

East Coast College Finance and General Purposes Meeting

16th January at 5.00pm

Present:	David Hill (DH), Keith Monaghan (KM) Alan Debenham (AD), Mick Castle (MC), Jane Fermor (JF) and Saul Humphrey (SH)	
In attendance:	Wendy Stanger (Director of Governance) Simon Eaton (Deputy Chief Executive) Stella Raphael-Reeves (Deputy Principal) Ann Wall for items 1-6 (Head of People and Wellbeing)	
F/18/01/1	Apologies and membership	Action
Apologies were received from Stuart Rimmer.		
F/18/01/2	Declarations of Interest	
SH declared an interest in the Energy Centre and in the Tower cladding works. WS, SE, SRR and JF declared an interest in the pay award decision. SE declared an interest in Lowestoft Sixth Form. The Committee agreed that this didn't preclude them from full participation in the meeting.		
F/18/01/3	To approve the Minutes of the meeting of the 10 October 2017 and any other matters raised previously not otherwise included in the Agenda	
The minutes were signed as a true record.		
F/18/01/4	To review the post-meeting action log	
The action log was reviewed and noted where the item was covered on the agenda. F/17/10/07 The Deputy CE advised that compliance had improved but was still an issue and was being monitored. F/17/06/12 The Director of Governance advised that the Corporation has agreed at its last meeting that the Estates Committee should be a sub-group of the Corporation, rather than of Finance and General Purposes Committee. The Estates Committee and advisors had met to hear presentations from the contractors and Morgan Sindall had been appointed.		
F/18/01/5	HR Update	
SH joined the meeting. The Head of People and Wellbeing presented the report. The team's current primary focus was implementation of the new HR system which when launched will be a significant asset for the College as it will have fit for purpose data and access to HR data.		

Governors challenged the advisability of carrying out a formal job evaluation. The Head of People and Wellbeing advised that the unions had requested this during the merger process as one has not been carried out recently.

Governors commented that if one was to take place then a clear methodology was needed, with staff resources and the implications for staff and the college clearly set out. The Head of People and Wellbeing advised that it was likely that a package would be required to enable a job evaluation to be completed.

Governors agreed that if there were individual issues resulting from the merger, such as the technicians, that these were an operational issue to be resolved by the senior leadership team.

Governors agreed the following actions:

- 1. A clear methodology to be agreed by Finance and General Purposes and signed off by the Corporation prior to a job evaluation being agreed.**
- 2. Consideration to be given to timing for the job evaluation given the proposed merger with Lowestoft Sixth Form and the staff resources that it would require.**
- 3. Implications of a job evaluation for the organisation to be set out in the report to Finance and General Purposes.**
- 4. Implications of a job evaluation for staff to be set out clearly in the report to Finance and General Purposes.**
- 5. Implications for staff to be set out clearly in the report to Unions, noting that reductions in pay as well as an increase can be the result of a job evaluation.**

Governors challenged the cost of absence days. The Head of People and Wellbeing advised that currently she was only able to give an estimated cost based on average salary. Once the new HR system was operational an actual cost could be produced.

Governors challenged what actions were being taken to improve staff morale. The Head of People and Wellbeing advised that her remit had been increased to include a focus on staff wellbeing. A wellbeing framework from Norfolk County Council was to be utilised across the whole college. This was a free resource and would commence this term with a staff wellbeing survey. Staff engagement would be evidenced by the % returned. The appraisal process also included a section on staff wellbeing.

Governors resolved to note the report and agreed the following action:

- 1. A termly HR update to each Finance and General Purposes Committee.**
- 2. Future absence reporting to include cost of absence.**

AW

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3. Staff Wellbeing survey results to be reported to Finance and General Purposes Committee.		
F/18/01/6	HR Policies for approval: A. Redundancy Handling Policy B. Disciplinary Policy C. Capability Policy D. Grievance Policy	
<p>The Head of People and Wellbeing presented the policies which had been agreed by the Unions. All HR policies were currently being reviewed with the Unions and where the ECC ones had not yet been agreed the Lowestoft College policies applied.</p> <p>Governors challenged whether the policies were based on best practise. The Head of People and Wellbeing advised that they had taken into account the previous Great Yarmouth and Lowestoft Policies as well as advice from the regional and local unions.</p> <p>A. Redundancy Handling Policy</p> <p>Governors challenged why this did not include an agreed selection criteria. The Head of People and Wellbeing advised that union agreement couldn't be obtained for this.</p> <p>Governors challenged why there was no differential between redeployment into a substantial different role and redeployment into a substantially similar role. The Head of People and Wellbeing advised that individuals will be considered on a case by case basis and will all be subject to a trial period regardless of whether substantially different or substantially similar.</p> <p>Governors challenged the definition of establishment. The Head of People and Wellbeing advised that the establishment was East Coast College so consultation would be across both campuses and if Lowestoft Sixth Form merger went ahead across the 3 campuses. If there was a particular discreet area it could be argued that consultation was only required in that area.</p> <p>B. Disciplinary Policy</p> <p>Governors challenged if the timescales regarding warnings were standard ones. The Head of People and Wellbeing confirmed that they were.</p> <p>Governors challenged where appropriate use of social media was set out. The Head of People and Wellbeing advised that this was set out in the Staff code of conduct and in the E safety policy. The Deputy CE advised that on social media bespoke course groups were allowed but not personal contact with a student.</p> <p>Governors challenged if provision was in place to change the person carrying out the informal review. The Head of People and Wellbeing advised that if it was raised that it was not appropriate for the person to carry out the review it would be changed.</p> <p>C. Capability Policy and D. Grievance Policy</p> <p>Governors challenged if the HR team had the resources to support the process. The Head of People and Wellbeing advised that she had 3 HR Business Partners whose role included supporting this process.</p> <p>Governors commented that the forms to be used were clear.</p>		

	<p>Governors resolved to recommend to Corporation that the following policies be adopted:</p> <ul style="list-style-type: none"> A. Redundancy Handling Policy B. Disciplinary Policy C. Capability Policy D. Grievance Policy 	
<p>F/18/01/7</p>	<p>Finance Risk Register</p>	
	<p>The Deputy CE presented the risk register and advised that the register was currently being reviewed this would remove duplications of risks and review the scoring. Improvements in areas such as system integration would also be reflected.</p> <p>Governors challenged which was the major risk to the College. The Deputy CE advised that this was the achievement of the income targets set out in the Business Plan.</p> <p>Governors resolved to note the risk register and that it was currently being reviewed.</p>	
<p>F/18/01/8</p>	<p>Management Accounts October 2018</p>	
	<p>The Deputy Chief Executive presented the accounts and circulated November's accounts to the meeting. November's accounts includes separate income and expenditure lines to identify merger costs. These were identified in the CFADS business plan but were not previously included in the trading budget. Merger income has been released as expenditure is incurred.</p> <p>The Deputy Chief Executive highlighted that income had been adjusted down by £221k for work based learning. Work is still being undertaken to try to minimise this reduction as apprentices can enrol throughout the year. HE income has been adjusted down by £324k based on the confirmed funding level from the University of Suffolk. Adult education is below target and additional work is ongoing to try and ensure that the income is achieved by putting on additional courses and looking at other means of provision.</p> <p>Governors challenged what action the College had taken to address the reduction in income. The Deputy Chief Executive advised that performance monitoring had looked at budgets and at staff utilisation. Staff utilisation needs to be improved across the college and will be looked at further during curriculum planning. The Deputy Principal advised that each Curriculum manager is aware of the additional income that's required.</p> <p>Governors challenged what effect this reduction in income would have on 18/19 budget. The Deputy Chief Executive advised that the revised income levels had been built into the latest CFADs update.</p> <p>Governors challenged if the pay cost saving was an actual saving. The Deputy Chief Executive advised that some is a temporary saving due to unfilled posts. More posts have been lost than originally budgeted for. The Deputy Principal advised that we were looking at better staff utilisation through the curriculum planning process to help ensure that this saving was retained.</p> <p>Governors challenged the nursery income level. The Deputy Chief Executive advised that this was low due to Council payments not yet being received.</p> <p>Governors challenged what the TU/Banks position currently was. The Deputy Chief Executive advised that at the quarter 1 review they raised concerns but no</p>	

intervention measures. They were interested in the College reducing debt levels which is being explored in relation to Lound. The Quarter 2 review is in March.		
F/18/01/9	Annual Accounts A. Lowestoft B. LOWES	
<p>The Deputy Chief Executive presented the accounts and advised that they were not yet finalised. It was hoped that they would be finalised shortly as the External Auditors were due in again this week. The accounts had been delayed due to issues with the accounting records and change of staff that had previously been notified to Governors. The Great Yarmouth accounts had been submitted on time and published on the website.</p> <p>The Director of Governance advised that Lowestoft's unaudited figures were presented to the last Corporation who authorised the Chair to sign them if there were no material differences once audited. The LOWES accounts would need to be formally signed off by the LOWES Board once an agreement had been reached with the external auditors over the bad debt provision, these were not late as their submission date was March.</p> <p>Governors challenged what action would be taken due to the late submission of Lowestoft's accounts. The Deputy CE advised that as the College was already under financial intervention there would be no additional action.</p> <p>Governors challenged if there was any indication that the external auditors would qualify the accounts. The Deputy CE advised that they would not be qualifying the accounts.</p> <p>Governors challenged if there was a risk of an additional fee from the external auditors due to the additional work required. The Deputy CE advised that some additional work was being charged but this was not a material increase.</p> <p>Governors resolved to note the accounts and the accounting issues that had caused their delay.</p>		
F/18/01/10	Health and Safety Update	
<p>The Deputy CE presented the term 1's report. There was one Riddor reportable incident of a minor nature. The issue raised regarding the radios was due to the building layout rather than the radios and staff generally also had mobiles with them.</p> <p>Governors challenged if all the health and safety requirements had now been carried out on the Tower and whether funding was available to replace the cladding. The Deputy CE advised that the work required by the fire service had mainly been completed. Funding may be available for the tower we firstly need to submit 3 robust quotes to see if we are eligible, the cost is in the region of £1 million.</p> <p>The fire risk assessments carried out on other College buildings had only identified minor issues with signing.</p> <p>Governors resolved to note the report.</p>		

F/18/01/11	Apprenticeship update – financial effect	
<p>The Deputy CE presented the report, modelling of the financial position was more complicated since the introduction of the levy with 6 funding lines instead of the previous 2. The model shows the full year position with monthly profile. Apprentices can enrol throughout the year. A new post of Director of Business Development and Communications has been introduced with the strategic remit of ‘winning our market’ which includes responsibility for apprenticeships.</p> <p>Governors challenged what effect the levy had, had on the College. The Deputy CE advised that there had been a decrease in apprenticeship sign-ups which was the same nationally. There had also been an effect on cash flow as payments had been delayed while the new claim forms were processed. The college is looking at speeding the apprentice sign up and ensuring that they are finalised in a timely manner as these attract a payment. The Deputy Principal advised that the standards had been slow in being published and recruitment wasn’t possible until these were in place.</p> <p>Governors challenged if there was any indication that the Government was looking to revise the Levy rules. The Deputy CE advised that there was not.</p> <p>Governors commented that this was an area that the College needed to grow to above that included in the business plan. The Deputy CE advised that he was optimistic that growth could be achieved.</p> <p>Governors challenged what % the University of Suffolk received. The Deputy CE advised this was 20% and that the University was not needed for level 4 apprenticeships.</p> <p>Governors resolved to note the report and agreed the following action:</p> <ul style="list-style-type: none"> • To review the apprenticeship income at each meeting. 		SE
F/18/01/12	GDPR Action Plan Update	
<p>The Deputy CE presented the report which included a broad action plan. A meeting had been held with an external provider regarding the DPO role and audit of compliance, this though had proved to be unaffordable. The IT Manager was currently carrying out audits to assess current compliance.</p> <p>Governors challenged if we would be compliant by GDPR’s introduction? The Deputy CE advised that we are on track to be compliant. There was a need to ensure that all policies and procedures were GDPR compliant and that staff were aware of its obligations.</p> <p>Governors challenged if it was possible to share a DPO and it was agreed that this would be looked into.</p> <p>Governors resolved to note the report and agreed the following action:</p> <ul style="list-style-type: none"> • College to investigate sharing of a DPO with local colleges and schools. • Action plan to be reviewed at next meeting. 		SE

F/18/01/13	ESFA: (Referred from Corporation) <ul style="list-style-type: none"> • Letter from Peter Lauener • Finance Dashboard 	
<p>Governors considered the reports and made the following assessments against the questions raised:</p> <p><i>Does the board of governors have the skills, experience and knowledge to provide both support and challenge to the senior team?</i></p> <p>A skills audit was carried out on the Governors appointed from the 2 merged colleges and updated for the subsequent new appointments. This showed that we had a good range of skills and experience to challenge the senior team on business planning and financial management.</p> <p><i>Is there sufficient realism in assumptions and forecasts when developing financial plans and setting budgets, and are these reassessed regularly?</i></p> <p>The Business Plan was reviewed throughout the merger process to ensure that it was realistic. The budget was set based on the business plan and forecasts are reviewed within the management accounts which are reviewed both by the Corporation and the Finance and General Purposes Committee.</p> <p><i>Are suitable management accounts being produced on a timely basis?</i></p> <p>The management accounts are produced regularly, reviewed by Corporation and the Finance and General Purposes Committee. Between meetings they are reviewed by the Chair and Chair of Finance and General Purposes Committee.</p> <p><i>Are adequate underlying records being maintained to demonstrate the regularity and propriety of spending decisions?</i></p> <p>Expenditure is based on the financial regulations and budget.</p> <p><i>Do you have effective internal controls, which ensure that spending is kept in check?</i></p> <p>Internal Controls have been tightened since the Federation and compliance is being monitored. An Internal Audit service has been retained for ECC.</p> <p><i>Is cash flow forecasting and monitoring operating effectively, and on a rolling basis?</i></p> <p>Cash flow reporting is included within the management accounts.</p> <p><i>Are loan commitments being monitored thoroughly, for example to avoid breaches of covenants?</i></p> <p>Covenants are being monitored in the quarterly reviews. An area of risk raised was the level of debt so the Corporation has agreed to look at reducing this debt.</p> <p><i>Are the risks of entering into commercial activities being carefully assessed?</i></p> <p>Risks are assessed through the risk register and highlighted on the Governance front sheet for each report. The risk register is reviewed by each committee.</p>		

<p>Governors considered the ESFA dashboard which showed we would be assessed as 'good' by 18/19. The Deputy advised that this was based on the CFADs model.</p> <p>Governors challenged if there was anything in the management accounts which would effect this predicted grade. The Deputy CE advised that the grade should still be achieved and when quarter 1 was modelled we were still achieving good by 18/19.</p>		
F/18/01/14	Agenda Planning	
<p>Standing items:</p> <p>Risk Register</p> <p>HR Update</p> <p>Apprenticeship income</p>		
F/18/01/15	Review of Meeting	
<ol style="list-style-type: none"> 1. Confidential Items: On the confidential agenda 2. Risk Management: Risk register to be reviewed 3. Health and Safety: Application for funding re the tower 4. Equality and Diversity: none 5. Media: none 6. How did the meeting go: Governance report format was clearer. Good meeting with relevant question and challenges. <p>Meeting closed</p>		
	Date of Next Meeting	
24 th April 5pm		