

East Coast College Corporation Meeting

6th March at 5.00pm

Present:	Mike Burrows (MB) Jane Fermor (JF) Tony Ing (TI) Tina Ellis (TE) Rob Evans (RE) Saul Humphrey (SH) Gwen Parsons (GP) Simon Gray (SG) Peter Lavender (PL) Stuart Rimmer (CEO/Principal) Judy Nichols (JN) and Michaela Kent (MK)
In attendance:	Wendy Stanger (Director of Governance) Simon Eaton (Deputy Chief Executive)
ECC/18/03/1 Apologies and membership	Action
<p>Apologies</p> <p>Apologies were received from Albert Cadmore (AC) Alan Debenham (AD) Mick Castle (MC) David Hill (DH) Karen Knight (KK) and Debbie Pring (DP) and from attendees Stella Raphael-Reeves (Deputy Principal) and Vicky Beck</p> <p>And for late attendance at the meeting from Saul Humphrey (SH).</p> <p>Membership of the Corporation</p> <p>The Chair advised that Keith Monaghan (KM) had resigned from the Corporation with immediate effect due to other commitments. Thanks were recorded for his work in helping to establish ECC.</p> <p>The Chair welcomed Peter Lavender (PL) Judy Nichols (JN) and Michaela Kent (MK) to their first Corporation meeting.</p> <p>Membership</p> <p>Alan Debenham (AD) Tina Ellis (TE) Rob Evans (RE) David Hill (DH) Mike Burrows (MB) Gwen Parsons (GP) Mick Castle (MC) Stuart Rimmer (CEO & Principal) Tony Ing (TI) Saul Humphrey (SH) Simon Gray (SG) Albert Cadmore (AC) Karen Knight (KK) Jane Fermor (JF) Debbie Pring (DP) Peter Lavender (PL) Judy Nichols and Michaela Kent.</p>	
ECC/18/03/2 Declarations of Interest	Action
<p>There were the following declarations of interest:</p> <ul style="list-style-type: none"> • Saul Humphrey – Energy Centre and cladding • Simon Eaton – Lowestoft Sixth Form • Wendy Stanger, Stuart Rimmer, Simon Eaton, Jane Fermor – Pay Award • Mike Burrows, Tina Ellis and Stuart Rimmer as Directors of LOWES. <p>It was agreed that these declarations didn't preclude their full participation in the meeting.</p>	
ECC/18/03/3	To approve the Minutes of the meeting of 28th November 2018
The minutes for the Corporation meeting of 28 th November 2018 were agreed as a true record of the meeting.	

ECC/18/03/4	To review the post-meeting action log	
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The Director of Governance presented the action log and the Corporation noted the progress and where the actions were included on the agenda.

ECC/17/05/2 - Health and Safety Committee have not yet considered.

ECC/17/09/5 – Work on the Tier 4 is ongoing, with the latest response being that a decision would be made in due course. The loss of Tier 4 has had a negative impact on the maritime business.

ECC/17/11/4 – Sale of Lound agreed in principle by written resolution.

ECC/17/11/4 – KPI dashboard included at agenda item 5.

ECC/17/11/10 – College tube map of support services added to the Governor’s intranet.

ECC/17/11/17 – The Principal raised the issue with the Minister.

ECC/17/11/19 – Lowestoft College Accounts on the agenda item 10.

Written Resolutions

The Director of Governance presented the report, which is required by the standing orders on resolutions that have been agreed by written resolution. Written resolutions were used due to the postponement, due to adverse weather, of the Corporation. All of the written resolutions were passed with no Governors voting against.

It was noted that, prior to approval, additional information was requested regarding resolution 4 Contracting out of Adult Education Services. (AEB) (Agenda Item ECC/18/02/25B) and this was circulated by email to the corporation in this the Senior Team advised that:

The paper outlines that if we don't use the subcontract then overall income will fall. This will mean that the college will not be able to meet its allocation and will miss it by in excess of 250k.

This is likely to result in:

- A) Bank covenants being broken on loans worse than currently predicted.
- B) AEB allocation will be permanently reduced by ESFA.
- C) Loss of confidence in the College by the TU and bank.

There might be risk based to success which is very much worth considering but mitigation for that is built into the contract. Ironically by subcontracting it's likely to perform at a higher rate than current adult performance at ECC.

The College will work with a single well established training provider with a good quality track record and will pay the provider 80% of the funding. The success rate will not be below 90%.

We have capped delivery within the region which opens up greater employer contacts for the college.

This is the best mitigation as a senior team we are able to provide to the board at present.

- The Corporation resolved to note that written resolutions were passed on:**
- 1. The appointment of Michaela Kent and Judy Nichols as student governors, with effect from 27.2 18. (Agenda Item ECC/18/02/01 - As recommended by Governance, Remuneration and Search.)**
 - 2. Adopt the PID for the Energy Centre and to approve the use of a pre-payment bond for expenditure. (Agenda Item ECC/18/02/12 - As recommended by Estates Committee.)**
 - 3. To adopt HR Policies A. Redundancy Handling Policy, B. Disciplinary Policy, C. Capability Policy and D. Grievance Policy. (Agenda Item ECC/18/02/15 - As recommended by Finance and General Purposes Committee.)**
 - 4. To approve the contracting out of Adult Education Services. (Agenda Item ECC/18/02/25B)**
 - 5. To approve in principle the sale of Lound for £1.2m and the drafting of contract Heads of Terms; subject to a cost/benefit analysis of the early repayment terms. A final decision to be taken by either the subsequent Board or by the Chair and the Chair of Finance and General Purposes. (Agenda Item ECC/18/02/25C)**
 - 6. To adopt the A. Memorandum of Intent B. Confidentiality Agreement and C. Terms of Reference to be used for the merger with Lowestoft Sixth Form. (Agenda Item ECC/18/02/26 A-C)**

ECC/18/03/5 Principal's Report

The Principal presented his report of the College's half year position. This was being considered at the quarterly review meeting with the bank/TU on 15th March. Key progress has been made in the brand's perception, quality indicators were improving and improvements had been made in HR, be it from a low base. Reasonable progress was being made against the transition plans and the new leadership team was learning to work together. Concerns remained regarding the migration of systems, people understanding their new roles and responsibilities and poor recruitment. The SWOT analysis has been updated in conjunction with the wider leadership team.

SH joined the meeting.

Governors challenged how cultural integration was being managed. The Principal advised that the Strategic Leadership Group had a recent away day where people and culture was considered. The wider leadership group was meeting together on a regular basis to help build trust and management coherence. Culture is created out of other activities and these need improvement, such as systems and management information. There needs to be quick wins in these areas to speed processes up and to demonstrate improvements to the staff.

Governors challenged if the Strategic Leadership Group were visible enough. The Principal advised that this had been improved with the Deputy Principal in particular being visible around the site through walkthroughs and team meetings. The Strategic Leadership Group shouldn't be visible just when delivering bad news and time needed to be allowed to ensure visibility and approachability.

Governors challenged if the poor student recruitment was a one-off or a trend. The Principal advised that it was different for each income stream. For 16-18 year old market the College needed to reduce its curriculum offer to around 1700 students. The trend nationally for the 16-18 market was down and stayed declined. This

	<p>could result in a reduction in teaching and support staff and consideration needed to be given as to whether we re-based the College as a 20m rather than a 23m one.</p> <p>Governors challenged what difference the merger with Lowestoft Sixth Form would make to the curriculum offer. The Principal advised that it would reduce competition, secure the 16-18 year old market with around 700 students, improve progression and help meet the HE targets.</p> <p>Governors challenged what changes to the curriculum were envisaged. The Principal advised that the main changes were in consolidation of courses and provision being provided at just one campus.</p> <p>Governors challenged if the delay to the merger meant that there's a lag in the delivery of the Business Plan. The Deputy CEO advised that the delay had meant that some of the costs that had been built in for pre-merger were not expended until post-merger.</p> <p>Governors concluded that we needed to right size the college and set the budget accordingly and adapt to the opportunities that were available.</p>	
ECC/18/03/6	Turnaround	
	<p>Governors commented that the Turnaround report had been poor, with no added value for the College. The Principal advised that the TU had found the report disappointing and light. The College though was still subject to the condition subsequent of employing a turnaround consultant and discussions were ongoing with the TU on this to come to a solution that would also add value to the college. The funders required a Turnaround Consultant so that they had confidence in the finances and the actions the College was taking.</p> <p>Governors resolved to note the:</p> <ul style="list-style-type: none"> A. Final Report – Turnaround Consultant B. Programme Board Minutes Jan and C. Programme Board Minutes Feb 	
	Winning our Market	
ECC/18/03/7	Apprenticeships and minimum standards	
	<p>The Principal presented the report. The results for Great Yarmouth and Lowestoft Colleges for 2016/17 have been reported separately by ESFA and as a result they had not met minimum standards. When the data is combined the Minimum Standards are met. It is recognised that quality improvements are required and work is ongoing on this and improvements are being seen. There were ongoing concerns in recruiting assessors, particularly in construction.</p> <p>Income for apprenticeships is below budget and the forecast is being reduced. This has been seen nationally since the introduction of the levy.</p> <p>LOWES and the maritime income were also below budget and would require re-forecasting.</p> <p>Governors challenged what action the ESFA would take regarding the minimum standards. The Principal advised that at the monitoring meeting held with ESFA they had been reassured by the action we were already taking, as we are already under intervention there will be no more formal action. The risk though is that if there is not an improvement funding will be stopped.</p>	

Governors commented that levy payers were not using their funding or were using it to fund areas that wouldn't normally be seen as an apprenticeship. The Principal advised our lead finder is working with levy payers and we are developing degree apprenticeships.

Governors challenged if there were areas of apprenticeships we shouldn't be delivering. The Principal advised that we needed to consider the care sector as these were low value with low success rates.

The Principal advised that there were positive developments with the Skills Deal, to be based at the Alchemy centre, due to be announced and a proposal to use the Energy Centre for internal wind safety training.

Governors resolved to note the report.

	Student Success, Progression and wellbeing	
ECC/18/03/8	Quality Update A. OFSTED support and Challenge report	

The Principal presented the report. Curriculum planning was ongoing and improvements were being seen in the quality KPIs. Predicted achievements were being analysed and interventions made were required. The national maths and English tables that have just been published show that we have added value to our students.

Governors challenged why the adult education recruitment was under target. The Principal advised that there will a need to understand the reasons for this decline, especially given that Great Yarmouth had used all its allocation by November in 16/17. We needed to consider the product and how it was delivered. ESOL work was to be expanded at the Lowestoft campus and connections were being made with relevant church groups to promote the courses.

Governors challenged the quality of advice and guidance. The Principal advised that it was transactional in some cases and needed to be more proactive. Most schools were allowing access but there was still an issue with East Norfolk Sixth Form granting us access.

The Principal advised that the student survey results were just being analysed and a full report would be considered by Standards. A 95% return rate had been achieved.

Governors challenged how the survey was used. The Principal advised that the issues raised would be considered by student focus groups and the Student Parliament. Where issues were related to individual courses they were dealt with at course level. Action taken was fed back to students via the 'you said we did' notice boards around the college. One area of concern raised was that students didn't know about apprenticeships. An apprenticeship fair was held today with cohorts of students attending.

Governors noted the report and agreed the following actions:

- **A report on actions taken following the OFSTED support and challenge visit to March's Standards Committee.**
- **A report on the student survey to March's Standards Committee.**

SG left the meeting.

	Improving our Business	
ECC/18/03/09	ECC Management Accounts – December and January	
<p>January's accounts were circulated.</p> <p>The Deputy CEO presented the management accounts income was down and income streams were being reviewed and reforecast. The biggest risk area is 19+ classroom and apprenticeships. Payroll is under budget due to unfilled posts, non-pay is on budget and the cash position remains strong.</p> <p>January's accounts are quarter 2 for the funders and the covenants will be tested. The covenant ratio of total gross debt would not be met in this quarter and was unlikely to be met in quarter 3 or at year end. We were looking to reduce our debt through the disposals that Governors had agreed.</p> <p>Governors challenged what action the funders could take. The Deputy CEO advised that this would be discussed at the review meeting.</p> <p>Governors noted the management accounts and agreed that an update would be sent to the Corporation after the review meeting with the TU/Bank.</p>		SR/SE
ECC/18/03/10	Annual Accounts: A. Lowestoft B. Management Letter C. LOWES	
<p>The Deputy CEO presented the completed annual accounts for Lowestoft and LOWES. The Management Letter highlighted the noncompliance issues that had already been raised with the Corporation.</p> <p>The management letter had been discussed by the Audit Committee and the Audit Chair commented that the Audit Committee had significant concerns regarding the non-compliance. It was important that the College reflected to prevent issues reoccurring. The Audit Committee had therefore asked for the management letter to be reviewed, management comments added and reported to the next Audit Committee.</p> <p>The Director of Governance advised that the LOWES Board had appointed Vicky Beck as a Director, Tina Ellis as Chair and approved the annual accounts.</p> <p>Governors resolved to approve the accounts for:</p> <p>A. Lowestoft and B. LOWES.</p>		
ECC/18/03/11	Risk Register	
<p>The Deputy CEO presented the risk register which has been reviewed to remove duplication and to make the register more succinct. Work is ongoing to ensure that the highest risks to the overall college are the ones that are concentrated on. The major risks are income, tower block and merger implementation.</p> <p>An emerging area of risk was high needs funding. Suffolk County Council have cut funding rates by 25% for the next financial year. This would mean that to provide a full time course we would be making a loss. Lowestoft Sixth Form are having an analysis carried out of the effect of the funding changes and we will also have this</p>		

completed. The Principal advised that other colleges are looking at part time courses, with Ipswich moving to a 3 day one.		
ECC/18/03/12	Energy Centre Update – PID and Advanced Payment Bond (recommended by Estates 9 2 18 for adoption)	
<p>Approved by written resolution 2 agenda item 4.</p> <p>The Deputy CEO gave an update on progress. The use of the advanced payment bond is to be minimised. 2 payments have been received from the LEP, these have been received quickly and the project remained cost neutral.</p> <p>The Principal advised that the construction contract was not yet finalised as further value engineering was required to bring the project in on budget. We have a fixed sum that can't be exceeded so will re-design until the budget is met.</p>		
ECC/18/03/13	Health and Safety Termly Report (as presented to Finance & General Purposes Committee 16 01 18)	
<p>The Deputy CEO advised that there had been 1 RIDDOR reportable incident during the period and this was off a minor nature.</p> <p>Governors resolved to note the termly health and safety report.</p>		
ECC/18/03/14	People Update	
<p>The Head of People and Wellbeing presented the update. There is now one People & Wellbeing Team with HR Business Partners aligned to senior managers. The HR system is now being tested with all staff data input into it. Key ECC HR policies have been agreed and work is ongoing with the unions to agree the others. Upcoming work involved staff consultation on the nursery and Lowestoft Sixth Form merger and other possible contracting out of support services.</p> <p>Governors challenged how recruitment was to be improved. The Head of People and Wellbeing advised that there was a recruitment portal on the new HR system and that a recruitment advertising package had been implemented to improve footfall.</p> <p>Governors challenged the low response rate on the wellbeing survey. The Head of People and Wellbeing advised that the response rate was in line with previous surveys and it was hoped that if we can build on the results the response rate would improve.</p> <p>Governors commented that some of the questions on the wellbeing survey were very personal and this could be reflected in the low response rate. The Head of People and Wellbeing advised that the Wellbeing Strategy was critical to the College and that the survey was a starting point. We need to build a reputation as an employer that is great at Wellbeing as this will help with recruitment and retention.</p> <p>Governors agreed that Finance and General Purposes would receive a report on the wellbeing surveys.</p>		AW
ECC/18/03/15	HR Policies (recommended by Finance & General Purposes Committee 16 01 18 for adoption): A. Redundancy Handling Policy	

	<p>B. Disciplinary Policy</p> <p>C. Capability Policy</p> <p>D. Grievance Policy</p>	
Approved by written resolution 3 agenda item 4.		
ECC/18/03/16	Board Discussion on Strategic Progress as at quarter two	
<p>Governors commented that we were advised by the TU that we were not being ambitious enough when the Business Plan was produced.</p> <p>The curriculum plan needed to be reviewed to reflect the actual recruitment with staffing commensurate to this. If there were areas that it wasn't possible to recruit to they needed to be removed. Most importantly we needed to consider how we met the community needs.</p> <p>The Principal advised that the review meeting with the TU/Bank would tell us whether they had the appetite for us continuing to make a loss or whether they wanted us to make cuts and redundancies now.</p> <p>Governors commented that we shouldn't be considering stripping out infrastructure and employees that would be difficult to replace when the market recovered. There was a need to understand the key drivers and focus energy on these.</p> <p>Governors commented that one of the merger's drivers was to improve the quality of provision. If we get the quality right the finance will follow and we need to convince our funders to be patient.</p> <p>The Principal advised that the College had been successful in the SCIF bid to help improve the quality of our provision and we were partnering with Grimsby, a grade 1 college with a similar demographic.</p> <p>Governors commented that there were positive developments such as the Energy Skills Centre and the merger with Lowestoft Sixth Form which offered opportunities for development and progression.</p> <p>Governors concluded that we have the right vision, strategy and people to succeed and we needed to be given the time to implement them.</p>		
	Committee Reports for Information	
ECC/18/03/17	Standards 12 12 17 and 20 01 18	
ECC/18/03/18	Finance and General Purposes 16 01 18	
ECC/18/03/19	Governance Remuneration & Search 30 01 18	
ECC/18/03/20	Health and Safety Committee	
ECC/18/03/21	Union Meeting Minutes 23 11 17	
The Committee reports were noted.		
ECC/18/03/22	Review of Meeting	
<ol style="list-style-type: none"> 1. Confidential Items: Nursery 2. Risk Management: None 		

	<ol style="list-style-type: none"> 3. Health and Safety: Cladding on Tower – still struggling to get 3 robust quotes. 4. Equality and Diversity: Nursery proposals 5. Media: None 6. How did the meeting go: A good meeting 	
ECC/18/03/23	Date of Next Meeting	
	<ul style="list-style-type: none"> • 22nd May 2018 5pm • 31st July 2018 5pm 	