

East Coast College Finance and General Purposes Meeting

24th April at 5.00pm

Present:	David Hill (DH) Mick Castle (MC) Jane Fermor (JF) Stuart Rimmer (CEO/Principal)	
In attendance:	Wendy Stanger (Director of Governance) Simon Eaton (Deputy Chief Executive Vicky Beck (Director of Business Development and Communications) and Ann Wall for item 5 (Head of People and Wellbeing)	
F/18/04/1	Apologies and membership	Action
	Apologies were received from Alan Debenham (AD) and Saul Humphrey (SH).	
F/18/04/2	Declarations of Interest	
	SE declared an interest in Lowestoft Sixth Form College. The Committee agreed that this didn't preclude him from full participation in the meeting.	
F/18/04/3	To approve the Minutes of the meeting of the 16 January 2018 and any other matters raised previously not otherwise included in the Agenda	
	The minutes were signed as a true record.	
F/18/04/4	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 CEO advised that compliance would be added to the revised management accounts format. F/18/01/18 The Principal advised that a new turnaround appointment had been made. This was for up to 4 days per month for a period of 6 months. A consultant had also been appointed to provide support with CFADS.	
F/18/04/5	HR Update	
	The Head of People and Wellbeing presented the report. She advised that the next HR update would include the cost of absence. The HR system had now been launched which meant that staff data was now all held in one place and management information would be able to be produced. Governors challenged whether the HR system was directly linked to the payroll one. The Deputy CEO advised that the payroll module had not been purchased as the College's payroll had been outsourced. The HR system would be used to inform the payroll.	

A. Wellbeing Survey and Charter

The Head of People and Wellbeing advised that a 30% response rate had been achieved which the Committee agreed was disappointing. The data was reviewed in conjunction with Thriving Workplaces and a charter produced. Progress against actions would be reviewed in December.

Staff Wellbeing was being aligned to the Student Wellbeing and the College's aim was to be known as an employer that promotes wellbeing.

B. Gender Pay Gap

The Head of People and Wellbeing advised that the analysis was based on Lowestoft College only as at March 17. The gap is exacerbated at ECC by the predominance of females in lower paid roles, namely, the Nurseries, cleaning, catering and Co-educator roles.

Governors commented that the gender pay gap was not a meaningful measure and wasn't an analysis of equal pay for equal work, action being taken by the College was noted.

C. Staff Voice

The Principal advised that concerns have been raised by staff and the Unions. Meetings have been held with union representatives and staff to consider the issues raised and the Chair of the Corporation is to meet the Unions to discuss the issues. The issues raised are not unreasonable and the strategic issues are staff morale, staff turnover and the knock on effect these have on the quality of delivery.

An action plan detailing these issues was considered. This was split by the strategic reference, area of activity/risk and specific issue.

Governors challenged if a pay rise would help staff morale, as if they are feeling unappreciated receiving no pay award would compound this. The Director of Governance advised that Corporation had agreed that no pay award would be made for 17/18 and that 18/19 would be considered through the budget process.

The Principal advised that it was important that quick wins for front line staff were achieved to help make their roles easier.

Governors commented that it was important that these serious concerns were addressed and action needed to be taken to improve the situation.

D. Staff Code of Conduct

E. Bullying and Harassment Policy

F. Whistleblowing Policy

	<p>Governors resolved to adopt the Staff Code of Conduct, Bullying and Harassment Policy and Whistleblowing Policy subject to minor editorial changes.</p> <p>Governors agreed the following actions:</p> <ul style="list-style-type: none"> • Wellbeing Action Plan to June’s meeting. • HR Update at June’s meeting to include cost of absence. • Staff Voice action plan to include actions and progress at June’s meeting. 	<p>AW</p> <p>AW</p> <p>AW</p>
F/18/04/6	Commercial Income Strategy	
	<p>The Director of Business Development and Communications presented the report.</p> <p>Governors challenged if there had been any progress with Tier 4. The Principal advised that there hadn’t been and that it was unlikely to be reinstated until the College achieved a good Ofsted rating. Ofsted were likely to visit in Autumn 18. The Director of Governance advised that the College would also need to register with the Office for Students for Tier 4 provision.</p> <p>Governors challenged if the commercial income was making a material contribution to the College. The Principal advised that the Strategy predicted it to be under the 50% contribution rate required by the TU. Any courses with a contribution rate under 50% had to be reported to the TU.</p> <p>The Deputy CEO advised that the commercial income is an area that could be grown as there are no restrictions and that it was a unique selling point for the college. It did though use a high amount of capital resources. The Director of Business Development and Communications advised that cohorts were small and had fallen, with the overhead remaining the same and the cost basis therefore needed to be reviewed. Due to the loss of Tier 4 the price of the course had, had to be reduced.</p> <p>The Principal advised that the income noted for the Energy Centre was not consistent with the NALEP bid and that this needed to be adjusted.</p> <p>Governors agreed the following actions:</p> <ul style="list-style-type: none"> • Commercial income targets to be updated to reflect the NALEG bid. • That the pricing structure and overall cost basis be reviewed within curriculum planning. • That the Commercial Income Strategy be revised and presented to June’s committee. 	<p>VB</p> <p>VB</p> <p>VB</p>

F/18/04/7	Finance Risk Register	
<p>The Deputy CE presented the risk register which had been fully updated since the last meeting. The key risks were income and tower cladding these impacted on the risk reference F&B01 that the business plan was not financially sustainable or sufficiently robust.</p> <p>The Principal commented that robust MIS data, CFADS and Curriculum Plan were required and these were not yet in place.</p> <p>Governors challenged that if income was reducing cost savings would be required. The Deputy CEO advised that non-pay expenditure had been cut. The Allocations for 18/19 had just been received and these were relatively positive and had not been reduced as much as expected. Income would be reviewed through the budget process.</p>		
F/18/04/8	Management Accounts February 2018	
<p>The Deputy Chief Executive presented the accounts for February, March accounts were just being finalised. During the period income was marginally above budget and pay and non-pay under budget. The pay year to date variance is continuing to decline as vacancies are filled. As part of the Quarter 2 review the non-pay budget had been cut for those areas that had overestimated their curriculum plan in terms of numbers and income. As reflected in the risk register there are concerns about achieving the income targets.</p> <p>Governors challenged what action could be taken to increase income. The Deputy CEO advised that as we were in the last term these was a limit to what could be achieved. Costs were being controlled and posts were not being directly replaced.</p> <p>Governors challenged if the full year deficit was likely to increase and what the implications to the funders was of this. The Deputy CEO advised that year end deficit was likely to double. The funders were monitoring our performance through the covenants and due to merger costs being treated as exceptional costs it was predicted that the covenants would not be breached. Quarter 3 performance would be reported to Corporation in May.</p> <p>The Deputy Chief Executive advised that there was a need to reforecast grants and contracts as commercial income was down. The position on work based learning had been improved due to the release of legacy funding from pre-merger that previously the ESFA had not been able to transfer to ECC.</p> <p>Governors agreed the following actions:</p> <ul style="list-style-type: none"> • March’s Management Accounts to be circulated to the Committee. • Merger costs to be updated for each Committee. • Re-forecasted income figures to be considered at June’s Committee. 		<p style="color: red;">SE/WS</p> <p style="color: red;">SE</p> <p style="color: red;">SE</p>

F/18/04/9	Budget 18/19	
<p>The Deputy CEO presented the draft budget. The College uses a 3 stage curriculum planning process and stage 2 had just been completed. The budget figures were those submitted to the TU at quarter 2. The curriculum plan is showing that this income will not be achieved.</p> <p>Governors challenged what action was required. The Deputy CEO advised that there needed to be a further reduction in costs if the income was not increased and this would be looked at within round 3 of the curriculum planning process. There needs to be realistic planning as there is currently too many adults in the plan and this recruitment will not be achieved making the groups unviable.</p> <p>Governors challenged if the reduction in numbers was a national pattern. The Principal advised that is was for adults and apprenticeships. Market share for 16-18 year olds was being taken locally by Lowestoft Sixth Form College and East Norfolk Sixth Form. The Director of Business Development and Communications advised that market share in apprenticeships had also been lost to private providers.</p> <p>Governors commented that there was a need to 'right size' the College. The Principal advised that the College needed to adhere to strict KPIs set by the Bank and the TU and these should be used as a starting point.</p> <p>The Director of Governance raised that the Standards Committee has asked that the Committee review HE income in light of the current review of HE fees. It needed to be modelled as any reduction in fee levels could have a detrimental effect on the business plan. The Deputy CEO advised that a reduction in HE fees would make some of the courses unviable.</p> <p>Governors discussed whether an additional committee meet was required to consider the budget in detail as the next meeting was not scheduled until 26 June.</p> <p>Governors agreed the following actions:</p> <ul style="list-style-type: none"> • Budget to be based on an affordable curriculum plan. • Contribution rates to be considered within budgeting and explanation included where the TU's 50% target not met. • Sensitivity analysis to be carried out on the budget. • If significant variations to that presented the Finance and General Purposes Committee Chair to be kept informed. • An additional meeting be held if required. 		<p>SE</p> <p>SE</p> <p>SE</p> <p>SE/WS</p> <p>SE/WS</p>
F/18/04/10	GDPR Action Plan Update	
<p>The Deputy CEO presented the report. Since the last update a DPO had been appointed, an action plan produced, firewall standardised across both sites, USB sticks were being encrypted and laptops that could not be encrypted were no longer allowed off site. The College was confident of being compliant by the introduction of GDPR.</p> <p>Governors resolved the note the report and the progress made.</p>		
F/18/04/11	Review of Meeting	
<ol style="list-style-type: none"> 1. Confidential Items: On the confidential agenda and Budget figures. 2. Risk Management: Covered in review. 		