

East Coast College Corporation Meeting 30 July at 5.00pm

Great Yarmouth Board Room

Present:	Mike Burrows (MB) Tina Ellis (TE) Rob Evans (RE) Roger Cracknell (RC) Alan Debenham (AD) Saul Humphrey (SH) Jane Fermor (JF) Mike Dowdall (MD) Giles Kerkham (GK) Peter Lavender (PL) Gemma Head (GH)	
In attendance:	Wendy Stanger (Director of Governance) and Urmila Rasan (Deputy Chief Executive)	
ECC/19/07/1	Apologies and membership	Action
<p>Apologies</p> <p>Apologies were received from Albert Cadmore (AC) Richard Durrant (RD) David Hill (DH) Stuart Rimmer (CEO/Principal) and Debbie Pring (DP)</p> <p>Membership</p> <p>Alan Debenham (AD) Tina Ellis (TE) Rob Evans (RE) David Hill (DH) Mike Burrows (MB) Stuart Rimmer (CEO & Principal) Saul Humphrey (SH) Albert Cadmore (AC) Debbie Pring (DP) Jane Fermor (JF) Peter Lavender (PL) Roger Cracknell (RC) Andrew Timberlake (AT) Richard Durrant (RD) Gemma Head (GH) Mike Dowdall (MC) and Giles Kerkham (GK)</p>		
The meeting commenced with a presentation by the Assistant Principal (HE and Access) on HE and its quality processes.		
ECC/19/07/2	Declarations of Interest	Action
<p>There were the following declarations of interest:</p> <ul style="list-style-type: none"> • Mike Burrows and Tina Ellis as Directors of LOWES and Wendy Stanger as Company Secretary to LOWES • Mike Dowdall as an employee of the LEP <p>It was agreed that these declarations didn't preclude full participation in the meeting.</p>		
ECC/19/07/3	To approve the Minutes of the meeting of 21 5 19 and any other matters raised previously not otherwise included in the Agenda	
The minutes for the Corporation meeting of 21 5 19 were agreed as a true record of the meeting.		
ECC/19/07/4	Review of Rolling Action Log	
<p>The action log was reviewed.</p> <p>ECC/17/11/4 – The Deputy Chief Executive advised that there had been issues with the company that was due to lease part of the building and the lease had therefore been delayed. The construction students have started work on the civil engineering centre being developed on site.</p> <p>ECC/19/03/11 – on the agendas.</p>		

	<p>ECC/19/05/7C – The Deputy Chief Executive advised that there was to be a launch of the availability of free school meals in September and that over the summer the refectory was being refreshed to make it more attractive to students.</p> <p>The Director of Governance advised that the actions listed for the Director of Curriculum Development and Partnerships had not been completed and no update on progress had been received.</p> <p>Governors raised concerns about this area of the business and it was agreed that action needed to be taken.</p> <p>Governors agreed the following action:</p> <ul style="list-style-type: none"> • CEO to review leadership capacity and arrangements under the Winning our Market strategic pillar to ensure going forward that it is fit for purpose and effective. 	
<p>ECC/19/07/5</p>	<p>Principals Report and Review of Year</p>	
	<p>The Deputy Chief Executive presented the report.</p> <p>Governors noted the positive progress that had been made during the year.</p> <p>Governors noted that the biggest risk to the College was the strategic aim of ‘winning our market’ and expressed concern about the resources in place to achieve this.</p> <p>Governors challenged that it was concerning that the predicted outcomes for 19+ only showed a marginal increase and this was below national average. It was important that the improved outcomes that were predicted were achieved so that the College could maintain its progress.</p> <p>The Director of Governance drew the Corporations attention to the letter from the Minister of State regarding the Principals work with the AOC on the Mental Health and Wellbeing Charter. Governors noted that the Principal’s work leading the AOC’s on this area of work was impressive.</p>	
<p>ECC/19/7/5.1</p>	<p>Away Day Report and SLG Presentations</p>	
	<p>The Away Day Report and presentations were noted.</p> <p>The Deputy Chief Executive advised that the actions from the Away Day were being implemented. The Away Day had again highlighted that the biggest risk to the College was ‘winning our market.’</p>	
<p>ECC/19/7/5.2</p>	<p>OFSTED Monitoring Visit Report</p>	
	<p>Governors commented that the monitoring report had been positive and demonstrated progress made since merger with the Sixth Form. The achievements of the year had not been inconsiderable.</p> <p>Governors commented that it was pleasing that staff were able to explain to the inspector the positive changes and impact of the RED system.</p> <p>The College now needed to ensure that it was ready for a full inspection and that it learnt the lessons from the monitoring visit.</p>	

ECC/19/7/5.3	Emerging Leaders Report	
<p>The Corporation noted the report on the Emerging Leaders celebration event. Governors discussed the report and how useful it was to ensure that the Corporation was made aware of the College's positive events and celebrations that took place.</p> <p>Governors agreed the following action:</p> <ul style="list-style-type: none"> • Governors attending a College celebration or event to write a small summary report. 		
ECC/19/7/5.4	Letter from ESFA - Oversight of the proper use of public funds by college governing bodies	
<p>The Deputy Chief Executive presented the letter from the ESFA which raises issues in relation to the oversight of the proper use of public funds by college governing bodies. The letter followed an ESFA investigation report.</p> <p>Governors noted that the issues raised had been addressed during the year and signed off by the FEC report and this included the introduction of the Regularity Manual and Board Assurance Framework.</p> <p>The Director of Governance advised that the Audit Committee had considered the draft regularity audit questionnaire at its last meeting and had considered the accounts direction and audit code of practise.</p> <p>Governors challenged if an audit of governance was included in the audit programme for 19/20. The Director of Governance advised that an audit of Governance and Risk was included and the scope could be steered to take into account this guidance.</p> <p>Governors agreed the following action:</p> <ul style="list-style-type: none"> • Governance and Risk Audit scope to take account of the Letter from ESFA - Oversight of the proper use of public funds by college governing bodies. 		
ECC/19/7/5.5	ESFA Performance reporting for FE college groups and multi-site colleges	
<p>The Deputy Chief Executive presented the proposals from the ESFA that L6FC data be reported separately from the College.</p> <p>Governors raised their concern over the proposals given the work that had taken place to identify as one college with one culture.</p> <p>Governors commented that the College was not a group structure.</p> <p>The Deputy Chief Executive advised that the Q&A included in the letter set out the justifications for the proposal. It should be noted that students considering attending L6FC would want to see the sixth form's outcomes and benchmark them against similar institutions rather than the overall ECC performance. The College was marketing L6FC separately due to its strong brand and performance.</p> <p>Governors queried if the decision could be challenged. The Deputy Chief Executive advised that it was a national policy that had been set in place due to the development of group structures.</p> <p>Governors challenged if the data could be reported separately. The Deputy Chief Executive advised that the Sixth Form was set up as a 'department' and therefore could be reported separately.</p>		

Governors challenged if the proposals were a threat to the College. The Deputy Chief Executive advised that we need to ensure that all level 3 provision was of good quality and the improvements that we have been making should show a positive outcome.

Governors concluded that data reporting must not be allowed to effect the College's culture and that the College should have nothing to hide within its data.

Governors agreed the following action:

- **That a response be sent to ESFA stating that ECC is not a group but one College and asking for confirmation that all similarly placed Colleges are being required to report separately.**

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ECC/19/7/6

Governance Update

The Director of Governance presented the update. Governor walkthroughs had been timetabled into the College calendar for a week per term and Governors were requested to identify their preferred dates.

Governors challenged if the Corporation now had too many committees and whether this should be reduced. It was agreed that it was possible that some of the committees could be time limited. The Director of Governance advised that a SLG lead had been identified for each Committee.

Governors agreed the following actions

- **Additional member required for Audit Committee.**
- **Winning our Market and Growth Committee terms of reference to be reviewed at the first formal meeting of the Committee.**

Corporation resolved to the reappointment of:

- **Mike Burrows – 1 year**
- **Tina Ellis – 4 years**
- **Rob Evans – 1 year**
- **David Hill – 4 years**
- **Alan Debenham – 4 years**

Corporation resolved to the unopposed appointment of the following posts:

- **Chair – Mike Burrows**
- **Vice Chair – Tina Ellis**
- **Vice Chair – David Hill**
- **Chair of F&GP – David Hill**
- **Chair of Audit – Giles Kerkham**

And

resolved:

- **that the Committee membership for the current committees remains the same for 19/20**
- **to approve the Governance schedule for 19/20 (Appendix 1)**

	<ul style="list-style-type: none"> • that a Committee called Winning our Market and Growth Committee be set up with the terms of reference as set out at Appendix 2 • that the Winning our Market and Growth Committee be chaired by Roger Cracknell with a membership of Saul Humphrey, Jane Fermor, Mike Dowdall and Stuart Rimmer and that a search takes place for 2 associate governors one with a business development background and one with a marketing background • that the Winning our Market and Growth Committee schedule for meetings for 19/20 are agreed as 10th September, 26th November, 4th February and 5th May 	
ECC/19/7/6.1	Governance Update - LOWES name change and adoption of articles	
	<p>The Director of Governance presented the update in relation to the proposed name change and new articles. These had been considered by the LOWES Board and had been recommended to the College, the sole shareholder, for adoption and a written member's resolution to effect the changes was included in the papers.</p> <p>Governors resolved:</p> <ul style="list-style-type: none"> • that the new articles of association be approved • that the articles of association of the Company be amended by deleting all of the provisions of the Company's memorandum of association which, by virtue of section 28 of the Companies Act 2006, are to be treated as provisions of the Company's articles of association; and the Company adopt new articles of association in the form of the draft approved by the meeting, so as to bring the governance of the Company up to date • that the name of the Company be changed to East Coast Energy Training Academy Limited, in order to bring the name up to date and rebrand the Company; and that the written member's resolution to effect the change was considered and approved, and the Chair authorised to sign. 	
ECC/19/7/7	Management Accounts - May	
	<p>The Deputy Chief Executive presented the management accounts for May, June's are in the process of being finalised. May's accounts had considered the outturn for the year. She highlighted that the apprenticeship income was reliant on the achievements and that Commercial income was not going to meet its reduced target.</p> <p>Governors challenged if the budgets were tightly controlled. The Deputy Chief Executive advised that manager's budget management had improved, orders could not be raised if the budget was overspent and staff vacancies had to be approved pre-advert.</p> <p>Governors challenged reasons for the payroll underspend. The Deputy Chief Executive advised that this was due to staff turnover and the carrying of vacancies where they could not be filled. The Director of Governance advised that the People Committee had asked for a rag rated list of vacancies and their strategic implications to be provided to the Committee.</p>	

	<p>Governors challenged if the College's cash position was healthy. The Deputy Chief Executive advised that the College was in a healthy position at the end of June. The cash held would reduce with the capital spending in July.</p>	
ECC/19/7/8	3 Year Financial Forecast and Budget	
	<p>The Deputy Chief Executive presented the 3 Year Financial Forecast and Budget. This was set to achieve a good financial health rating. Growth had been built into the forecast to fund the proposed pay increase in year's 2 and 3. The full year effect of the pay rise paid in January 19 would be felt in 19/20 with no increase in income.</p> <p>The People Committee Chair advised that the People Committee were of the view that to be a good employer the College needed to award a pay increase, it was up to the Finance and General Purposes Committee to ensure that this was financially affordable. The Deputy Chief Executive advised that the affordability of the pay award needed to be sustainable and therefore needed to be based on growth rather than savings.</p> <p>Governors challenged if the budget process had been robust. The Deputy Chief Executive advised that the curriculum plans had fed into the budget and that these had all been challenged in budget meetings to ensure that the forecasts were robust. All departments were challenged to optimise income, find efficiencies and to improve their contribution rate.</p> <p>Governors challenged what the minimum cash days was. The Deputy Chief Executive advised that the minimum was 30 days. The lowest cash days we were forecasting was 36 days.</p> <p>Governors raised concerns about commercial income given this year's performance. The Deputy Chief Executive advised that the commercial income will benefit from the Energy Skills Centre. The Director of Governance advised that Finance and General Purposes Committee had asked the Deputy Chief Executive to review the commercial income forecasts to ensure that they were robust.</p> <p>Governors challenged if costs could be cut if income wasn't achieved. The Deputy Chief Executive advised that some costs were fixed so a reduction in income would result in reduced margins.</p> <p>Governors noted that the college was affected by 16-18 demographics but that the College needed to increase its market share. It was hoped that the new Winning our Market and Growth Committee would assist in manging this. The Deputy Chief Executive advised that if 16-18 numbers increased additional teaching hours may be required without any additional funding.</p> <p>Governors challenged if the high needs provision was affordable. The Deputy Chief Executive advised that Suffolk had moved to banded funding and Norfolk were considering moving to banding too. If this happens reductions in hours will be required because the College cannot afford to subsidise.</p> <p>Governors challenged if there had been any that the comprehensive review would give a rate rise to FE. The Deputy Chief Executive advised that there was no indication of a rise, if there was a change the 3 year forecast would be reviewed.</p> <p>Governors challenged if the pension increase funding was to be long-term. The Deputy Chief Executive advised that this had only been confirmed for 1 year with additional funding to be announced in the comprehensive spending review. The 3 year financial forecast was based on it being funded. The Director of Governance advised that if the pension increase was not funded it would affect the solvency of all colleges.</p>	

<p>Governors noted that the budget for 19/20 was very tight and would require careful managing with all areas meeting their income targets. It was important that the required EBITDA was achieved so that cash was generated for investment</p> <p>Corporation resolved to:</p> <ul style="list-style-type: none"> • Approve the budget, 3 year financial forecast and commentary; with the understanding that the pay award in year's 2 and 3 will only be made if affordable. 		
ECC/19/7/8.1	Bank Covenant	
<p>The Deputy Chief Executive advised the Corporation on her covenant discussions with the bank.</p> <p>Governors challenged if the 3 year financial forecast had been shared with the Bank. The Deputy Chief Executive advised that the forecast had been shared with the bank for comment and to assist them in revising the covenant. The bank have agreed a waiver for 18/19 and the debt service covenant will be amended to take into account the accelerated CAPEX the college had planned. The covenants will be re-set formally in the Autumn term.</p>		
ECC/19/7/9	Subcontracting Update	
<p>The Deputy Chief Executive presented the report. The report gives the Corporation an overview of the Sub Contracting provision at East Coast College, the rationale and detail for each of the subcontractors and the quality assurance provided for the sub-contracting provision. It also seeks approval for the proposed methods of due diligence and risk ratings.</p> <p>The Director of Governance advised that the report had been considered by the Finance and General Purposes Committee who were recommending its approval. It was important that the Corporation were aware of the sub-contracting provision, its quality and financial outcomes.</p> <p>Governors resolved to</p> <ul style="list-style-type: none"> • Note their reassurance of current college due diligence processes and compliance with funding guidance • Approve the refreshed due diligence paperwork to be used in 19/20 • Agree the specific curriculum for subcontractors in 19/20 		
	Committee Reports	
ECC/19/7/10	Standards Committee Report	
<p>The Chair presented the Standards Committee report. He drew the Corporation's attention to the Student Wellbeing and Mental Health Strategy that the Committee had approved and was included in the Corporation's pack. During the year the Committee had benefited from presentations from Curriculum Managers and their students. This has been an exciting and worthwhile experience for the Committee and has raised areas for improvement. This will continue for 19/20.</p>		
ECC/19/7/11	Finance and General Purposes Committee Report	
<p>The Director of Governance presented the update. The Committee were concerned about the commercial income forecasts within the 3 year financial forecast and had</p>		

	asked the Deputy Chief Executive to review and also the lack of marketing for the Energy Skills Centre. Other items discussed were on the Corporation's agenda.	
ECC/19/7/11.1	ESFA Financial Rating and Finance Dashboard	
	The Corporation noted the ESFA Financial Rating and Finance Dashboard.	
	Policies for Approval	
ECC/19/7/11.2	Bursary Policy and Procedure	
ECC/19/7/11.3	Supply Chain Fees and Charges Policy 2019-20	
ECC/19/7/11.4	Fees Policy 2019 - 20	
	<p>The Director of Governance presented the policies that were recommended for approval from the Finance and General Purposes Committee. These are directed by ESFA as part of their funding rules and procedures and are reviewed annually. For 2019/20 the ESFA has not made any funding changes but has mandated that College should detail how the management fees are spent in the delivery of the sub-contracting and part of the contract. The College is therefore rolling forward the Bursary and Fees policies with no amendments other than including a reference to Work Placement bursary. Supply Chain fees and charges policy refers and mandates the contract to include management fee spend details.</p> <p>The Corporation resolved to adopt:</p> <ul style="list-style-type: none"> • The Bursary Policy and procedure • Supply Chain fees and charges policy 2019/20 and • Fees policy 2019/20 	
ECC/19/7/12	Audit Committee Report	
	The Chair presented the Audit Committee report. There had been helpful well-presented reports from the Internal and External Auditors. He recommended the RSM sector reports that the Director of Governance had added to the portal.	
ECC/19/7/12.1	Risk Register	

The Audit Chair commented that the Committee had been concerned about the variable reviews of the register by the Committees and have therefore asked that each Committee answers the following when reviewing their area's risk register (where a yes the Audit Committee would like justification for this response and where a no details of the action being put in place):

1. Has the risk register been reviewed
2. Is the Committee content that the risks are relevant and are being updated
3. Is the Committee content that the risks are being mitigated
4. Where a red risk is the Committee assured that appropriate action is being taken
5. Where does the Committee have significant concerns.

The Corporation agreed with this approach.

The Deputy Chief Executive advised that a sliding scale was to be used to grade the variance from risk appetite:

- 1 – 2 Green
- 3 – 5 Amber
- Over 5 Red.

The Director of Governance advised that an action plan for the risk mitigation was also to be introduced.

Governors discussed the Strategic Risk register. The Director of Governance advised that the mitigation was included in the tactical register and that each member of SLG was the risk owner for their area.

and the following actions agreed:

- Mitigation for S02 Income targets to include the setting up of the Winning our Market and Growth Committee, the AOC review of the Commercial Strategy and the Principal's review of the leadership capacities of the winning our market.
- S05 Capital Projects to include the risk to the College's reputation of the project's not being completed on time and the effect that this could have on future funding.

ECC/19/7/13

People Committee Report

The People Committee Chair presented the report. The Committee had considered the risk register in detail and had asked for a report on the strategic effect of vacancies on the College and its staff. They had also discussed the pay review and the Unions response to the proposals, the Culture Web and the staff survey. It was hoped to improve the staff survey completion rates and various strategies had been put in place to achieve this. Performance management had improved over the year and the Committee would be considering succession planning at its next meeting.

ECC/19/7/14

Winning our Market and Growth Report – Informal Meeting

The Chair gave an update on the informal meeting that had been held. It was evident from the reports considered that the Committee was needed and significant improvements required to achieve the strategic aim of winning our market. The report from the Marketing Manager had been brutal and honest and there was concern that there was insufficient resources to achieve the improvements and

changes required. The Committee were concerned about the Winning our Market leadership capacities and has asked the Principal to review to ensure that it was robust and fit for purpose. The Committee at its first formal meeting would be considering recruitment, school liaison and marketing strategy.

ECC/18/5/15 Review of Meeting

1. Confidential Items – As noted on the agenda
2. Risk Management: any issues discussed which may require an additional Assessment – As noted in the minutes
3. Equality & Diversity: any issues discussed which may require an additional Impact Assessment – E&D of course recruitment
4. Health & Safety: any issues discussed which may require an additional Impact Assessment - none
5. Media: any issues discussed to inform local media – none
6. How did the meeting go – Good

UNAPPROVED