annual Display Energy Certificate.
- Replacement of two glass building links with solid roof atriums including movement sensor LED lighting in new atriums, automatic doors and LED lighting through corridors of existing linked buildings.

The College's greenhouse gas emissions and energy use for the period are set out below:

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Scope	Fuel	Consumption	Emissions CO ₂ e (metric tonnes) 2022/23	Emissions CO ₂ e (metric tonnes) 2021/22	Increase / (Decrease) from 2021/22 levels
1 - Direct	Gas	1,992,204 kWh	364.41	339.93	24.48
	Gas Oil	2,960 Litres	8.16	9.17	(1.01)
	Propane**	100,513 Litres	155.15	347.98	(192.83)
	Kerosene	26,644 Litres	84.59	94.96	(10.37)
	Transport Fuel	1,535 Litres	4.08	2.05	2.03
	Fuel Card (Diesel)	3,076.07 Litres	8.18	5.92	2.26
	Fuel Card (Unleaded)	1,103.54 Litres	2.31	1.24	1.07
Total Scope 1 (Direct)			626.88	801.25	(174.37)
2 - Indirect	Electricity	3,392,348 kWh	702.45	658.01	44.44
Total Scope 2 (Indirect)			702.45	658.01	44.44
3 - Additional Indirect	Business Mileage	123,037 Miles	32.88	32.64	0.24
	Fuel in Rental Vehicles	414 Miles	0.11	0.37	(0.26)
	Taxis	£945.24	0.50	0.40	0.10
Total Scope 3 - Additional Indirect			33.49	33.41	0.08
TOTAL GROSS EMISSIONS (in metric tonnes)			1,362.82	1,492.67	(129.85)
Intensity Ratio (Based on staff as at 31 July 2023 – 638 (2022 – 632))			2.14	2.26	(0.12)

**Approximately 90,000 litres of propane relate to July 21 but were not included in figures for the 2020/21 year and were included in the figures for 2021/22 as the invoices were not received until December 21. The difference equated to approximately 140 tonnes of CO₂e.

Qualification and reporting methodology

The College followed the 2019 HM Government Environmental Reporting Guidelines. The College also used the GHG Reporting Protocol – Corporate Standard and have used the 2023 UK Government's Conversion Factors for Company Reporting.

The College estimated that £2 per mile was paid for taxi fares. The College estimated that the fuel in rental vehicles, business mileage and taxis were used at a rate of 1 gallon per 50 miles. The College has calculated emissions based on an estimate that this fuel was 50% unleaded and 50% diesel and based on the data for an average car.

Intensity ratio

The intensity ratio figure was calculated by taking the total headcount of all staff that were employed by Suffolk New College as at 31 July 2023, and were reported in the year-end accounts at that time.

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Strategic Report for the year ended 31 July 2023

Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the College to publish information on facility time arrangements for trade union officials at the College, based on the year to March 2023.

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
5	0.86

Percentage of time - %	Number of employees
0	0
1 – 50	5
51 – 99	0
100	0

The total cost of facility time	£37,813
The total pay bill	£18,816,561
The percentage of the total pay bill spent on facility time	0.2010 %

Time spent on paid trade union activities as a percentage of total paid facility time	3.84%
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Equality & Diversity

The College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, disability, religion or belief and age. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry. This policy is resourced, implemented and monitored on a planned basis. The College's Single Equality Scheme is published on the College's website.

The Single Equality Scheme and Action Plan is updated annually to ensure compliance with all relevant equality legislation including the Equality Act 2010. The Single Equality Scheme is shared with key community stakeholders. The College undertakes equality impact assessments on all new policies and procedures and publishes the results.

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Equality impact assessments are also undertaken for existing policies and procedures as they are reviewed.

The College is a 'Disability Confident' employer and has committed to the principles and objectives of the Positive about Disability standard. The College considers all employment applications from disabled persons, bearing in mind the aptitudes of the individuals concerned, and guarantees an interview to any disabled applicant who meets the essential criteria for the post. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion, which, as far as possible, provide identical opportunities to those of non-disabled employees.

The College has committed to the 'Mindful Employer' initiative to assist the mental health wellbeing of staff. The College has an online Equality & Diversity training programme, which all staff have participated in. Refresher training and training for new starters is carried out on an ongoing basis and regular updates are provided at CPD events.

The College also has CHAD (Challenge Hatred and Discrimination) which provides ways for students and staff to challenge inappropriate behaviour themselves or seek to support as required. It reminds people of what is acceptable behaviour and treatment of others.

Gender Pay Gap Reporting

The College submitted the data for 2022, as required by the government, by the 31st March 2023. Although this set of accounts is 2022/23, the way the data is compiled for gender pay gap reporting, it is important to note that this information relates to March 2022.

The figures in the College Overall table below in italics are the comparison ones for 2021.

Snapshot date 31st March 2022

College Overall

Mean			Median		
	Head Count	Mean Hourly rate		Head Count	Median Hourly rate
Male	266 (263)	£15.06 (£14.64)	Male	266 (263)	£14.11 (£13.97)
Female	415 (405)	£13.58 (£13.23)	Female	415 (405)	£12.56 (£12.22)
	681 (668)			681 (668)	

Mean gender pay gap 2022	9.83%	Median gender pay gap 2022	10.99%
<i>Mean gender pay gap 2021</i>	<i>9.6%</i>	<i>Median gender pay gap 2021</i>	<i>12.5%</i>

Overall, the college employs significantly more females than males. The analysis of the pay quarter data shows that there are more women than men at the lower, lower middle, and upper middle, however there are slightly more males to females in the upper quartile.

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Strategic Report for the year ended 31 July 2023

A copy of the submitted data has been published on the College's website and can be found at <https://gender-pay-gap.service.gov.uk/Employer/uD4sxJTy>

Disability Statement

The College seeks to achieve the objectives set down in the Equality Act 2010. We aim to:

- Promote equality of opportunity between disabled people and other people.
- Eliminate discrimination that is unlawful under the Disability Discrimination Act.
- Eliminate harassment of disabled people that is related to their disability.
- Promote positive attitudes towards disabled people.
- Encourage participation by disabled people in public life.
- Take steps to meet disabled people's needs, even if this requires more favourable treatment.

Going Concern

After making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence and meet its liabilities as they fall due for at least the 12-month period following the date of signature of these accounts. For this reason, and as explained further on pages 45 to 48, it continues to adopt the going concern basis in preparing the financial statements.

Disclosure of Information to Auditor

The members who held office at the date of approval of this report confirm, that, so far as they are each aware, there is no relevant audit information of which the College's auditors are unaware; and each member has taken all the steps he or she ought to have taken to be aware of any relevant audit information and to establish that the College's auditors is aware of that information.

Approved by order of the members of the Corporation on 14 December 2023 and signed on its behalf by:



S Pugh

Chair

Suffolk New College

Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the financial statements of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2022 to 31 July 2023 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

- I. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership).
- II. in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges (“the Code”).

In the opinion of the Governors, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2023. This opinion is based on an internal review of compliance with the Code/Governance Evaluation reported to the Governance and Search Committee on 5 June 2023 and on an external review of governance undertaken by Governance4FE from January to June 2023. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in 2015, which it formally adopted on 7 July.

The Corporation

The members who served on the Corporation during the year and up to the date of signature of this report were as listed in the table below.

<u>Name of Member</u>	<u>Date of Appointment</u>	<u>Term of office</u>	<u>Date of Finish</u>	<u>Status of appointment</u>	<u>Committees served during 2021/22</u>	<u>Mtgs Att.</u>	<u>%</u>
Mr T Baxter	12 October 2023	4 Years	-	Independent Member	Corporation Governance & Search Remuneration	N/A	N/A
Ms A Beech (Vice Chair)	28 March 2013 (most recently reappointed March 2021)	4 Years	02 August 2023	Independent Member	Corporation Governance & Search (Chair) Remuneration (Chair) Academic Standards & Quality	3 3 1 4	75 100 100 100
Ms H Clements	28 January 2021	4 Years	18 August 2023	Independent Member	Corporation Academic Standards & Quality	4 2	100 50
Mr J Coe	01 August 2022	4 Years	-	Staff Member	Corporation Academic Standards & Quality	4 4	100 100

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Statement of Corporate Governance and Internal Control

Mr M Cole	22 July 2010 (most recently reappointed July 2022)	4 Years	31 August 2023	Independent Member	Corporation Finance & Employment (Chair) Remuneration	4 5 1	100 100 100
Ms S Davis	20 January 2022	4 Years	-	Independent Member	Corporation Academic Standards & Quality	1 2	25 50
Ms S Dent	27 October 22	1 Year	31 July 2023	Student Member	Corporation Academic Standards & Quality	1 1	25 25
Mr R England	11 June 2020	4 Years		Independent Member	Corporation Academic Standards & Quality	4 3	100 75
Mrs V Gillespie	Appointed Principal 1 July 2015	-	31 March 23	Principal	Corporation Finance & Employment Governance & Search Academic Standards & Quality	2 2 1 1	100 100 100 50
Mrs A Gordon	11 June 2020	4 Years	-	Independent Member	Corporation Finance & Employment Governance & Search	4 4 3	100 80 100
Ms S Hancock	12 October 2023	4 Years	-	Independent Member	Corporation Finance & Employment	N/A	N/A
Mr P Harrison	20 January 2022	4 Years	-	Independent Member	Corporation Audit & Risk	3 3	75 75
Mr G Jagpal	24 March 2022	4 Years	-	Independent Member	Corporation Academic Standards & Quality	3 2	75 50
Mr B Keaney	28 January 2021	4 Years	-	Independent Member	Corporation Academic Standards & Quality	3 3	75 75
Mr J Legh-Smith	1 August 2018 (reappointed August 22)	4 Years	-	Independent Member	Corporation Audit & Risk (Chair) Remuneration	3 4 1	75 100 100

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Statement of Corporate Governance and Internal Control

Dr M Lyne	16 July 2015 (reappointed 20 September 2023)	2 Years	-	Independent Member	Corporation	4	100
					Academic Standards & Quality (Chair)	4	100
					Remuneration	1	100
Ms S McGregor	20 January 2022	4 Years	-	Independent Member	Corporation	4	100
					Audit & Risk	4	100
					Academic Standards & Quality	4	100
Mr G Mead	12 October 2023	4 Years	-	Independent Member	Corporation Finance & Employment	N/A	N/A
Mr A Pease	Appointed Principal 3 May 2023	-	-	Principal	Corporation Finance & Employment	0	0
					Governance & Search	2	100
					Academic Standards & Quality	2	67
						4	100
Mr S Pugh (Chair)	12 May 2011 (1 year extension approved by Corporation on 13 July 2023 to 30 June 2024)	4 Years	-	Independent Member	Corporation	4	100
					Finance & Employment	5	100
					Remuneration	1	100
					Governance & Search	2	67
					Academic Standards & Quality	4	100
Mr S Sheppard	28 January 2021	4 Years	-	Independent Member	Corporation	3	75
					Academic Standards & Quality	2	50
Mr A Stevenson	20 January 2022	4 Years	-	Independent Member	Corporation Audit & Risk	4	100
Mr S Wingrove	20 January 2022	4 Years	-	Independent Member	Corporation	4	100
					Audit & Risk	4	100
					Governance & Search	3	75
						3	75
						2	100

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Statement of Corporate Governance and Internal Control

Co-opted Members

At no time were those listed below full members of the Corporation.

Name	Date of Appointment	Term of Office	Date of Termination	Committee	Mtgs Att.	%
Mr M Cooper	1 August 2018 (reappointed August 2022)	4 Years	30 July 23	Co-opted Finance & Employment	5	100
Mr S Flory (Presiding Ambassador)	24 January 2019	4 Years	23 January 23	Co-opted Governance & Search	0	0

The Governance Framework

The Clerk to the Corporation to 13 October 2022 was Ms Rachel Robson, Rachel Robson Suffolk Limited, a limited company registered under the Companies Acts, of which Ms Robson is a Director.

The Clerk to the Corporation from 14 October 2022 to 12 July 2023 was Ms Erica Attwell who was an employee of the College.

From the period 13 July 2023 to 10 September 2023 the administration duties of the Clerk to the Corporation were undertaken by members of the Executive Administration Team.

From 11 September 2023 to 31 December 2023 Ms Robson (as above) undertook the role of the Interim Clerk to the Corporation.

It is the Corporation's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Corporation is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety, safeguarding, and environmental issues. The Corporation meets at least once each term.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which has been approved by the Corporation. These committees are Finance & Employment, Remuneration, Governance & Search, Audit & Risk, and Academic Standards & Quality.

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Statement of Corporate Governance and Internal Control

Full minutes of all meetings, except those deemed confidential by the Corporation, are posted on the College website at www.suffolk.ac.uk or available from the Clerk to the Corporation at:

Suffolk New College
Ipswich
Suffolk
IP4 1LT

The Clerk to the Corporation maintains a register of financial and personal interests of the members of the Corporation. The register is available for inspection at the above address.

All members of the Corporation are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the Clerk to the Corporation, who is responsible to the Corporation for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Clerk are matters for the Corporation as a whole.

Formal agendas, papers and reports are supplied to members of the Corporation in a timely manner, prior to Board meetings. Briefings are also provided on an ad hoc basis. The Corporation has a strong and independent non-executive element and no individual or group dominates its decision-making process.

The Corporation considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chairperson and Accounting Officer are separate.

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Governance & Search Committee, consisting of up to seven members of the Corporation, which ensures that there is an appropriate balance of skills and experience amongst Corporation members, the committee is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required. Members of the Corporation are normally appointed for a term of office not exceeding four years. Additional terms of office are subject to recommendation to the Corporation by the Governance & Search Committee and are based on the governance need.

Corporation performance

The Corporation undertakes an annual self-evaluation process to review the effectiveness of its own performance and that of its committees. The coverage of the self-evaluation process was reduced for the 2022/23 year as an external governance review was undertaken by Fiona Chalk of Governance4FE between January and June 2023. For 2022/23 the self-evaluation process undertaken was:

- An assessment of performance against the values and principal responsibilities set out in the Code of Good Governance.
- Meeting strategic objectives and the contribution the board has made to that success.
- Reflecting on external reviews of the College.
- Reviewing the attendance of Governors at Board and committees, benchmarked against other FE colleges.
- Reviewing the outcome of an annual skills audit.
- Participation in ongoing training and development.

The Corporation graded its performance for the year ended 31 July 2023 'Good' on the Ofsted scale the outcomes were reported to Corporation at its 14 December 2023 meeting. The areas for development identified through the self-assessment process and through the external governance review will form a governance development plan to be progressed through 2023/24.

Training and development are provided for all governors to cover areas identified as requiring development and there is an induction programme for new Governors. Training undertaken by Governors in 2022/23 included safeguarding, the Ofsted Education Inspection Framework (EIF), AoC regional Governor conference, Skills for Jobs White Paper and the Skills and Post 16 Education Bill and audit committee training.

During 2022/23 both Clerks undertook training and development through AoC regional clerks' network meetings, AoC governance professionals conference, AoC/Education and Training Foundation (ETF) regional governance conference and AoC update on changes to Ofsted Inspection 2022/23. Ms Rachel Robson also attended the ETF/Institute of Directors (IoD).

Remuneration Committee

Throughout the year ending 31 July 2023 the College's Remuneration Committee comprised of five members of the Corporation. The Committee's responsibilities are to consider and make decisions on the remuneration and benefits of the Accounting Officer and other key management personnel and to report those decisions to the Corporation.

The College has adopted the AoC's Senior Staff Remuneration Code, and the required statement is published on the College's website.

Details of remuneration for the year ended 31 July 2023 are set out in note 8 to the financial statements.

Suffolk New College

Statement of Corporate Governance and Internal Control

Audit and Risk Committee

The Audit and Risk Committee comprised of 5 members of the Corporation (excluding the Accounting Officer and Chair) throughout 2022/23. The Committee operates in accordance with written terms of reference approved by the Corporation.

The Audit and Risk Committee meets at least once a term and provides a forum for reporting by the College's risk assurance advisors, reporting accountants and financial statements auditors, who have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the main FE funding bodies as they affect the College's business.

The College's internal auditors, Scrutton Bland LLP review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit and Risk Committee.

Management is responsible for the implementation of agreed internal control recommendations and the College's risk assurance advisors undertake periodic follow-up reviews to ensure such recommendations have been implemented.

The Audit and Risk Committee also advises the Corporation on the appointment of risk assurance advisors, reporting accountants and financial statements auditors and their remuneration for audit and non-audit work as well as reporting annually to the Corporation.

The audit committee met 4 times in the year to 31 July 2023. The members of the committee and their attendance records are show below.

Committee member	Meetings attended
Mr P Harrison	3 out of 4
Mr J Legh-Smith (Chair)	4 out of 4
Ms S McGregor	4 out of 4
Mr A Stevenson	4 out of 4
Mr S Wingrove	3 out of 4

Finance & Employment Committee

The Finance & Employment Committee comprises of five members throughout 2022/23 including the Chair of Corporation, the Principal, and a co-opted member.

The Finance and Employment Committee met five times in 2022/23 and formulates guidelines for (and advises the Corporation on) its oversight of the discharge of the Corporation's responsibilities for the proper management of the resources and assets of the College.

Suffolk New College

Statement of Corporate Governance and Internal Control

It is the responsibility of the Finance & Employment Committee to make recommendations to the Corporation on the strategy for:

- Financial management.
- Annual estimates of income and expenditure.
- Fees and charges.
- Conditions of service (except for those of the Senior Post Holders).
- All human resources matter, excluding those for Senior Post Holders.
- Health and safety.

The Committee also monitors the achievement of financial performance indicators and advises the Corporation accordingly. It considers monthly management accounts; annual financial statements; and budgets and financial regulations prior to the recommendation for Corporation approval.

Governance & Search Committee

The Governance & Search Committee comprised of five members throughout 2022/23 including the Chair of Corporation, the Vice Chair of Corporation and the Principal. The Governance & Search Committee met three times in 2022/23.

The purpose of the Governance & Search Committee is to advise Corporation on the appointment and reappointment of Members of the Corporation including:

- to determine the process whereby candidates for consideration for Corporation Membership are nominated.
- to advise the Corporation on such matters relating to membership and appointments as the Corporation may remit.
- to evaluate the contribution made by existing individual Members before proposing any re-appointment to the Corporation.
- to monitor the skills and experience of Corporation Members to identify desired areas of expertise to be sought in the appointment of new Members.
- to determine and monitor the Corporation Member Training and Development Policy.
- to advise the Corporation on the appointment of co-opted non-Corporation members to Corporation Committees.

The Governance & Search Committee also advises the Corporation on governance issues including the annual self-evaluation of Governance and monitoring the associated action plans; Corporation and Committee structure and Members; Standing Orders and the Code of Conduct.

Suffolk New College

Statement of Corporate Governance and Internal Control

Academic Standards & Quality Committee

The Committee is comprised of a minimum seven members including the Chair of Corporation (ex officio), the Principal, the Staff Governor, the Student Governor and independent Corporation members who are linked to individual directorates. Governors link to key priority themes of the College and they carry out learning walks, lesson observations and interrogate data showing attendance, retention and achievement. These Governors provide an essential link into the main Corporation meetings where all Governors have an opportunity to receive student data and subject it to scrutiny and challenge.

There is a specific Governor nominated as the College's Safeguarding Governor who attends Strategic Safeguarding Meetings but reports on safeguarding are presented to all Governors at Corporation at each meeting. There is also a lead Governor for Health & Safety who attends the College's Strategic Health & Safety Meetings.

Internal control

Scope of responsibility

The Corporation is ultimately responsible for the College's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Corporation has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which they are personally responsible, in accordance with the responsibilities assigned to them in the Financial Memorandum between Suffolk New College and the funding bodies. The Accounting Officer is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Suffolk New College for the year ended 31 July 2023 and up to the date of approval of the annual report and accounts.

Suffolk New College

Statement of Corporate Governance and Internal Control

Capacity to handle risk.

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls and arrangements for compliance with legal and regularity matters including those relating to the regularity and propriety of the use of public funding that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal on-going process for identifying, evaluating and managing the College's significant risks that has been in place for the year ended 31 July 2023 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Corporation.
- regular reviews by the Corporation of periodic and annual financial reports which indicate financial performance against forecasts.
- setting targets to measure financial and other performance.
- clearly defined capital investment control guidelines.
- the adoption of formal project management disciplines, where appropriate.

Suffolk New College's arrangement with Scrutton Bland LLP continued during the year ended 31 July 2023. Scrutton Bland LLP along with the College Management and Members of the Corporation have assessed the internal controls and developed a broad assurance framework, clearly showing the mapping of assurance sources against the risks identified. The internal audit service operates in accordance with the requirements of the ESFA's Post 16 Audit Code of Practice.

The College analysed the risks to which it was exposed and a programme of assurance was agreed with the Audit & Risk Committee. The report includes Scrutton Bland LLP's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes. The Committee was provided with regular reports on this assurance activity in the College which included:

- Human Resources including Recruitment & Selection (carried forward from 21/22 due to system change)
- Mental Health and Wellbeing
- Environment, Social and Governance
- Learner Recruitment
- Subcontracting
- Employer Engagement and Work Placements
- Follow Up

Suffolk New College

Statement of Corporate Governance and Internal Control

The Corporation is fully aware of the College's risks as set out in the Risk Management Plan, which is scrutinised by Governors. The risks set out in the plan are the key ones facing the College and the Corporation are continually reviewing these within the specific committees. The Finance & Employment Committee review risks associated with finance, funding, staff and property. The Governance & Search Committee manage risks associated with changes to the Corporation, and any replacement Governors needed in key areas. Their oversight of the skills of Corporation is crucial and they have worked during 2022/23 on ensuring that new Governors have been appointed to Audit & Risk and with FE experience. The Audit & Risk Committee take overall ownership of the detailed scrutiny of the College's risk management approach, along with obtaining the professional opinions of advisors to the Corporation on any areas of the College which are subject to review.

Control Weaknesses

No internal control weaknesses or failures have arisen in 2022/23. No actions have then subsequently been taken.

Responsibilities under funding agreements

The Department for Education and Education and Skills Funding Agency introduced new controls for the College on 29 November 2022 on the day that the Office for National Statistics reclassified colleges as public sector organisations in the national accounts. The ESFA chief executive communicated these changes to all college accounting officers and explained plans to introduce a college financial handbook in 2024. The College has reviewed its policies, procedures and approval processes in line with these new requirements to ensure there are systems in place to identify and handle any transactions for which DfE approval is required.

Statement from the audit committee

The Audit & Risk committee has advised that the Corporation has an effective framework for governance and risk management in place. The audit and risk committee believes the Corporation has effective internal controls in place.

Scrutton Bland LLP, internal auditors, provided an opinion in their Internal Audit Annual Report:

'In our opinion, for the year ended 31 July 2023 the College:-

- Has adequate and effective risk management processes
- Has adequate and effective governance processes
- Has adequate and effective control processes, and
- Has adequate and effective processes surrounding efficiency and effectiveness.

Scrutton Bland LLP completed seven assignment reports and a follow-up report during 2022/23 academic year. The reports provided five significant and one reasonable assurance. It should be noted that one of the audits contained two assurance levels.

The specific areas of work undertaken by the audit committee in 2022/23 and up to the date of the approval of the financial statements are:

Suffolk New College

Statement of Corporate Governance and Internal Control

- Oversight of any fraud or irregularity – these are received in reports to the Committee and nothing was reported in 2022/23 which required any action and the Committee was satisfied to receive further details on actions taken to avoid these areas of risks being an issue to the College, including the regular training of staff, and the sharing of intelligence from other colleges and information received from the College's bank.
- College Risk Management Plan
- Mental Health and Wellbeing – significant assurance. They considered that the College's 'mental health framework is well communicated and understood.'
- Environmental, Social and Governance – was advisory rather than giving an assurance level.
- Learner Recruitment – significant assurance
- Payroll & Fixed Assets – significant assurance
- Employer Engagement and Work Placements – significant assurance
- Human Resources and Recruitment & Selection – significant assurance for HR and reasonable for recruitment & selection. This was at a time of transition as the College moved from manual processes to the new integrated HR and Payroll system in May 2023. Overall, they found 'recruitment is being undertaken in a timely manner, with recruiting managers and the HR Department managing the processes effectively to ensure no unnecessary delays are experience'.
- Subcontracting - the assurance opinion was based on the new framework.
- Follow-up of previous recommendations – the assurance opinion was that good progress had been made.
- Completing the external audit retendering package and awarding the contract to RSM for the period stating 01 August 2023.

All of the risk actions were immediately tracked and dates agreed for when they will be completed. The majority were completed during 2022/23, although some later ones are due to be completed during 2023/24.

Review of effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. Their review of the effectiveness of the system of internal control is informed by:

- the work of the advisors, Scrutton Bland LLP.
- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework.
- comments made by the College's financial statements auditors and the reporting accountant for regularity assurance in their management letters and other reports.

The Accounting Officer has been advised on the implications of the result of the review of the effectiveness of the system of internal control by the Audit and Risk Committee, which oversees the sources of assurance, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Executive Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. These are shared with Governors along with the actions being taken. The Executive Team and Audit and Risk Committee also receive regular reports from advisors and other sources of assurance, which include recommendations for improvement.

Suffolk New College

Statement of Corporate Governance and Internal Control

The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the Executive Team and the Audit and Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its 14 December 2023 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2023 by considering documentation from the Executive Team and advisors and taking account of events since 31 July 2023.

Based on the advice of the Audit and Risk Committee and the Accounting Officer, the Corporation is of the opinion that the College has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets".

Approved by order of the members of the Corporation on 14 December 2023 and signed on its behalf by:



S Pugh
Chair



A Pease
Accounting Officer

Suffolk New College

Statement on the College's regularity, propriety and compliance with Funding Body terms and conditions of funding

As accounting officer, I confirm that the corporation has had due regard to the framework of authorities governing regularity, propriety and compliance, and the requirements of grant funding agreements and contracts with ESFA and has considered its responsibility to notify ESFA of material irregularity, impropriety and non-compliance with those authorities and terms and conditions of funding.

I confirm on behalf of the corporation that after due enquiry, and to the best of my knowledge, I am able to identify any material irregular or improper use of funds by the corporation, or material non-compliance with the framework of authorities and the terms and conditions of funding under the corporation's grant funding agreements and contracts with ESFA, or any other public funder. This includes the elements outlined in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides.

I confirm that no instances of material irregularity, impropriety, funding noncompliance, or non-compliance with the framework of authorities have been discovered to date. If any instances are identified after the date of this statement, these will be notified to ESFA.

Signed by Accounting Officer



A Pease
Accounting Officer

Date: 14 December 2023

On behalf of the Corporation, I confirm that the Accounting Officer has discussed their statement of regularity, propriety, and compliance with the Board and that I am content that it is materially accurate.



S Pugh
Chair

Date: 14 December 2023

Suffolk New College

Statement of Responsibilities of the Members of the Corporation

The members of the corporation are required to present audited financial statements for each financial year.

Within the terms and conditions of the corporation's grant funding agreements and contracts with ESFA, the corporation is required to prepare financial statements which give a true and fair view of the financial performance and position of the corporation for the relevant period. Corporations should also prepare a strategic report which includes an operating and financial review for the year. The bases for the preparation of the financial statements and strategic report are the Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's college accounts direction and the UK's Generally Accepted Accounting Practice.

In preparing the financial statements, the corporation is required to:

- select suitable accounting policies and apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- assess whether the corporation is a going concern, noting the key supporting assumptions qualifications or mitigating actions as appropriate (which must be consistent with other disclosures in the accounts and auditor's report)
- prepare financial statements on the going concern basis, unless it is inappropriate to assume that the college will continue in operation.

The corporation is also required to prepare a strategic report, in accordance with paragraphs 3.23 to 3.27 of the FE and HE SORP, that describes what is trying to do and how it is going about it, including information about the legal and administrative status of the corporation.

The corporation is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the college and which enable it to ensure that the financial statements are prepared in accordance with relevant legislation including the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard its assets and to prevent and detect fraud and other irregularities.

The corporation is responsible for the maintenance and integrity of its website; the work carried out by auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the corporation are responsible for ensuring that expenditure and income are applied for the purposes intended and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from ESFA, and any other public funds, are used only in accordance with ESFA's grant funding agreements and contracts and any other conditions, that may be prescribed from time to time by ESFA, or any other public funder, including that any transactions entered into by the corporation are within the delegated authorities set out in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides. Members of the corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly.

Suffolk New College

Statement of Responsibilities of the Members of the Corporation

In addition, members of the corporation are responsible for securing economic, efficient and effective management of the corporation's resources and expenditure so that the benefits that should be derived from the application of public funds from ESFA and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 14 December 2023 and signed on its behalf by:



S Pugh
Chair

Suffolk New College

Independent Auditor's Report to the Corporation of Suffolk New College

Opinion

We have audited the financial statements of Suffolk New College (the "College") for the year ended 31 July 2023 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in reserves, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2023 and of the College's surplus of income over expenditure for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Accounts Direction issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the college in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the college's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the governors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report and Financial Statements other than the financial statements and our auditor's report thereon. The governors are responsible for the other information contained within the Report and Financial Statements. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Suffolk New College

Independent Auditor's Report to the Corporation of Suffolk New College

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Post-16 Audit Code of Practice issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

- adequate accounting records have not been kept.
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations required for our audit.

Responsibilities of the Corporation of Suffolk New College

As explained more fully in the Statement of the Responsibilities of the Members of the Corporation set out on pages 40 to 41, the Corporation is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Corporation is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Corporation either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud.

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the College operates in and how the college is complying with the legal and regulatory framework.
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected, or alleged instances of fraud.
- discussed matters about non-compliance with laws and regulations and how fraud might occur, including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Further and Higher Education SORP, the College Accounts Direction published by the Education and Skills Funding Agency, and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and inquiring of management whether the College is in compliance with these laws and regulations.

The most significant laws and regulations that have an indirect impact on the financial statements are those which are in relation to the Education Inspection Framework under the Education and Inspections Act 2006, Keeping Children Safe in Education under the Education Act 2002, and the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the college is in compliance with these law and regulations and inspected correspondence and inspected correspondence with licensing or regulatory authorities.

The audit engagement team identified the risk of management override of controls, existence and valuation of apprenticeship income and completeness of certain other income streams as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to, testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and tests of detail in respect of income.

Suffolk New College

Independent Auditor's Report to the Corporation of Suffolk New College

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Corporation, as a body, in accordance with the Funding Agreement published by the Education and Skills Funding Agency and our engagement letter dated 21 October 2021. Our audit work has been undertaken so that we might state to the Corporation, as a body, those matters we are engaged to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.

Claire Sutherland

RSM UK AUDIT LLP

Chartered Accountants
Blenheim House
Newmarket Road
Bury St Edmunds
Suffolk
IP33 3SB

Date 20 December 2023

Suffolk New College

Statement of Comprehensive Income for the year ended 31 July 2023

	Notes	2023 £'000	2022 £'000
INCOME			
Funding body grants	3	25,891	24,051
Tuition fees and education contracts	4	2,098	2,526
Other grants and contracts	5	627	297
Other income	6	1,373	1,256
Investment income	7	413	14
Total income		30,402	28,144
EXPENDITURE			
Staff costs	8	19,528	19,749
Other operating expenses	9	7,295	6,521
Depreciation and Amortisation	12 & 13	2,894	2,719
Interest and other finance costs	10	365	537
Total expenditure		30,082	29,526
Surplus/(deficit) before other gains and losses		320	(1,382)
Profit on disposal of assets		14	-
Surplus/(deficit) before tax		334	(1,382)
Taxation	11	-	-
Surplus/(deficit) for the year		334	(1,382)
Remeasurement of defined benefit liability	24	(4,752)	19,080
Remeasurement of enhanced pension liability	19	-	-
Total comprehensive income for the year		(4,418)	17,698
Represented by			
Restricted comprehensive income for the year		-	-
Unrestricted comprehensive income for the year		(4,418)	17,698
		(4,418)	17,698

All items of income and expenditure relate to continuing activities.

Suffolk New College

Statement of Financial Position as at 31 July 2023

	Notes	2023 £'000	2022 £'000
Non-current assets			
Intangible fixed assets	12	208	110
Tangible fixed assets	13	65,216	64,288
Investments	14	10	10
		65,434	64,408
Current assets			
Stocks		114	118
Trade and other receivables	15	2,187	3,807
Cash and cash equivalents		11,626	8,251
		13,927	12,176
Less: Creditors - amounts falling due within one year	16	(8,705)	(5,473)
Net current assets		5,222	6,703
Total assets less current liabilities		70,656	71,111
Creditors - amounts falling due after more than one year	17	(35,008)	(35,698)
Provisions for liabilities			
Defined benefit pension asset/(liability)	19 & 24	-	4,753
Other provisions	19	(1,482)	(1,582)
Total net assets		34,166	38,584
Restricted reserves			
Endowment reserve		32	32
Total restricted reserves		32	32
Unrestricted reserves			
Income and expenditure account		33,107	37,525
Revaluation reserve		1,027	1,027
Total unrestricted reserves		34,134	38,552
Total reserves		34,166	38,584

The financial statements on pages 46 to 76 were approved and authorised for issue by the Corporation on 14 December 2023 and were signed on its behalf on that date by:



S Pugh
Chair



A Pease
Accounting Officer

Suffolk New College

Statement of Changes in Reserves for the year ended 31 July 2023

	Income and Expenditure Reserve		Revaluation Reserve	Total
	Restricted	Unrestricted		
	£'000	£'000	£'000	£'000
Balance at 1 August 2021	32	19,827	1,027	20,886
Surplus / (deficit) for the year	-	(1,382)	-	(1,382)
Other comprehensive income	-	19,080	-	19,080
Total comprehensive income for the year	-	17,698	-	17,698
Balance at 31 July 2022	32	37,525	1,027	38,584
Surplus/(deficit) for the year	-	334	-	334
Other comprehensive income	-	(4,752)	-	(4,752)
Total comprehensive income for the year	-	(4,418)	-	(4,418)
Balance at 31 July 2023	32	33,107	1,027	34,166

Suffolk New College

Statement of Cash Flows for the year ended 31 July 2023

	Notes	2023 £'000	2022 £'000
Cash flow from operating activities			
Surplus/(deficit) for the year		334	(1,382)
Adjustment for non-cash items			
Depreciation and amortisation		2,894	2,719
Decrease/(increase) in stocks		4	(31)
Decrease/(increase) in debtors		933	(31)
(Decrease)/increase in creditors due within one year		(937)	(1,481)
(Decrease)/increase in creditors due after one year		(292)	540
(Decrease)/increase in provisions		(100)	(289)
Pensions costs less contributions payable		1	1,719
Adjustment for investing or financing activities			
Investment income		(245)	(14)
Interest payable		365	310
Net cash flow from operating activities		2,957	2,060
Cash flows from investing activities			
Investment income		245	14
Proceeds from disposal of fixed assets		3	-
Proceeds from land sale		687	1,956
Capital grants received		4,002	-
Payments made to acquire fixed assets		(3,769)	(2,529)
		1,168	(559)
Cash flows from financing activities			
Interest paid		(365)	(310)
Repayments of amounts borrowed		(385)	(369)
		(750)	(679)
Increase in cash and cash equivalents in the year		3,375	822
Cash and cash equivalents at the beginning of the year	20	8,251	7,429
Cash and cash equivalents at the end of the year	20	11,626	8,251

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2023

1. Accounting Policies

General Information

Suffolk New College is a Corporation established under the Further and Higher Education Act 1992 as an English general college of further education. The address of the College's principal place of business is given on page 1. The nature of the College's operations is set out in the Members' Report.

Basis of accounting

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (F & HE SORP 2019), the College Accounts Direction 2022 to 2023 and in accordance with Financial Reporting Standard FRS102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS102) under the historical cost convention. The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS102.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements are presented in sterling, which is also the functional currency of the College.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Going Concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Members Report. The financial position of the College, its cash flow, liquidity and borrowings are described in the Financial Statements and accompanying Notes.

The College currently has £6.327 million of unsecured loans in place with Barclays Bank under a facility put in place during 2008 as part of the funding for the college's new building. These loans are repayable by instalments over the period up to 2035. The college's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for at least the 12 months following sign off of these Financial Statements.

The uncertainty with the economy/cost of living resulted in the budget position for 2022/23 being subject to volatility. Regular reporting to Governors throughout the year is a priority, and the Senior Management Team will be responsive and take actions as appropriate. A number of Government backed funding opportunities have arisen, which the College will actively pursue, alongside realising staff efficiencies as appropriate. The situation continues to be closely monitored on a monthly basis, and projections are changed as appropriate. These are formally reported to Corporation on at least a quarterly basis, but all reports are made available to Governors on a monthly basis. Regular cash flow projections (up to July 2025), with an accompanying commentary, are made available to the DfE/ESFA and are approved by Governors.

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2023

Bank covenants in place with Barclays are carefully monitored and there is no indication that there is any risk to them for 2023/24 or 2024/25.

The Corporation have scrutinised budget plans for the next two years and challenged assumptions regarding income and expenditure. The College's management have planned for different scenarios and shared these with Governors. These along with the College's Risk Management Plan have assured Corporation on the future of the College.

Accordingly, the College has a reasonable expectation that it has adequate resources to continue in operational existence for at least the 12 months following sign off of these Financial Statements, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

Recognition of income

Grants – government and non-government

Revenue Grant Funding

Government revenue grants are accounted for under the accrual model, as permitted by FRS 102, and are recognised where a reliable estimate of the fair value of the asset received or receivable can be made on a systematic basis over the periods in which the related costs for which the grant compensates are recognised.

Adult Education Budget ('AEB') grant funding income recognised is a best estimate of the amount receivable in accordance with the annual main funding guidance published by the ESFA and either determined as part of the reconciliation process or by separate agreement between the College and the ESFA at the reporting period end date. Any subsequent agreement to determination of the AEB funding after the reporting end date, which is not provided for in the annual main funding guidance, is not reflected in the income recognised.

16-18 learner responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments and is recognised when receivable.

Levy-funded and ESFA funding for the co-investment model apprenticeships income is measured in line with best estimates of the provision delivered in the year.

Grants from non-government sources, including grants relating to assets, are recognised in income when the performance-related conditions have been met and the grant will be received. Income received in advance of performance related conditions being met is recognised as a liability.

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2023

Capital grant Funding – government grants.

Government capital grants for assets, other than land, are accounted for under the accrual model and for land the performance model. The grant income received or receivable will be recognised over the expected useful life of the asset, with any amount of the asset-related grant that is deferred being recognised as deferred income. The deferred income is allocated between creditors due within one year and those due after more than one year. Government capital grants for land are recognised in income when the performance related conditions have been met.

Other income

Income from the supply of services is recognised at fair value of the consideration received or receivable and represents the value of services to the extent there is a right to consideration.

Income from tuition fees, including employer funding for co-investment funded apprenticeships is recognised over the period for which it is received. All income from short-term deposits is credited to the Statement of Comprehensive Income in the period in which it is earned on a receivable basis.

Agency arrangements

The College acts as an agent in the collection and payment of certain discretionary support funds and any other arrangements. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the College where the College is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Accounting for post-employment benefits

Post-employment benefits to employees of the College are principally provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS), which are multi-employer defined benefit plans.

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of valuations using a projected unit method.

The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan, with the amount charged to the Statement of Comprehensive Income being the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The LGPS is a funded scheme, and the assets of the scheme are held separately. Pension schemes are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest on the net defined benefit liability/asset is charged to the Statement of Comprehensive Income and included within finance costs. Re-measurement comprising actuarial gains and losses, the effect of the asset ceiling and the return on scheme assets (excluding amounts included

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2023

in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

The LGPS assets are managed by the scheme trustees at scheme level, and the determination and allocation of assets to each individual employer in the scheme is managed by the scheme actuary. The assets are allocated to each employer for accounting purposes based on the valuation of the assets at the latest triennial valuation as adjusted for subsequent contributions received from the employer, asset returns and benefit payments made (either on a cash basis or actuarial basis).

The retirement benefit obligation recognised represents the deficit or surplus in the defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short Term Employment Benefits

Short-term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the College. The cost of any unused holiday entitlement the College expects to pay in future periods is recognised in the period the employees' services are rendered.

Enhanced Pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by a college annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to comprehensive income in the year that the member of staff retires. In subsequent years, a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the funding bodies.

Fixed asset investments

Investments in subsidiaries

Investments in subsidiaries are initially measured at cost, and subsequently measured at cost less any accumulated impairment losses.

The College's subsidiary company, Suffolk Educational and Training Company Limited (SETS Limited) is currently dormant.

Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Land and Buildings

On adoption of FRS102, the College followed the transitional provision to retain the book value of land, which was revalued in 1996, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2023

Equipment

Equipment costing less than £1,000 per individual item or set of items acquired together is recognised as expenditure in the period of acquisition. All other equipment is capitalised and recognised at cost less accumulated depreciation and accumulate impairment losses.

Depreciation and residual values

Freehold land is not depreciated as it is considered to have an indefinite useful life. Depreciation on other assets is calculated, using the straight-line basis, to write off the cost of each asset to its estimated residual value over its expected useful life, as follows:

- Freehold Buildings 40 Years.
- Refurbishments Between 5 years and 40 years
- Equipment 5 – 15 years
- Furniture 10 – 15 years
- Fixtures & Fitting 10 years.
- Plant & Machinery 10 years.

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Subsequent costs, including replacement parts, are only capitalised when it is probable that such costs will generate future economic benefits. Any replacement parts are then derecognised. All other costs of repairs and maintenance are expensed as incurred.

Intangible fixed assets

Intangible assets are initially recognised at cost, are subsequently measured at cost less accumulated amortisation, and accumulated impairment losses. Intangible assets are amortised to the statement of comprehensive income on a straight-line basis over their useful lives, and for purchased computer software, this is 5 years.

Impairment of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, an estimate is made of the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairment of revalued assets is treated as a revaluation loss. All other impairment losses are recognised in comprehensive income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in comprehensive income or, for revalued assets as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the assets revised carrying amount (less any residual value) over its remaining useful life.

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2023

Borrowing Costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Assets in the Course of Construction

Assets in the course of construction are accounted for at cost, based on architect's certificates and other direct costs incurred to 31 July. They are not depreciated until they are bought into use.

Leased Assets

Operating Leases

Operating leases and annual rents are charged to comprehensive income on a straight-line basis over the term.

Stock

Stock is valued at the lower of cost (using the FIFO method) and net realisable value. Where necessary, provision is made for obsolete and defective items.

Farm stock is valued at net realisable value.

Financial instruments

The College has chosen to adopt sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the College becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets measured at fair value measured through the Statement of Comprehensive Income, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable within one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2023

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially, all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Taxation

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The College is partially exempt in respect of Value Added Tax, so that it can only recover around 1% of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

Provisions and contingent liabilities

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation, and the amount of the obligation can be reliably measured.

Where the effect of time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised as finance cost in the Statement of Comprehensive Income in the period it arises.

A contingent liability arises from a past event that gives the college a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the college. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the balance sheet but are disclosed in the notes to the financial statements.

2. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

- **Tangible fixed assets**
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, maintenance programmes, economic utilisation and physical condition of the assets are considered. Residual value assessments consider issues such as future market conditions and the remaining life of the asset.
- **Local Government Pension Scheme**
The present value of the Local Government Pension Scheme (LGPS) defined benefit obligation depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension obligation. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions obligation at 31 July 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension obligation. Determining the existence of a minimum funding requirement for the Local Government Pension Scheme to including in the asset ceiling in measuring and recognising a surplus in the scheme. This judgement is based on an assessment of the nature of the scheme as a statutory scheme and is the inherent implied continuance of the primary and secondary contributions.

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2023

3 Funding Body Grants

	2023 £'000	2022 £'000
Recurrent grants		
Education and Skills Funding Agency - Adult	1,810	1,854
Education and Skills Funding Agency - 16-18	18,637	17,154
Education and Skills Funding Agency - Apprenticeships	2,820	2,657
Specific Grants		
Education Skills Funding Agency	886	801
Education Skills Funding Agency - Tuition Fund	375	426
Release of government capital grants	1,363	1,159
Total	25,891	24,051

The College received specific grant funding during the year from the ESFA. These amounts were fully spent in the year.

4 Tuition Fees and Education Contracts

	2023 £'000	2022 £'000
Adult education fees	314	387
Apprenticeship fees and contracts	50	46
Fees for FE loan supported courses	474	601
Total tuition fees	838	1,034
Education contracts	1,260	1,492
Total	2,098	2,526

5 Other Grants and Contracts

	2023 £'000	2022 £'000
UK-Based Charities	(5)	35
Other grants and contracts	632	262
	627	297

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2023

6 Other Income

	2023 £'000	2022 £'000
Catering income	546	426
Rental, service charge and lease premium	109	109
Trips and materials	102	80
Enhanced pension charge	57	57
Other income generating activities	316	309
Miscellaneous income	243	275
Total	1,373	1,256

7 Investment Income

	2023 £'000	2022 £'000
Income from bank deposits	245	14
Net Interest on defined pension liability	168	-
Total	413	14

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Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2023

8 Staff Costs

The average number of persons (including key management personnel) employed by the College during the year, expressed as average headcount and calculated on a monthly basis was:

		2023	2022
		No.	No.
Teaching staff		304	302
Non-teaching staff		334	319
		<u>638</u>	<u>621</u>
Staff costs for the above persons			
Wages and salaries		14,723	13,925
Social security costs		1,294	1,209
Other pension costs (including non-cash pension adjustments of £169,000 debit - 2022 £1,492,000 debit)	24	3,245	4,488
Movement in UoS enhanced pension debtor		29	107
Actuarial movement in enhanced pension scheme		(15)	(183)
Payroll sub-total		<u>19,276</u>	<u>19,546</u>
Contracted out staffing services		245	196
		<u>19,521</u>	<u>19,742</u>
Restructuring costs	- Contractual	1	7
	- Non-contractual	6	-
Total Staff Costs		<u>19,528</u>	<u>19,749</u>

Severance Payments

The College paid 1 severance payment in the year, disclosed in the following bands:

	2023	2022
	No.	No.
0 - £25,000	1	-

There was one special severance payment for £6,180 (2022: £nil)

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the Executive team which comprises the Principal & Chief Executive Officer, Deputy Principal and Deputy Chief Executive Officer.

8 Staff Costs (continued)

Emoluments of key management personnel, Accounting Officer and other higher paid staff

	2023 No.	2022 No.
The number of key management personnel including the Accounting Officer was:	<u>3</u>	<u>3</u>

Due to the ill-health of the Principal there were a number of interim measures to cover until replacements were appointed (see page 1).

The number of key management personnel and other staff who received annual emoluments, excluding pension contributions, but including benefits in kind in the following ranges was:

	2023 No.	2022 No.
£60,001 to £65,000 p.a	-	3
£65,001 to £70,000 p.a.	2	
£85,001 to £90,000 p.a	-	1
£90,001 to £95,000 p.a	-	1
£95,001 to £100,000 p.a.	2	
£120,001 to £125,000 p.a	1	1
	<u>5</u>	<u>6</u>

Key management personnel (including the Accounting Officer) total compensation is made up as follows:

	0 £'000	0 £'000
Salaries - gross of salary sacrifice	316	317
Employers NI contributions	41	41
Benefits in kind	<u>5</u>	<u>5</u>
	362	363
Pension contributions paid - TPS	32	54
Pension contributions paid - LGPS	<u>22</u>	<u>22</u>
Total emoluments	<u>416</u>	<u>439</u>

One member of key management personnel sacrifices £2,916 of salary.

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2023

8 Staff Costs (continued)

The above emoluments include amounts payable to the Accounting Officer who is also the highest paid of key management personnel of:

	01/08/22 - 31/03/23	04/01/23 - 31/07/23	2023 £'000	2022 £'000
Salaries	97	80	177	141
Benefits in kind	2	1	3	3
	99	81	180	144
Pension contributions	22	-	22	33
Total emoluments	121	81	202	177

The remuneration of the Accounting Officer for 2022 -23 was determined on 28 September 2022 by the College's Remuneration Committee. The Accounting Officer was not involved in setting their remuneration. The factors taken into account by the Committee in determining the Accounting Officer's remuneration for the year to 31 July 2023 included: previous increases, components of pay in prior year, pay increases for other staff, performance against personal objectives, performance of the organisation, sector data on pay of accounting officers and benchmarking (or other means of comparison to the broader market). Performance was measured by the review of the targets set, undertaken by the Chair of Corporation, with evidence to support achievement and subsequent report of the outcome to Remuneration Committee.

A similar approach was used to determine the remuneration of the other key management personnel.

The relationship between the accounting officer's emoluments, expressed as a multiple of all other employees based on full-time equivalents is set out below for both salary and total remuneration. This calculation excludes any contracted out staffing services.

	2023 No.	2022 No.
Basic salary as a multiple of median basic salary of staff	5.64	5.63
Total remuneration as a multiple of median total remuneration of staff	6.18	5.63

Compensation for loss of office paid to former key management personnel

There were no compensation payments made in either of years ending 31 July 2023 or 31 July 2022.

Governors' Remuneration

The Accounting Officer and the staff member only receive remuneration in respect of services they provide undertaking their roles of Principal and staff member under contracts of employment and not in respect of their roles as governors. The other members of the Corporation did not receive any payment from the college in respect of the roles as governors.

During the year 2 governors (2022 - 1) with total expenses of £704 (2022 - £358) were paid to or on their behalf in respect of travel and subsistence and other out of pocket expenses incurred in the course of their duties.

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2023

9 Other Operating Expenses

	2023 £'000	2022 £'000
Teaching costs	3,034	2,910
Non-teaching costs	1,878	1,604
Premises costs	2,383	2,007
Total	<u>7,295</u>	<u>6,521</u>

Other operating expenses include:

	2023 £'000	2022 £'000
Fees payable to RSM UK LLP in respect of both audit and non-audit fees:		
Audit of College	58	46
Other assurance services	3	1
Internal Audit	21	21
Leasehold premises rental	79	74
Hire of other assets held under operating leases	<u>71</u>	<u>84</u>

Included within expenditure are the following transactions, individual transactions exceeding £5,000 are identified separately:

	Items above £5,000 £'000	Total £'000
Compensation payments		8
Special severance payment	8	
Write off and losses		38
Uncollectable student fee debt written off	10	
Guarantees, letters of comfort and indemnities	-	-
The following ex-gratia payments were made:	-	-

10 Interest and other finance costs

	2023 £'000	2022 £'000
On bank loans, overdrafts and other loans:	<u>313</u>	<u>280</u>
	313	280
On provisions made in previous years for early retirements	52	30
Net interest on defined pension liability	<u>-</u>	<u>227</u>
	<u>365</u>	<u>537</u>

11 Taxation

The members do not believe that the College was liable for any corporation tax arising from its activities during either year.

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2023

12 Intangible Fixed Assets

	Software £'000	Total £'000
Cost or Valuation		
At 1 August 2022	307	307
Additions	136	136
Disposals	(4)	(4)
As at 31 July 2023	<u>439</u>	<u>439</u>
Depreciation		
At 1 August 2022	197	197
Charge for the year	37	37
Elimination in respect of disposals	(3)	(3)
At 31 July 2023	<u>231</u>	<u>231</u>
Net book value at 31 July 2023	<u>208</u>	<u>208</u>
Net book value at 31 July 2022	<u>110</u>	<u>110</u>

13 Tangible Fixed Assets

	Land and Buildings £'000	Equipment £'000	Assets in the course of construction £'000	Total £'000
Cost or Valuation				
At 1 August 2022	89,432	12,089	510	102,031
Additions	278	1,175	2,334	3,787
Disposals	-	(1,727)	-	(1,727)
Reclassification	145	214	(359)	-
At 31 July 2023	<u>89,855</u>	<u>11,751</u>	<u>2,485</u>	<u>104,091</u>
Depreciation				
At 1 August 2022	28,585	9,158	-	37,743
Charge for the year	2,073	784	-	2,857
Elimination in respect of disposals	-	(1,725)	-	(1,725)
At 31 July 2023	<u>30,658</u>	<u>8,217</u>	<u>-</u>	<u>38,875</u>
Net book value at 31 July 2023	<u>59,197</u>	<u>3,534</u>	<u>2,485</u>	<u>65,216</u>
Net book value at 31 July 2022	<u>60,847</u>	<u>2,931</u>	<u>510</u>	<u>64,288</u>

Land purchases totalling £4,411,389 (2022: £4,411,389) have not been depreciated.

If fixed assets had not been revalued before being deemed as cost on transition they would have been included at the following historical cost amounts:

Freehold land (net book value £1,026,893)	£000
Cost	Nil
Aggregate depreciation based on cost	Nil
Net book value based on cost	<u>Nil</u>

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2023

13 Tangible Fixed Assets (continued)

During the year the economic life of the College's buildings were reviewed and revised for one building from 20 years to 40 years. The building was partially funded by a deferred capital grant (DCG), therefore the DCG amortisation and the depreciation have subsequently been adjusted to reflect the revised useful economic life.

The net impact of this in 2022/23 and going forward is a reduction in the annual depreciation charge of £47k, and a reduction in income of £45k.

14 Investments

	2023 £'000	2022 £'000
Investments in unlisted subsidiary companies	10	10
	<hr/>	<hr/>
Total	<u>10</u>	<u>10</u>

The College owns 100% of the issued share capital of Suffolk Education and Training Services Limited, a company incorporated in England and Wales. The company was dormant throughout the year.

15 Trade and other receivables

	2023 £'000	2022 £'000
Trade receivables	242	69
Prepayments and accrued income	786	1,744
Amounts owed by ESFA	273	275
Other receivables	303	1,107
Amounts owed by UoS for enhanced pensions	583	612
	<hr/>	<hr/>
Total	<u>2,187</u>	<u>3,807</u>

The amount due from the University of Suffolk (UoS) in respect of enhanced pensions is recoverable after more than 1 year

Other receivables includes £303k (2022: £990k) in respect of the land deal due from City College Norwich, which is due in under 1 year (May 24).

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2023

16 Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Bank loans and overdrafts	398	385
Trade payables	718	623
Amounts owed to subsidiary undertaking	10	10
Other taxation and social security	316	302
Accruals and deferred income	1,428	1,369
Government grants (capital)	5,365	2,411
Owed to ESFA	158	48
Other creditors	312	325
	8,705	5,473

Accruals and deferred income include:

	2023 £'000	2022 £'000
Holiday pay accrual	484	500
Other accruals	544	677
Deferred income (Inc. lease premium)	400	192
	1,428	1,369

17 Creditors: amounts falling due after one year

	2023 £'000	2022 £'000
Bank loans	5,929	6,327
Government grants (capital)	27,746	28,001
Lease premium received	1,333	1,370
Total	35,008	35,698

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2023

18 Maturity of debt

	2023 £'000	2022 £'000
Bank loan		
Bank loans are repayable as follows:		
In one year or less	398	385
Between one and two years	413	398
Between two and five years	1,334	1,286
In five years or more	4,182	4,643
Total	6,327	6,712

Bank loans totalling £4,843 million are repayable at a fixed rate of 5.10 per cent inclusive of a borrowing margin of 0.35 per cent. This is repayable by quarterly instalments, ending December 2035 and is unsecured.

A further bank loan totalling £1,484 million is repayable at a variable rate of 0.43 per cent above Base Rate (previously LIBOR) including a credit adjustment spread. This is repayable by annual instalments ending December 2035 and is also unsecured.

19 Provisions

	Defined benefit obligations £'000	Enhanced pensions £'000	Total £'000
At 1 August 2022	4,753	(1,582)	3,171
Payments in the period	1,196	137	1,333
Charged to SoCI	(1,197)	(52)	(1,249)
Charged to SoCI in respect of Enhanced Pensions	-	15	15
Actuarial gain/(loss) recognised in year	(4,752)	-	(4,752)
At 31 July 2023	-	(1,482)	(1,482)

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government pension Scheme. Further details are given in note 24.

The enhanced pension provision relates to the cost of staff who have already left the College's employment. This provision has been recalculated in accordance with guidance issued by the funding bodies.

	2023	2022
Discount rate	5.00%	3.30%
Price inflation	2.80%	2.90%

Under the terms of the separation agreement between University of Suffolk (UoS) and Suffolk New College, UoS has undertaken to pay on an ongoing basis 50% of the annual cost of the enhanced pension payment back to the College. This amount is recognised as a debtor in these accounts.

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2023

20 Analysis of changes in net debt

	At 1 August 2022 £'000	Cash flow £'000	Other changes £'000	At 31 July 2023 £'000
Cash in hand, and at bank	8,251	3,375	-	11,626
	<u>8,251</u>	<u>3,375</u>	<u>-</u>	<u>11,626</u>
Debt due within 1 year	(385)	385	(398)	(398)
Debt due after 1 year	(6,327)	-	398	(5,929)
	<u>1,539</u>	<u>3,760</u>	<u>-</u>	<u>5,299</u>

21 Capital and other commitments

	2023 £'000	2022 £'000
Commitments contracted for at 31 July	<u>430</u>	<u>528</u>

22 Lease obligations

At 31 July, the College had minimum lease payments under non-cancellable operating leases as follows:

	2023 £'000	2022 £'000
Future minimum lease payment due		
Land and buildings		
Not later than one year	82	65
Later than one year and not later than five years	288	235
Later than five years	1,793	1,537
	<u>2,163</u>	<u>1,837</u>

23 Contingent liabilities

Following the demerger of Easton and Otley College on 31 December 2019, it was agreed by Suffolk New College and City College Norwich that only current staff would transfer from the Norfolk Local Government Pension Scheme (LGPS) to the Suffolk LGPS. All other pensioners and deferred pensioners stayed within the Norfolk LGPS. These members comprise of the Easton and the Otley pre-2012 merger (both pensioners and deferred pensioners) and the pensioners and deferred pensioners of the combined Easton and Otley College up to the date of the de-merger.

At the point of the 31 March 2022 triennial valuation these members were fully funded within the Norfolk LGPS and therefore no provision has been made with these accounts in respect of these. Legal agreements are in place to determine the percentages of any future contributions to funding agreements with Norfolk LGPS that the College may incur.

The next valuation of the pension scheme will be 31 March 2025 which will come into force in April 2026.

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2023

24 Defined benefit obligations

The College's employees belong to two principal post-employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Suffolk Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Suffolk County Council. Both are multi-employer defined benefit plans.

Total pension cost for the year	2023	2022
	£'000	£'000
Teachers' Pension Scheme:		
contributions paid	1,880	1,840
Local Government Pension Scheme:		
Contributions paid	1,196	1,156
FRS 102 (28) charge	<u>169</u>	<u>1,492</u>
Charge to the Statement of Comprehensive Income	1,365	2,648
Enhanced pension charge to the Statement of Comprehensive Income	<u>14</u>	<u>(76)</u>
Total Pension Cost for Year within Staff Costs	<u>3,259</u>	<u>4,412</u>

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2020 and of the LGPS 31 March 2022.

Contributions amounting to £336,463 (2022: £329,347) were payable to the schemes at 31 July, and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions, along with those made by employers, are credited to the Exchequer. The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme on as a defined benefit plan so it is accounted for as a defined contribution plan.

24 Defined benefit obligations (continued)

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation was carried out as at 31 March 2020 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 and the Employer Contribution Rate was assessed using agreed assumptions in line with the Directions and was accepted at the original assessed rate as there was no cost control mechanism breach.

The valuation report was published on 26 October 2023. The key results of the valuation are:

- Total scheme liabilities for service (the capital sum needed at 31 March 2020 to meet the stream of future cash flows in respect of benefits earned) of £262 billion.
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £222 billion
- Notional past service deficit of £39.8 billion (2016: £22 billion)
- Discount rate is 1.7% in excess of CPI (2016: 2.4% in excess of CPI - this change has had the greatest financial significance)

As a result of the valuation, new employer contribution rates have been set at 28.6% of pensionable pay from 1 April 2024 until 31 March 2027 (compared to 23.68% under the previous valuation including a 0.8% administration Levy) DfE agreed to pay a Teachers Pensions employer contribution grant to cover the additional costs during the 2021/22 academic year and currently through to July 24.

The pension cost paid to TPS in the year amounted to £1,880,030 (2022: £1,823,067)

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Suffolk County Council. The total contributions made for the year ended 31 July 2023 were £1,493,000 of which employer's contributions totalled £1,163,000 and employees' contributions totalled £330,000. The agreed contribution rates for future years are 21.6% for employers and range from 5.5% to 12.5% for employees, depending on salary.

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2023

24 Defined benefit obligations (continued)

Principal Actuarial Assumption

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 July 2023 by a qualified independent actuary.

	At 31 July 2023	At 31 July 2022*
Rate of increase in salaries	4.00%	3.40%
Future pensions increases	2.80%	2.50%
Discount rate for scheme liabilities	5.15%	3.60%
Inflation assumption (CPI)	2.80%	2.50%

*Based on original assumptions, before implementation of the PI Order 2023.

Commutation

An allowance is included for future retirements to elect to take 25% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 63% of the maximum tax-free cash for post April 2008 service.

The average life expectancy for a pensioner retiring at 65 on the reporting date is:

	At 31 July 2023	At 31 July 2022*
<i>Retiring today</i>		
Males	20.90	21.90
Females	24.40	24.30
<i>Retiring in 20 years</i>		
Males	21.60	22.90
Females	25.50	26.10

The College's share of the assets in the plan at the reporting date and the expected rates of return were:

	Fair Value at 31 July 2023	Fair Value at 31 July 2022
	£'000	£'000
Equity instruments	27,705	27,026
Debt instruments	10,494	9,828
Property	3,358	4,095
Cash	420	-
Fair value of plan assets	41,977	40,949
 Actual return on plan assets	 848	 2,297

24 Defined benefit obligations (continued)

Amounts recognised in the Statement of Comprehensive Income in respect of the plan are as follows:

	2023	2022
	£'000	£'000
Amounts included in staff costs		
Current service cost	(1,365)	(2,648)
Total	(1,365)	(2,648)
Amounts included in investment income	2023	2022
	£'000	£'000
Net interest on the net defined benefit pension liability	168	(227)
	168	(227)
Amount recognised in Other Comprehensive Income	2023	2022
	£'000	£'000
Return on pension plan assets	(634)	1,645
Experience losses arising on defined benefit obligations	(331)	(181)
Changes in demographic assumptions	911	183
Changes in assumptions underlying the present value of the plan	7,648	17,433
Asset ceiling adjustment	(12,346)	-
Amount recognised in Other Comprehensive Income	(4,752)	19,080
Asset and Liability Reconciliation		
Changes in the present value of defined benefit obligations	2023	2022
	£'000	£'000
Defined benefit obligations at start of period	36,196	50,701
Current service cost	1,365	2,648
Interest cost	1,314	879
Contributions by Scheme participants	330	297
Changes in financial assumptions	(8,549)	(17,433)
Estimated benefits paid	(1,015)	(894)
Changes in demographic assumptions	(911)	(183)
Other experience adjustments	901	181
Defined benefit obligations at end of period	29,631	36,196

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2023

24 Defined benefit obligations (continued)

Changes in fair value of plan assets	2023	2022
	£'000	£'000
Fair value of plan assets at start of period	40,949	38,093
Interest on plan assets	1,482	652
Return on plan assets	(634)	1,645
Employer contributions	1,196	1,156
Contributions by scheme participants	330	297
Estimated benefits paid	(1,015)	(894)
Other experience adjustments	(331)	-
Fair value of plan assets at end of period	41,977	40,949

Amounts recognised in the Statement of Financial Position in respect of the defined benefit pension plan are as follows:

	2023	2022
	£'000	£'000
Present value of defined benefit obligations	(29,631)	(36,196)
Fair value of plan assets	41,977	40,949
Net asset	12,346	4,753
Restriction to level of asset ceiling	(12,346)	-
Net asset recognised in the balance sheet	-	4,753

The value of the college's share of net assets has been restricted due to the effect of the asset ceiling being the maximum value of the present of the economic benefits available in the form of the unconditional right to reduced contributions from the plan. A corresponding charge has been made to other comprehensive income in the period

25 Related party transactions

Due to the nature of the College's operations and the composition of the Corporation being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Corporation may have an interest. All transactions involving such organisations are conducted in accordance with the College's financial regulations and normal procurement procedures.

The total expenses paid to or on behalf of the Corporation during the year was £704; 2 governors (2022: £358; 1 governor). This represents travel and subsistence expenses incurred in attending Corporation meetings and other events in their official capacity. No governor has received any remuneration or waived payment from the College during the year.

The College has dealings with the Chamber of Commerce of which Mrs Viv Gillespie, (Principal and Accounting Officer) was a Director. During the year the College purchased Services to the value of £9,141 (2022: £8,916) and provided services to the value of £4,984 (2022: £2,400)

At the end of the year the College owed Chamber of Commerce £Nil (2022: £8,874) and the Chamber of Commerce owed the College £Nil (2022: £Nil)

25 Related party transactions (continued)

The College has dealings with Ben Elvin Planning Consultant Limited of which Mary Gleave (Deputy CEO) is a Spouse of the Director of the company. During the year the College purchased Services to the value of £Nil (2022: £4,282)

At the end of the year there was no balance outstanding. (2022: £Nil)

The College has dealings with the University of Suffolk of which Professor Jagpal Gurpreet, (Corporation Member) was Pro Vice Chancellor, Business & Entrepreneurship. During the year the College purchased services to the value of £24,411 (2022: £23,061) and provided services to the value of £252,282 (2022: £333,146)

At the end of the year The University of Suffolk owed the College £57,359 (2022: £56,710) and the College owed the University £39,562 (2021: £21,180)

The College has dealings with Hudson Sign Solutions and Hudson Media Partnership of which Mr Stephen Flory (Co-opted Corporation Member) is a Director of the companies. During the year the College purchased Services to the value of £35,279 (2022: £35,020) from Hudson Sign Solutions and £17,776 (2022: £Nil) from Hudson Media Partnership.

At the year end the College owed Hudson Sign Solutions £858 (2022: £897)

At the year end the College owed Hudson Media Partnership £Nil (2022: £Nil)

The College has dealings with the Essex Pig Company of which Mr Stevie Shepherd (Corporation Member) is a General Manager. During the year the Essex Pig Company provided Services to the value of £72 (2022: £7,000)

At the year end the College owed the Essex Pig Company £Nil (2022: £Nil)

The College has dealings with Essex County Council of which Ms Suzanne Davis (Corporation Member) is a High Needs Funding and Targeted Employment Manager. During the year the College provided Services to the value of £25,435 (2022: £42,331)

At the year end Essex County Council owed the College £Nil (2022: £Nil)

Transactions under £1,000 in total have been ignored as they are not considered material in relation to Related Party Transactions.

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2023

26 Amounts disbursed as agent (continued)

Discretionary support funds

	2023 £'000	2022 £'000
Funding body grants - 16-18 bursary	812	760
Funding body grants - Advanced Learner Loan	256	162
	<u>1,068</u>	<u>922</u>
Disbursed to students	(828)	(873)
Administration costs	(32)	(35)
	<u>(860)</u>	<u>(908)</u>
Balance unspent as at 31 July, included in creditors	<u>208</u>	<u>14</u>

Employer Incentive Payments

	2023 £'000	2022 £'000
Funding body grants - Apprenticeships	171	171
Funding body grants - T-Levels	65	57
Disbursed to Employers	(161)	(202)
	<u>75</u>	<u>26</u>
Balance unspent as at 31 July, included in creditors	<u>75</u>	<u>26</u>

Funding body grants are available solely for students or their employers. In the majority of instances, the College only acts as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

The following pages do not
form part of the
Financial Statements

Suffolk New College

Independent Reporting Accountant's Report on Regularity to the Corporation of Suffolk New College and the Secretary of State for Education acting through the Education and Skills Funding Agency

Conclusion

We have carried out an engagement, in accordance with the terms of our engagement letter dated 21 October 2021 and further to the requirements of the grant funding agreements and contracts with the Education and Skills Funding Agency (the "ESFA") or those of any other public funder, to obtain limited assurance about whether the expenditure disbursed and income received by Suffolk New College during the period 1 August 2022 to 31 July 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2022 to 31 July 2023 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the Post-16 Audit Code of Practice (the Code) issued by the ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder.

We have complied with the independence and other ethical requirements of the FRC's Ethical Standard and the ethical pronouncements of the ICAEW. We also apply International Standard on Quality Management (UK) 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements and accordingly maintain comprehensive systems of continuing quality management.

Responsibilities of Corporation of Suffolk New College for regularity

The Corporation of Suffolk New College is responsible, under the grant funding agreements and contracts with the ESFA and the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed and income received are applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The Corporation of Suffolk New College is also responsible for preparing the Governing Body's Statement of Regularity, Propriety and Compliance.

Reporting accountant's responsibilities for reporting on regularity

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and the procedures performed vary in nature and timing from and are less in extent than for a reasonable assurance engagement; consequently, a limited assurance engagement does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2022 to 31 July 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the grant funding agreements and contracts with the ESFA and those of any other public funder and high level financial control areas

Suffolk New College

Independent Reporting Accountant's Report on Regularity to the Corporation of Suffolk New College and the Secretary of State for Education acting through the Education and Skills Funding Agency

where we identified a material irregularity is likely to arise. We undertook detailed testing, on a sample basis, on the identified areas where a material irregularity is likely to arise where such areas are in respect of controls, policies and procedures that apply to classes of transactions.

This work was integrated with our audit of the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

Use of our report

This report is made solely to the Corporation of Suffolk New College and the Secretary of State for Education acting through the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Corporation of Suffolk New College and the Secretary of State for Education acting through the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation of Suffolk New College and the Secretary of State for Education acting through the ESFA for our work, for this report, or for the conclusion we have formed.

Claire Sutherland

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Date 20 December 2023