

## East Coast College Finance and General Purposes Meeting

27<sup>th</sup> June at 5.00pm

Present:	David Hill (DH) Mick Castle (MC) Jane Fermor (JF) Alan Debenham (AD) Stuart Rimmer (CEO/Principal)	
In attendance:	Wendy Stanger (Director of Governance) Simon Eaton (Deputy Chief Executive) Vicky Beck (Director of Business Development and Communications)	
<b>F/18/06/1</b>	<b>Apologies and membership</b>	<b>Action</b>
Apologies were received from Saul Humphrey (SH).		
<b>F/18/06/2</b>	<b>Declarations of Interest</b>	
SE declared an interest in Lowestoft Sixth Form College. The Committee agreed that this didn't preclude him from full participation in the meeting.		
<b>F/18/06/3</b>	<b>To approve the Minutes of the meeting of the 24<sup>th</sup> April 2018 and any other matters raised previously not otherwise included in the Agenda</b>	
The minutes were agreed as a true record.		
<b>F/18/06/4</b>	<b>To review the post-meeting action log</b>	
The action log was reviewed and noted where the item was covered on the agenda. It was clarified that action 17/10/7 referred to staff non-compliance with financial processes.		
<b>F/18/06/5</b>	<b>Commercial Income Strategy</b>	
<p>The Director of Business Development and Communications presented the report. This had been updated since the last meeting to incorporate current financial forecasts and planned implementation of business development projects, such as the Energy Centre. Apprenticeship income was not included as this would be detailed in the Apprenticeship Strategy. Income levels had been adjusted down and reflected the loss of Tier 4.</p> <p>The Principal advised that the contribution rate was lower than he would expect. There was a real risk that if maritime recruitment fell further that it would not be viable and diversification was therefore required.</p> <p>Governors challenged if there was a risk to the College of not having its own student accommodation. The Director of Business Development and Communications advised that as the students were only attending for set periods of time accommodation was more difficult to secure and there was also a need for student accommodation to attract students from further afield to our HE provision. The Principal advised that the Eastern IOT including a bid for student</p>		

	<p>accommodation at the Lowestoft Campus, but this would only be possible if grant funded.</p> <p><b>Governors resolved to recommend to Corporation that the Commercial Strategy be adopted.</b></p>	
<p><b>F/18/06/6</b></p>	<p><b>Apprenticeship Strategy</b></p>	
	<p>The Director of Business Development and Communications gave a verbal update on the Strategy. There had been concern that the budget target would not be met and as Governors are aware income had been adjusted downwards. Income had now increased and it was now predicted that we would only just be under the original budget. Apprenticeship provision had also achieved a good at Ofsted.</p> <p>Governors challenged how this income increase had been achieved. The Deputy Chief Executive advised that some was due to Great Yarmouth pre-merger legacy apprentices whose income was not being paid to ECC at the start of the new College. This issue has now been resolved. There had also been in year growth and better achievement rates.</p> <p>The Principal advised that we have seen genuine growth helped by Golley Slater, our lead finder and Levy Payers have started to engage with the College.</p> <p>The Director of Business Development and Communications advised that a consultant had recently reviewed the apprenticeship provision and the recommendations would be taken into account when drafting the strategy.</p> <p><b>The Committee agreed the following action:</b></p> <ul style="list-style-type: none"> <li>• <b>Principal to pass the committees thanks and congratulations to the Apprenticeship team.</b></li> </ul>	
<p><b>F/18/06/7</b></p>	<p><b>Finance Risk Register</b></p>	
	<p>The Deputy CE presented the risk register. New risks have been added in relation to subcontracting and GDPR.</p> <p>Governors commented that it was a comprehensive register with the highest risks being that which the Governors were aware of.</p>	
<p><b>F/18/06/8</b></p>	<p><b>Management Accounts April and May 2018</b></p>	
	<p>The Deputy Chief Executive tabled Mays Management accounts. May's accounts have excluded the merger income and costs and detailed them in the narrative. During the period income was below budget and payroll and non-pay were below budget resulting in an overall operating surplus of £170k for the month which is similar to the previous two months.</p> <p>Governors challenged how the non-pay savings had been achieved. The Deputy CEO advised that this was due to all departments reducing their expenditure when requested. This has been mitigated by allowing access to the Learner Support Fund for items normally funded by departmental budgets and additional capital funding for the 18/19.</p> <p>Governors challenged if payroll would be affected by late claims for sessional staff. The Deputy CEO advised that there were now better processes in place and staff are aware of the need to make a timely claim and he was not expecting a material amount of late claims.</p>	

<p>Governor challenged that as there were savings on pay costs whether there was scope for a pay rise or other tangible reward. The Director of Governance reminded Governors that Corporation agreed that a pay rise would be considered as part of the budgetary process and in the Autumn when actual recruitment was known. The Principal advised that the establishment review at agenda item 14 had utilised the savings to reduce redundancies and if a pay rise was included in the budget this would increase the predicted deficit.</p> <p>Governors commented that as there was a reduction in student recruitment and resultant reduction in income there was a need to right size the college within the budgetary process.</p>		
<b>F/18/06/9</b>	<b>Budget 18/19</b>	
<p>The Deputy Chief Executive tabled the headline draft budget figures which included a comparison with the CFADS model. The budget process had been delayed by Ofsted and only 1 meeting was now being held with each budget holder. The income figures will require some adjustments down from this draft as the curriculum plans were not realistic and it doesn't reflect the establishment review.</p> <p>The committee agreed that the following areas needed consideration within the budgetary process:</p> <ul style="list-style-type: none"> <li>• Pay rise – make provision if affordable for decision later in financial year.</li> <li>• Contribution rates – include a justification for provision where low contribution rate.</li> <li>• Covenants – the budget needs to be set to ensure none are breached.</li> <li>• Income needs to be set at a realistic figure based on current year and recruitment.</li> <li>• Financial rating – needs to be at least satisfactory.</li> </ul> <p><b>Governors agreed the following action:</b></p> <ul style="list-style-type: none"> <li>• <b>Additional Finance and General Purposes Committee Monday 9<sup>th</sup> July 5pm to consider budget only.</b></li> <li>• <b>Budget to be set to ensure all covenants met.</b></li> <li>• <b>Budget to include financial rating.</b></li> <li>• <b>Budget to include sensitivity analysis.</b></li> </ul>		
<b>F/18/06/10</b>	<b>GDPR Action Plan Update</b>	
<p>The Deputy Chief Executive presented the update and the proposed policies and procedures.</p> <p><b>Governors agreed the following actions:</b></p> <ul style="list-style-type: none"> <li>• <b>the Chair should be informed of notifiable data breaches</b></li> <li>• <b>Finance and General Purposes Committee to receive an annual report on data breaches and</b></li> <li>• <b>The strapline on College emails to include reference to the privacy notices and data protection.</b></li> </ul>		

<b>Governors resolved to note the progress made and to adopt the policies:</b>		
<ul style="list-style-type: none"> <li>• <b>Data Breach Notification Policy</b></li> <li>• <b>Date Breach Notification Procedure</b></li> <li>• <b>Data Protection Policy</b></li> <li>• <b>Rights of Individuals Policy Rights of Individual Procedure.</b></li> </ul>		
<b>F/18/06/11</b>	<b>Review of Meeting</b>	
<ol style="list-style-type: none"> <li>1. Confidential Items: On the confidential agenda and Budget figures until approved</li> <li>2. Risk Management: Covered in review.</li> <li>3. Health and Safety: No new areas.</li> <li>4. Equality and Diversity: None</li> <li>5. Media: None</li> <li>6. How did the meeting go: Concern raised that the meeting didn't give sufficient time to its people remit and whether Governance Remuneration and Search Committee should reconsider establishing a People Committee.</li> </ol> <p>As this was the last formal F&amp;GP meeting that the Deputy Chief Executive would attend the Committee thanked him formally for his work both for Great Yarmouth, the merger and for East Coast College.</p>		
	<b>Date of Next Meeting</b>	
TBC		