

# East Coast College Finance and General Purposes Meeting

## 15<sup>th</sup> March 2022 9am Video Conference

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| Present:   | Chair - David Blake (DB) Mike Dowdall (MD) Alan Debenham (AD) Dave Cole (DC) Paul Nisbett (PN) Stuart Rimmer (Principal)  |                     |
| In attendance:   | Wendy Stanger (Director of Governance) Urmila Rasan (Deputy Chief Executive)  |                     |
| F/22/03/1  | <b>Apologies and membership</b>   |                     |
| There were no apologies as all in attendance   |   |                     |
| F/22/03/2  | <b>Declarations of Interest</b>   |                     |
| MD declared an interest due to being an employee of the LEP. It was agreed that this declaration did not preclude his full participation in the meeting.   |   |                     |
| F/22/03/3  | <b>To approve the Minutes of the meeting of the 30 November 2021 and any other matters raised previously not otherwise included in the Agenda</b>                     |                     |
| F/22/03/3  | <b>To approve the Minutes of the 9 December 2021 joint meeting with People Committee and any other matters raised previously not otherwise included in the Agenda</b> |                     |
| The minutes for 30 11 21 and 9 12 21 were agreed as a true record.   |   |                     |
| F/22/03/4  | <b>To review the post-meeting action log</b>  |                     |
| <p>The action log was reviewed.</p> <p>30 11 21 F/21/11/6 – governors discussed the inflationary pressures that the College, staff and students were facing. It was noted that utilities were seeing a circa 40% increase and may therefore need review in the current as well as the future financial forecasts and budget. The Deputy Chief Executive advised that the current budget setting was identifying increased costs which was resulting in reduced contribution rates. The CEO commented that there would not be an increase in the funding rate to account for inflation and this would have to be managed with current resources.</p> <p>Governors noted that the inflationary risk to the Great Yarmouth development's budget was the DFEs but that other capital projects would be at the College's risk.</p> <p>9 12 21 F&amp;P/21/12/3 – the CEO advised that a L6FC ETO was not required as the establishment review had been managed through redistribution of staff.</p> <p><b>Governors agreed the following action:</b></p> <ul style="list-style-type: none"> <li>• <b>Risk of inflation to the College's financial position to be added to the relevant tactical risks.</b></li> <li>• <b>Forecast and budget 22/23 to be reviewed to take account of the additional inflationary pressures.</b></li> </ul> |   | <p>UR</p> <p>UR</p> |

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| <b>F/22/03/5</b>  | <b>Health and Safety Update Term 1</b> |  |
| <p>The Deputy Chief Executive presented the update and advised that the HSE letter of contraventions from the September visit had now all been addressed. A consultant was to be employed to carry out future health and safety audits to help with compliance and provide assurance to the Board. This would include a review of health and safety culture and leadership.</p> <p>Governors noted that the accident levels year on year analysis was not comparable due to the Covid closures.</p> <p>Governors challenged if the College had an issue with vandalism. The CEO advised that there were occasional issues due to the College being an open site. There was CTV in place but this was only really useful after an event and there was now security during the day.</p>   |  |  |
| <b>F/22/03/6</b>  | <b>Management Accounts</b>             |  |
| <p>The Deputy Chief Executive presented January's management accounts and advised that the College was still working towards meeting the budgeted EBITDA but the forecast currently doesn't reflect the inflationary pressures caused by the war.</p> <p>Governors discussed the various capital projects, their financial implications and the effect of construction inflation:</p> <ul style="list-style-type: none"> <li>• The result of the transformation bid for the Lowestoft Campus was expected in April. If this was not successful there would be a need to write of the monies invested in the bid and to consider alternative investment in the campus.</li> <li>• The proposed lease for the GY HE Centre would require bank approval and the capital investment from the University of Suffolk an addendum to the current collaboration agreement. For future maintenance there would be a sinking fund included in the lease.</li> <li>• The GY Campus was due for sign off in April and as it would be project managed by the DFE to an agreed brief the inflationary risk was the DFEs.</li> <li>• T level capital funding project work was due to be completed for September 2022 and costs such as welding bays had increased. The Health Care Centre that was to be developed at Great Yarmouth Campus would be built for short term usage with removable equipment due to the overall Great Yarmouth development.</li> </ul> |  |  |
| <b>F/22/03/7</b>  | <b>Finance Risk Register</b>           |  |
| <p>The committee reviewed the risk register.</p> <p>1. Has the risk register been reviewed</p> <p>It was noted that the risk register had been reviewed.</p> <p>The Estates Committee had its own risk register with risk registers for each project to be produced too. This needed to include management capacity and need for granular planning with the teaching teams to ensure that development met need.</p> <p>2. Is the Committee content that the risks are relevant and are being updated</p> <p>The Committee had agreed earlier that - Risk of inflation to the College's financial position to be added to the relevant tactical risks.</p> <p>3. Is the Committee content that the risks are being mitigated</p> <p>Inflation mitigation needed to be included.</p>  |  |  |

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| <p>4. Where a red risk is the Committee assured that appropriate action is being taken<br/>College's financial processes and information is insufficient to monitor its risk of insolvency was red for variance from risk appetite.</p> <p><b>Governors agreed the following action:</b></p> <ul style="list-style-type: none"> <li>• <b>Financial systems update to the next meeting.</b></li> </ul> | <p>5. Where does the Committee have significant concerns</p> <p>The Committee were concerned about inflationary pressures on the College, its staff and its students. The 2% cost of living award over 2 years was not going to address this and there was therefore a risk of future wage demands.</p> <p>The CEO advised that there was a risk also of companies that the College worked with going insolvent. Sentinel one of the College's subcontractors had recently gone insolvent; a full report on this insolvency and the action the College was taking would be brought to the March Board.</p> <p>Estate development needed to mitigate the inflationary risk by reducing ongoing costs and link to the College's sustainability agenda.</p> | <p><b>UR</b></p> |
| <p><b>F/22/03/8</b></p>   | <p><b>Agenda Planning</b></p>  |                  |
| <p>Finance dashboard – this needs to be a standing item so that the long-term financial position was reviewed.</p> <p>Financial systems</p> <p>Inflationary pressure review</p>   |  |                  |
| <p><b>F/22/03/9</b></p>   | <p><b>Review of Meeting</b></p>  |                  |
| <ol style="list-style-type: none"> <li>1. Confidential Items: None</li> <li>2. Risk Management: As noted in the minutes</li> <li>3. Health and Safety: As noted in the minutes</li> <li>4. Equality and Diversity: None</li> <li>5. Media: Press statement made on the Sentinel insolvency.</li> <li>6. How did the meeting go:</li> </ol>  |  |                  |