



# Oakswood College

Empowering Through Education



## Financial Sustainability

### *Policy*

PROMOTING EXCELLENCE • ENSURING COMPLIANCE  
SUPPORTING OUR COMMUNITY



GOVERNANCE



QUALITY



COMPLIANCE



EXCELLENCE



**Oakswood College**  
Empowering Through Education  
(Trading name of Oakswood Group Ltd)

**Financial Sustainability Policy**

**Document Control & Version History**

<b>Document Title</b>	Financial Sustainability Policy
<b>Document Type</b>	Governance Policy
<b>Policy Owner</b>	Head of Governance, Quality, Compliance & Information Systems
<b>Accountable Officer</b>	Chief Executive Officer
<b>Approved By</b>	Board of Governors
<b>Approval Date</b>	25 March 2026
<b>Effective From</b>	25 March 2026
<b>Review Cycle</b>	Annual
<b>Next Review Date</b>	25 March 2027
<b>Applies To</b>	Board of Governors, Chief Executive Officer, Senior Leadership Team, Finance & Audit Committee, all staff responsible for financial planning, management, and reporting, and any relevant third-party partners engaged in financial activities
<b>Version</b>	1.0
<b>Supersedes</b>	New Policy
<b>Related Documents</b>	Business / Strategic Plan; Institutional Risk Register; Scheme of Delegation
<b>Document Location</b>	Oakswood College Policy Repository
<b>Regulatory Reference</b>	Office for Students (OfS) Conditions of Registration; UK Corporate Governance Code for Higher Education; Charity Commission guidance on financial governance

## 1. Purpose

The purpose of this Financial Sustainability Policy is to ensure that Oakwood College operates on a financially viable, sustainable, and resilient basis, enabling the College to:

- Meet strategic objectives, maintain high-quality education delivery, and protect the student interest.
- Comply with regulatory, statutory, and partnership requirements (OfS, awarding bodies, and UK corporate/charity guidance).
- Integrate financial planning with risk management, quality assurance, and operational continuity.

### **Applying this Policy in Practice:**

This policy is supported by the following procedures:

- Annual Budgeting & Forecasting Procedure
- Financial Monitoring and Reporting Framework
- Risk Management and Escalation Procedure
- Business Continuity Plan and Significant Incident Management Policy

These procedures provide clear guidance on operationalising financial sustainability principles and ensure all decisions can be monitored, tracked, and evidenced.

## 2. Scope

This policy applies to:

- All financial planning, budgeting, and forecasting activities.
- Income and expenditure relating to:
  - Higher Education provision (including BNU partnership)
  - Further Education and ATHE programmes
  - Community and executive training programmes
- Senior Management Team (SMT), Board of Governors (BoG), and relevant committees.
- All staff with financial responsibility or budget oversight.

### **Operational Application:**

- Decisions at committee and Board meetings should reference the principles in Section 5, and outcomes should be logged in the **Financial Sustainability Evidence Log**.

### **3. Roles and Responsibilities**

#### **Board of Governors:**

- Ultimate responsibility for financial sustainability.
- Approves budgets, forecasts, and strategic financial plans.
- Oversees financial risk, mitigations, and compliance.

#### **Senior Leadership Team:**

- Operational financial management.
- Budget implementation, monitoring, and reporting.
- Escalation of significant variances and risks to the Board.

#### **Head of Governance, Quality, Compliance & Information Systems:**

- Ensures evidence of financial sustainability aligns with regulatory and OfS requirements.
- Links financial planning to quality assurance, risk, and compliance frameworks.

#### **Finance & Audit Committee (Sub-Committee of BoG):**

- Monitors detailed financial reporting, risk management, and income diversification.
- Ensures financial decisions adhere to policy principles and align with business objectives.

### **4. Regulatory and Strategic Context**

This policy supports compliance with:

- Office for Students (OfS) Condition D – Financial viability and sustainability.
- Consumer Protection and CMA guidance.
- Partner university financial assurance expectations (e.g., BNU).
- Awarding organisation requirements (e.g., ATHE).
- UK company and charity financial governance principles (where applicable).

#### **Alignment with Strategy:**

- Directly linked to Oakwood College's Strategic / Business Plan (2025–2030).
- Supports institutional Risk Register, Business Continuity Plan, and arrangements to safeguard student interest.
- Ensures financial planning underpins continuity of provision and high-quality education.

## 5. Principles of Financial Sustainability

Oakwood College is committed to the following principles:

1. **Student-First Financial Decision Making** – Financial decisions must protect continuity of study and academic standards.
2. **Prudent Financial Management** – Conservative budgeting, realistic forecasting, and avoidance of unsustainable risk.
3. **Diversified Income Streams** – Reduce reliance on a single funding source.
4. **Cost-Effective Operations** – Lean operational structures and efficient use of resources.
5. **Transparency and Accountability** – Clear reporting to SLT, BoG, and external stakeholders.
6. **Risk Awareness and Mitigation** – Financial risks identified, monitored, and mitigated via the institutional Risk Register.

### 5.1 Applying the Principles in Practice

- All principles are referenced in BoG and subcommittee agendas to ensure consistent tracking of application.
- Decisions must be logged against principles in the **Financial Sustainability Evidence Log**, maintained by the Head of GQC & IS.
- This process ensures clarity on which principles are applied, highlights areas for renewed focus, and provides auditable evidence for regulators.

#### Example Mapping:

Principle	Example Application
Diversified Income Streams	Approval of new partnership programme with alternative awarding body
Student-First Decision Making	Budget allocation for student support and wellbeing services
Prudent Financial Management	Medium-term forecasting for enrolment and tuition fee sensitivity
Transparency & Accountability	Monthly reporting to Finance & Audit Committee

## 6. Income Model

Oakwood College maintains a **diversified income model**, including:

- Tuition fee income from:

- **BSc (Hons) International Business Studies** (via BNU partnership)
- **ATHE Level 3–7 programmes**
- Community and employability programmes (including Department of Work and Pensions (DWP), West Midlands Combined Authority (WMC) etc. where applicable)
- Executive and international training programmes
- Strategic partnerships and commissioned provision

No single income stream is relied upon to the extent that its loss would threaten institutional viability.

## 7. Financial Planning and Budgeting

### 7.1 Annual Budgeting

- An **annual operating budget** is prepared in line with the Business Plan.
- Budgets reflect:
  - Realistic student recruitment forecasts
  - Known contractual obligations
  - Staffing and delivery costs
  - Premises and operational costs
- Budgets are reviewed and approved by the **Board of Governors**.

### 7.2 Medium-Term Financial Forecasting

- A **minimum 3-year financial forecast** is maintained.
- Forecasts include:
  - Student number sensitivity analysis
  - Income stress-testing
  - Cost escalation assumptions
- Forecasts are reviewed annually and updated where material changes occur.

## 8. Financial Controls and Monitoring

### 8.1 Financial Oversight

- Day-to-day financial management is overseen by the **Senior Leadership Team**.
- Strategic oversight is provided by the **Board of Governors** (or delegated Finance / Audit Committee where applicable).

### 8.2 Monitoring and Reporting

- Financial performance is monitored against budget on a **regular basis**.
- Reports include:

- Income and expenditure
- Cash flow position
- Variances and corrective actions
- Significant variances are escalated to the Board.

## 9. Cost Management and Efficiency

Oakwood College operates a **lean and scalable operating model**, including:

- Controlled staffing structures aligned to student numbers
- Flexible premises arrangements where appropriate
- Shared services and digital systems to reduce overheads
- Continuous review of value for money in procurement and contracts

Efficiency measures must not compromise academic quality or student support.

## 10. Financial Risk Management

Financial risks are identified and managed through the **Institutional Risk Register**, including:

- Recruitment shortfalls
- Dependency on specific programmes or partners
- Changes in regulatory or funding environments
- Cash flow pressures
- Unexpected operational costs

Mitigation strategies may include:

- Adjusting delivery models
- Phased growth plans
- Cost containment measures
- Contingency planning
- Monitored through Business Plan scenario modelling and monthly dashboard reviews.

## 11. Student Protection and Teach-Out

Oakwood College places student interests at the centre of all financial sustainability planning. This ensures that academic provision remains uninterrupted, programmes are delivered to completion, and students are protected from the impact of financial or operational challenges.

### Key Commitments:

- Maintain continuity of academic provision under all circumstances.

- Avoid sudden or unmanaged cessation of programmes through robust financial resilience.
- Minimise disruption to students in the event of operational or financial changes.

#### **Integration with Governance and Risk Management:**

- Financial planning, risk management, and governance arrangements are explicitly designed to safeguard students in line with **OfS expectations** and consumer protection requirements.
- The **Business Continuity Plan (BCP)** and **Significant Incident Management Procedure** provide structured guidance for responding to disruptions, whether financial, operational, or other significant events.

#### **Operational Measures for Student Protection:**

##### **1. Escalation:**

- Any incident impacting financial sustainability or programme delivery is immediately escalated to the **CEO and Senior Leadership Team (SLT)**.
- Material incidents are reported to the **Board of Governors** for oversight and decision-making.

##### **2. Contingency Actions:**

- Phased or adjusted programme delivery to maintain continuity.
- Temporary cost optimisations, such as hiring freezes or discretionary expenditure reductions.
- Cross-utilisation of staff and flexible deployment to cover critical teaching or administrative functions.
- Leveraging digital learning platforms (VLE) to ensure uninterrupted teaching and student engagement.

##### **3. Documentation and Evidence:**

- All actions and decisions are recorded in the **Institutional Risk Register** and linked to the **Financial Sustainability Evidence Log**.
- This demonstrates proactive mitigation, compliance with OfS student protection standards, and alignment with institutional governance requirements.

#### **Summary Flow:**

**Incident → BCP Consultation → SLT Contingency Measures → Student Protection Actions → Logging & Board Reporting**

## 12. Applying Principles in Governance

Oakwood College ensures that financial sustainability principles are actively embedded in governance and decision-making processes.

### Purpose:

- Guarantee that all strategic and operational financial decisions align with the College's sustainability principles.
- Provide a clear audit trail for regulatory and Board oversight.

### Implementation:

- Principles are explicitly included in **Board and Committee agendas** to guide discussion and decisions.
- Decision-making processes are **mapped against sustainability principles**, enabling tracking, reporting, and accountability.
- Annual governance reviews assess the **application of principles**, feeding into the **Quality Improvement Plan** and Board reporting.

### Evidence of Application:

- Decisions are captured in **meeting minutes** with references to relevant principles.
- Updates to the **Risk Register** reflect how principles guided mitigation strategies.
- **Financial dashboards** include metrics demonstrating the application of sustainability principles across budgets, forecasts, and contingency planning.

### Outcome:

- Ensures that financial decisions not only safeguard resources but also protect students, maintain operational continuity, and provide transparent accountability to the Board and regulators.

## 13. Review and Approval

- This policy is reviewed **annually** or earlier if there is a material change in:
  - College Strategy
  - Regulatory, statutory and/or legal requirements
  - Financial position
- Approved by: **Board of Governors**
- Policy Owner: Head of Governance, Quality, Compliance & Information Systems