

# **East Coast College Finance and General Purposes Meeting**

**8<sup>th</sup> October 2019 at 5.00pm Lowestoft Board Room**

Present:	Mike Dowdall (MD) Alan Debenham (AD) Jane Fermor (JF) and Stuart Rimmer (Principal)	
In attendance:	Wendy Stanger (Director of Governance) Urmila Rasan (Deputy Chief Executive	
<b>F/19/10/1 Apologies and membership</b>	<b>Action</b>	
Apologies were received from Chair - David Hill (DH) it was agreed that Alan Debenham (AD) would Chair the meeting.  The Director of Governance advised that Saul Humphrey had stepped down from the Committee to join the Winning our Market Committee.		
<b>F/19/10/2 Declarations of Interest</b>		
MD declared an interest in the Energy Centre and the Offshore Wind Centre due to being an employee of the LEP. It was agreed that these declarations didn't preclude his full participation in the meeting.		
<b>F/19/10/3 To approve the Minutes of the meeting of the 23 July 2019 and any other matters raised previously not otherwise included in the Agenda</b>		
The minutes were agreed as a true record.		
<b>F/19/10/4 To review the post-meeting action log</b>		
The action log was reviewed and noted where the item was covered on the agenda.  F/18/11/5 – The Principal advised that the University of Suffolk had confirmed 35 – 40 places for the Tier 4 provision.  11/18 action referred from Audit Lease of Muga and Sentinel. The Principal confirmed that the Muga was closed and would not be used. The Deputy Chief Executive advised that the debt with Sentinel had been agreed and paid and contract was now in place on a pay as you play basis. It was agreed that this action could be closed.  F/19/07/8 – The Deputy Chief Executive advised that £45k had been received rather than the nil previously reported. This was still far short of the £140k that had been budgeted for.  F/19/07/10 – The Principal advised that the marketing of the Energy Centre had been considered by the Winning our Market Committee. There were to be various launch events including sector specific ones.		

<b>F/19/10/5</b>	<b>Finance Risk Register</b>	
	<p>The Director of Governance reminded the Committee of the questions that the Audit Committee required answering.</p> <ol style="list-style-type: none"> <li>1. Has the risk register been reviewed</li> </ol> <p>The Deputy Chief Executive advised that the register had been reviewed and the risk appetites checked. A risk register action plan covering the areas risk mitigation had been added at this review.</p> <ol style="list-style-type: none"> <li>2. Is the Committee content that the risks are relevant and are being updated</li> </ol> <p>The Committee were assured that the risk register had been reviewed and this was demonstrated by the revised register and action plan.</p> <ol style="list-style-type: none"> <li>3. Is the Committee content that the risks are being mitigated</li> </ol> <p>The Committee noted the mitigation, actions and assurance that was set out in the action plan. The Committee discussed that if additional mitigation was required this would be at a cost.</p> <ol style="list-style-type: none"> <li>4. Where a red risk is the Committee assured that appropriate action is being taken</li> </ol> <p>The Deputy Chief Executive advised that at this stage in the year the income risks were high as the income and outturn numbers had not yet been confirmed.</p> <p>Governors noted that to reduce the risk of S01T04 and S01T05 the College would have to invest far more into the estate than was currently available to them. The College's carbon footprint was discussed and how additional investment may be required in that area. The Principal commented that even with the planned capital investment the College would not meet the risk appetite set.</p> <ol style="list-style-type: none"> <li>5. Where does the Committee have significant concerns</li> </ol> <p>The Committee agreed that its main concern was still Commercial income.</p>	
<b>F/19/10/6</b>	<b>Draft Year End</b>	
	<p>The Deputy Chief Executive presented the draft year-end figures that were currently being audited. These figures included Prudent accruals which were subject to the auditor's agreement. If EBITDA of £2.1m was achieved the College would be in the financial health rating of good and therefore removed from intervention in January 2020. The Transaction Unit were positive about the quarter 4 outturn.</p> <p>Governors challenged how the EBITDA had been improved. The Deputy Chief Executive advised that it was due to the increase in cash and cash equivalents.</p> <p>Governors commented that the improved and prudent financial position had been achieved by a reduction in expenditure rather than through growth. There was now the need to grow to ensure future financial sustainability. The Deputy Chief Executive advised that there needed to be a development line within the budget to help drive growth.</p> <p>Governors challenged the underspend on the staff budget. The Principal advised that this had been affected by vacancies not being filled and the People Committee had considered a rag rated list of vacancies.</p>	

Governors challenged why the interest figure had increased. The Deputy Chief Executive advised that this was due to the TU interest not being included in the original budget, this error had now been rectified.		
<b>F/19/10/7</b>	<b>Funding Update</b>	
<p>The funding update and Lord Agnew's letter was noted.</p> <p>The Principal advised that the additional funding was positive but there was still the risk that HE rates would be reduced or a funding cap introduced following the Augar Review, Adult Education budgets could be cut to offset the increase for 16 – 18s and that the Levy pot could be capped.</p> <p>The Deputy Chief Executive advised that the 3YFF assumed that the TPS increase was funded. This wouldn't be confirmed until the spending review.</p>		
<b>F/19/10/8</b>	<b>Commercial Update including Income Forecast Review and partnership update</b>	
<b>F/19/10/8.1</b>	<b>Commercial Strategy Review</b>	
<p>The Deputy Chief Executive presented the commercial update presentation and risk register which had been considered by the East Coast Energy Training Academy's Board and the Commercial Strategy Review. The Review had been carried out independently and included meetings with all the relevant staff.</p> <p>The Committee agreed that risk S2 failure to achieve the curriculum plan should be at a higher risk given the previous failure to meet target. The Deputy Chief Executive advised that the curriculum plan had been reviewed in detail by the Assistant Principal.</p> <p>The Principal commented that the Commercial Strategy Review had been a good piece of work with clear recommendations. The challenge was to now implement them.</p> <p>Governors challenged how quickly the changes could be made given that we were already 3 months into the year. The Principal advised that action had already been taken and included the change in management, a sales team being established, curriculum plan reviewed line by line and the setting up of a commercial website with online booking</p> <p>Governors commented that it was important that the College got the basics right with a quick, easy and responsive booking system and that the commercial team needed to know their employers and their needs They challenged if the College had the people in post to achieve this. The Principal advised that the Apprenticeship and Commercial team were to be brought together by December, posts had been reviewed and a telesales post introduced to ensure that calls were answered and a revised sales process was to be put in place. All the employers on our database are to be visited to review our relationship with them and to establish their view of our quality.</p> <p>Governors commented that it was important that the College had a clear understanding of employers and stakeholders views of our offer and why they were choosing not to train with the College. The Principal advised that he was to lead a stakeholder mapping exercise. To help improve the quality of the product all Associates contracts were to be reviewed to ensure that they were providing a quality product tailored to the market.</p>		

<p>Governors challenged when the online booking system would be available. The Principal advised that this would be launched with the new commercial website in November.</p> <p>Governors commented that it was important that there was clear leadership and understanding of the markets and challenged how this was to be achieved. The Principal advised that the consultant currently acting as the Interim Director of Business Development was to be retained until Easter to assist with leadership and to help ensure that all agreed actions were implemented. A decision would then be taken regarding an appointment at an appropriate level. The turnover for Commercial was currently equivalent to <math>\frac{1}{2}</math> a Curriculum Manager role but the ambition was to grow.</p> <p>The Committee discussed how the Commercial provision was provided at other FE Colleges. The Principal advised that some Colleges fully integrated it into the curriculum areas, others established separate private training providers and some have a separate team.</p> <p>The Principal advised that outside the review the College was also looking at working in partnership for specialist provision. The College's facilities would be used on a profit share after costs basis. There was also the potential for additional international markets and this could be explored with the University of Suffolk who have agents in 5 countries that we don't currently market in.</p>	
<b>F/19/10/9</b>	<b>Estate Update</b>
<p>The Deputy Chief Executive presented the report that covered the Energy Skills Centre and the Cladding Project. The Energy Skills Centre was completed on 2nd August and a snagging list completed which has already been addressed. The 12 month defect period has now commenced.</p> <p>Governors congratulated the project team for bringing the Energy Skills Centre in on budget and on time.</p> <p>Governors discussed the cladding project and agreed that this should be tendered. It was noted that the ESFA have agreed that, subject to significant progress being made, the funding could extend beyond end March. The Principal advised that the flat roofs adjacent to the tower may require remedial work after the scaffolding required for the cladding is removed.</p> <p>Governors discussed the landscaping outside the Energy Skills Centre and agreed that the large mounds of soil should be removed so that a suitable open space could be created.</p>	
<b>F/19/10/10</b>	<b>Health and Safety Annual Report</b>
<p>The Deputy Chief Executive presented the annual report.</p> <p>Governors challenged how the lack of first aiders was being addressed. The Deputy Chief Executive advised that new volunteers were currently being trained.</p> <p>Governors commented that it was important that the online training was completed and that action should be taken against staff who failed to complete it.</p> <p>Governors queried if there was any evidence of knife crime on campus. The Principal advised that there was not. The Chief Constable had advised that the number of incidents in the local area had increased but that these were related to discrete groups.</p>	

<p>Governors challenged if improvements were required to the safety of the estate. The Principal advised that part of the capital expenditure was to be spent on site safety. This included additional Salto entry systems and barriers with swipe entry for the carparks. Work was also ongoing to control the amount of people that walk through the site and Estates staff were now working in pairs in the evening.</p> <p><b>Governors agreed the following action:</b></p> <ul style="list-style-type: none"> <li>• Smartlog compliance report to the next meeting.</li> </ul>		UR
<b>F/19/10/11</b>	<b>Annual Partnership Report</b>	
<p>The Deputy Chief Executive presented the annual partnership report. She advised that a Project Committee had been set up to manage bids and to ensure that the College has the capacity to deliver. Decisions on some bids have been delayed due to Brexit.</p> <p>The Committee noted the work that had been achieved by the current projects.</p>		
<b>F/19/10/12</b>	<b>Policy Updates - minor editing updates only</b>	
<b>F/19/10/12.1</b>	<b>Data Protection</b>	
<b>F/19/10/12.2</b>	<b>Health, Safety and Wellbeing Policy</b>	
<p>The Director of Governance advised that the policies were currently subject to annual review and had at this review only had minor editing changes from that previously agreed by the Corporation.</p> <p>Governors discussed the process for approving policies and whether annual approval was required if no changes were being made.</p>		
<p><b>The Committee resolved to approve</b></p> <ul style="list-style-type: none"> <li>• <b>Data Protection Policy – V2 July 2019</b></li> <li>• <b>Data Breach Notification Policy – V2 July 2019</b></li> <li>• <b>Data Breach Notification Procedure – V2 July 2019</b></li> <li>• <b>Rights of Individuals Policy – V2 July 2019</b></li> <li>• <b>Rights of Individuals Procedure – V2 July 2019</b></li> </ul> <p>and</p> <ul style="list-style-type: none"> <li>• <b>QD001 Health, Safety and Wellbeing Policy</b></li> </ul>		
<p><b>Governors agreed the following action:</b></p> <ul style="list-style-type: none"> <li>• <b>Process for policy review to be revised and recommendations made to GRS.</b></li> </ul>		WS
<b>F/19/10/13</b>	<b>Agenda Planning</b>	
<p>Quarter 1 review</p> <p>Draft Accounts</p> <p>Pay proposal</p>		

Cladding Catering specification, timetable and options Capital investment update Bank covenant	
<b>F/19/10/14</b>	<b>Review of Meeting</b>
	<ol style="list-style-type: none"> <li>1. Confidential Items: Year-end figures until audited. Cladding project details.</li> <li>2. Risk Management: Non-compliance with smartlog</li> <li>3. Health and Safety: Non-compliance with smartlog</li> <li>4. Equality and Diversity: Capital spend needs to be equitable settlement for departments and types of students</li> <li>5. Media: Energy Skills Centre launch</li> <li>6. How did the meeting go: Excellent meeting with good news</li> </ol>
	<b>Date of Next Meeting</b>
3/12/19	