

**East Coast College Corporation Meeting 17<sup>th</sup> December at 5.00pm  
Great Yarmouth Board Room**

<b>Present:</b>	Mike Burrows (MB) Albert Cadmore (AC) Roger Cracknell (RC) Alan Debenham (AD) Rob Evans (RE) Mike Dowdall (MD) Debbie Pring (DP) Giles Kerkham (GK) Andrew Timberlake (AT) Saul Humphrey (SH) Abby Stranks (AS) Hayden Latore (HL) Callum Fenn (CF) Stuart Rimmer (CEO/Principal)
<b>In attendance:</b>	Wendy Stanger (Director of Governance) and Urmila Rasan (Deputy Chief Executive)
<b>ECC/19/12/1 Apologies and membership</b>	
<b>Apologies</b>	
Apologies were received from Tina Ellis (TE) Jane Fermor (JF) David Hill (DH) Gemma Head (GH) Peter Lavender (PL)	
<b>Membership</b>	
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) Gemma Head (GH) Mike Dowdall (MC) Giles Kerkham (GK) and Abby Stranks (AS) Hayden Latore (HL) and Callum Fenn (CF)	
<b>ECC/19/12/2 Declarations of Interest</b>	
There were the no declarations of interest to business pertinent to the agenda.	
<b>ECC/19/12/3</b>	<b>To approve the Minutes of the meeting of 25 11 19 and any other matters raised previously not otherwise included in the Agenda</b>
The minutes for the Corporation meeting of 25 11 19 were agreed as a true record of the meeting.	
<b>ECC/19/12/4</b>	<b>Rolling Action Log</b>
<p>ECC/17/11/4 – It was noted that there was an Estates update on the confidential agenda.</p> <p>ECC/18/07/5 - The Principal advised that it was unlikely that the remaining policy would be agreed by the Unions and we would therefore continue to operate the 2 policies. It was agreed that the action could be closed.</p> <p>ECC/19/5/8 – Commercial Business Plan currently being produced.</p> <p>ECC/19/5/8 - The Principal advised that the College was shortly to hear if it had been successful for additional LEP funding for the wind centre.</p> <p>ECC/19/7/6C – Forecast to be reviewed in the new year.</p> <p>ECC/19/7/7C – Principal to meet with the University of Suffolk in the new year to discuss the draft collaboration agreement. The first maritime cohort in conjunction with the University of Suffolk was not now due to commence until March 2020.</p>	

ECC/19/07/5.3 – The Director of Governance advised that the Chair of the Standards had produced a report on the training that he had recently attended and this and the slides had been circulated to Governors.		
<b>Governor agreed the following action:</b> <ul style="list-style-type: none"> <li>• <b>Training slides questions to be used for a report to Standards.</b></li> </ul>		PP
<b>ECC/19/12/5</b>	<b>Governance Update</b>	
<p>The Director of Governance presented the report</p> <p>The Chair welcomed the new student governors to their first Corporation meeting.</p> <p><b>Corporation resolved to:</b></p> <ul style="list-style-type: none"> <li>• <b>Appoint 3 student governors Callum Fenn, Hayden Latore and Abby Stranks for an initial period up to the end of the 19/20 Academic Year.</b></li> <li>• <b>Authorise the Director of Governance to agree with the student governors their Committee memberships.</b></li> <li>• <b>Continue with the staff governor based at the Lowestoft Sixth Form College and the term of office be 4 years as from the initial appointment.</b></li> </ul>		
<b>ECC/19/12/5.1</b>	<b>Annual Remuneration Report</b>	
<p>The Director of Governance presented the annual report that was required to comply with the College's Senior Staff Remuneration Code.</p> <p>Governors commented that it was a comprehensive and easy to understand report. It would be interesting to see other College's reports so that comparison could be made. The Director of Governance advised that the AoC carried out an annual survey of remuneration and this was referred to when setting the remuneration of the senior team.</p> <p>It was agreed that a note should be added re the Director of Governance's FTE remuneration.</p> <p>Governors challenged if all Colleges had to comply with the Code. The Director of Governance advised that it was a decision for each individual college.</p> <p><b>Corporation resolved to:</b></p> <ul style="list-style-type: none"> <li>• <b>Approve the annual remuneration report and agreed its publication</b></li> </ul>		
<b>ECC/19/12/5.2</b>	<b>Governance Away Day Agenda</b>	
<p>The Director of Governance presented the proposed Governance Away Day Agenda.</p> <p>The Corporation discussed the agenda and how the carousel sessions should run. It was agreed that these would be run by the Senior Team so that all Governors could fully partake in each carousel and their roles should be that of facilitators.</p> <p>The Director of Governance advised that student consultation on the future strategy was to be carried out with Unloc and the results would be reported at the away day.</p> <p><b>Governors agreed the following action:</b></p> <ul style="list-style-type: none"> <li>• <b>Carousel sessions to be run by the appropriate Senior Team Member.</b></li> </ul>		SLG

<b>ECC/19/12/6</b>	<b>Principal's Update</b>	
<b>ECC/19/12/6.1</b>	<b>SLG Away Day Agenda and Minutes</b>	
<b>ECC/19/12/6.2</b>	<b>SLG Term 1 Report</b>	
<p>The Principal presented a video report of the first term which had been shared with all staff. He advised that the SLG Away Day Agenda and Minutes had been included for information. These minutes showed that there was a need to focus on the future strategy and to put in place a governance structure that was fit for purpose to deliver that strategy and add value to the College. As part of these discussions we would need to consider succession planning, current and future competitors, curriculum offer, and supporting strategies such as People and Estates.</p> <p>Governors commented that the video was a helpful way for both governors and staff to understand what the College had achieved in the first term. The awards received should be used to help market the College.</p> <p>The Student Governor advised that she was working with the Wellbeing Team to get the College awarded the 'Young Carer Friendly Award.'</p>		
<b>ECC/19/12/7</b>	<b>EFSA Update</b>	
<p>The Deputy Chief Executive advised that the EFSA dashboard was based on the 3YFF and demonstrated how the College performed against the sector. The ESFA assesses a college's financial health by converting a range of financial indicators into a points score and this is then converted to a grade. The Corporation previously agreed that the College should be achieving a good financial health rating and this dashboard and the finance record demonstrated that this was being achieved. The dashboard included key questions for the Corporation to consider and at the request of the F&amp;GP Committee the questions and the College's response had been included in the report.</p> <p>The Corporation noted that as the good financial health rating had been achieved the College would formally be removed from financial intervention for the first time in 5 years which was good news and demonstrated the progress made.</p> <p>The Corporation considered each section of the ESFA dashboard:</p> <ul style="list-style-type: none"> <li>• Cash Reserves – this demonstrated that the College had sufficient cash reserves to service its debts and maintain the College's solvency. The Deputy Chief Executive advised that the cash reserve would reduce due to the Corporation's decision to invest in the Estate.</li> <li>• Forecasting and income streams – this demonstrated that the College was not planning unrealistic growth and that the income was stable across the income lines with the main income being 16-18 core funding.</li> <li>• Current ratio – this demonstrated that the College had sufficient liquid assets and was performing well against the national median.</li> <li>• Borrowing – this showed that the majority of the College's debt would be paid by 2026. The higher a College' debt the more at risk it was to income fluctuations. The Principal commented that the Corporation needed to consider its attitude to debt as part of the strategic planning.</li> </ul> <p>The Corporation considered the questions set out in the dashboard:</p>		

- Does the colleges cash flow forecast give any indication that the college could be at risk of insolvency in the future? It was noted that the Corporation receives a 3 year rolling cashflow in the management accounts and the Deputy Chief Executive advised that this demonstrates that the cash days do not fall below 68 days.
- Are there any 'pinch points' in the next 12 months? The Deputy Chief Executive advised that the lowest cash balance was January – March but the College has sufficient cash to trade during this period without the use of an overdraft.
- Are creditors' payment terms still being met? The Deputy Chief Executive advised that the College had put more robust processes in place and a weekly BACs run.
- Is there any risk of breaching bank covenants? The Deputy Chief Executive advised that the covenants were still in discussion with the bank. Covenant compliance will be reported as part of the Management Accounts.
- How accurate is the college's forecasting? The Deputy Chief Executive College's advised that forecasting is good as demonstrated by the small changes between forecast and actual. The areas of concern are Commercial and Maritime which had been discussed in detail by governors and are to be re-forecast.
- Are plans affordable and consistent with the college's strategic plans and objectives? The Corporation set a financial health rating target of good and this has been achieved. The Deputy Chief Executive advised that the College has exceeded its 16-18 allocation which will result in lagged funding increase in 2020/21. The Corporation commented that the financial plan would require revising once the Strategy had been agreed.
- Are future estimates reasonable and prudent? The Corporation commented that the estimates had been based on reasonable assumptions with no major growth.
- Do the key performance indicators enable the college corporation to monitor financial performance, identify problems and take immediate action? KPIs have been set and are monitored by the Committees. Areas of concern are looked at in detail by the Committees e.g. Commercial Income.
- How reliant is the college on particular funding streams? Does this present a risk to the college? The Deputy Chief Executive advised that income streams had been considered by the WOM Committee and that the College's main income was the 16-18 core funding.
- Is the corporation assured, where there has been a reduction, costs are being reviewed and adjusted to reflect changes? The Deputy Chief Executive advised that reduction costs had been made to reflect changes in income and this was reviewed as part of the curriculum planning and performance management.

Governors challenged if any Colleges were forecasting growth. The Principal advised that this would depend on their local market. Regionally the TEN Group and Suffolk New were achieving growth through acquisition and West Suffolk had opened a new sixth form.

Governors discussed the local market and the risk of new competitors to the College's future strategy.

<b>ECC/19/12/8</b>	<b>Strategic Risk Register</b>	
<p>The Audit Committee Chair advised that the Audit Committee had asked that the Corporation receive a report of those risks on the tactical risk register that were 4 and above risk appetite. This was to highlight to the Corporation the highest tactical risks. The Audit Committee had been assured that the register reflected the financial indicators.</p> <p>Governors discussed the registers and whether they sufficiently reflected the risk of new entrants into the HE market.</p> <p>The Principal advised that performance monitoring was currently taking place and once this was complete the risk register should be reviewed to reflect the discussion.</p> <p><b>Governors agreed the following action:</b></p> <ul style="list-style-type: none"> <li>• <b>To include a risk of new entrants into the HE market.</b></li> <li>• <b>Risk register to be reviewed after performance management has been completed.</b></li> </ul>		<p><b>UR</b></p> <p><b>UR</b></p>
<b>ECC/19/12/9</b>	<b>Management Accounts Oct</b>	
<p>The Deputy Chief Executive presented the management accounts for October, November were still being finalised. October's management accounts have been reviewed by F&amp;GP and ESFA.</p> <p>Governors challenged what the main risks were. The Deputy Chief Executive advised that this was Commercial and Maritime Income. The forecast was to be reviewed to take the drop in income into account.</p> <p>The Deputy Chief Executive advised that the management accounts format was to be reviewed following feedback from the Senior Team, ESFA and Governors and would in future include more analysis.</p> <p>Governors challenged whether the apprenticeship income was achievable. The Deputy Chief Executive advised that it was based in current recruitment and a lower predicted achievement rate than previously used to give a more prudent forecast.</p>		
<b>ECC/19/12/10</b>	<b>RIME</b>	
<p>The Principal presented the annual RIME report, which was the HE equivalent of the self-assessment. The format was prescribed by the University of Suffolk and was reviewed at the RIME meeting with the Governor link for HE in attendance. It demonstrates that we are performing well.</p> <p>Governors noted that it was a very thorough report.</p> <p>Governors commented that the difference in performance across campuses and resources needed addressing.</p> <p>Governors commented that the report demonstrated that we were performing well across all areas but challenged how we could be assured that each student was achieving their potential. The Principal advised that a 5 point annual review was to be introduced to assess each student's performance against individual targets.</p> <p><b>Corporation resolved to:</b></p> <ul style="list-style-type: none"> <li>• <b>Approve the annual RIME.</b></li> </ul>		

<b>ECC/19/12/11</b>	<b>ECC Annual Accounts</b>	
<p>The Deputy Chief Executive presented the accounts. The Letter of Representation included adjusted and unadjusted errors identified during the audit.</p> <p>Governors discussed the accounting treatment of the cladding write off. The Deputy Chief Executive advised that the treatment was based on the SORP and the Casterbridge Model and a note had been added to the accounts.</p> <p><b>Corporation resolved to:</b></p> <ul style="list-style-type: none"> <li>• <b>Approve the accounts</b></li> <li>• <b>Authorise the Chair to sign on behalf of the Corporation all relevant documents and</b></li> <li>• <b>For the accounts to be published.</b></li> </ul>		
<b>ECC/19/12/11.1</b>	<b>ECETA Accounts</b>	
<p>The Deputy Chief Executive advised that ECETA had approved their accounts at their board meeting and they were included in the overall ECC accounts.</p>		
<b>ECC/19/12/12</b>	<b>Annual Accounts Management Letter</b>	
<p>The Audit Committee Chair advised that the Audit Committee had reviewed the management letter in detail with the external auditors. Subsequent to these discussion the recommendations and the management responses had been revised. The main reason for issues with the production of the annual accounts was the lack of suitably experienced staff in the finance team. This had improved with the appointment of the Head of Finance. The Audit Committee have asked for an update at their next meeting on the development of the finance team and financial processes.</p> <p>The Deputy Chief Executive advised that she took the decision not to delay the audit when the previous Head of Finance resigned as she was concerned not to miss the ESFA deadline for submission. This had caused more work for the external auditors but all reconciliations were completed just not at the start of the audit.</p> <p>Governors discussed the VAT and confirmed that they still agreed with the prudent position being taken by the College.</p> <p>Governors concluded that the processes put in place needed to be embedded and more automatic to help avoid the risk of a single point of failure.</p>		
<b>ECC/19/12/13</b>	<b>Annual Audit Committee Report</b>	
<p>The Audit Committee Chair presented the Audit Committee Annual Report. This set out the work of the committee and their annual conclusions.</p> <p>The East Coast College Audit Committees have considered</p> <ul style="list-style-type: none"> <li>• Risk Management and review of the risk register;</li> <li>• work carried out and assurances on the College's risk management, control</li> <li>• and governance processes given by the Internal Auditors and External</li> <li>• Auditors;</li> </ul>		

	<ul style="list-style-type: none"> <li>• Due Diligence Report and</li> <li>• Reports from the College's senior management.</li> </ul> <p>The Audit Committees opinion is that the adequacy and effectiveness of the assurance frameworks during 18/19 were effective.</p> <p>This was further triangulated by the feedback received from the FE Commissioner visits and the Ofsted monitoring visit.</p> <p>Governors commented that it was a detailed report that clearly set out the work of the Committee.</p>	
<b>ECC/19/12/14</b>	<b>Standards Committee Report</b>	
	<p>The Standards report was considered. The main areas of work at its November meeting had been the SAR, the governor's dashboard and the EIF.</p>	
<b>ECC/19/12/14.1</b>	<b>Annual Safeguarding Report</b>	
	<p>Governors reviewed and noted the annual safeguarding report that had previously been considered by the Standards committee.</p>	
<b>ECC/19/12/14.2</b>	<b>Partnership Strategy as Recommended by Standards</b>	
	<p>The Partnership Strategy highlights the core practices required for Subcontracting provision, using ESFA funding. The Principal advised that the Corporation was responsible for the provision even though it was delivered by the sub-contractor.</p> <p><b>The Corporation resolved to:</b></p> <ul style="list-style-type: none"> <li>• <b>Approve the Partnership Strategy.</b></li> </ul>	
<b>ECC/19/12/15</b>	<b>People Committee Report</b>	
	<p>The Chair of the People Committee advised that the December Committee had not been held and the relevant papers were therefore included within the Corporation's papers.</p>	
<b>ECC/19/12/16</b>	<b>Finance and General Purposes Committee Report</b>	
	<p>AD, who had chaired the Committee in the Chair's absence presented an update on the December's meeting. He raised concern whether the Committee given its current membership were able to give sufficient scrutiny to the financial issues. The meeting had been a long and detailed one and consideration needed to be given to agenda planning.</p> <p>The Principal advised that the majority of items on the F&amp;GP agenda were included on the Corporation's agenda as the responsibility for the solvency of the College could not be delegated. Finances were also externally scrutinised by ESFA, TU, Bank and auditors.</p> <p>The Director of Governance advised that there was currently a vacancy on the Committee. Consideration to filling this would be taken after the Strategy Day when the Governance Structure was being considered.</p>	

<b>ECC/19/12/16.1</b>	<b>Annual Health and Safety Report</b>	
<p>The Corporation considered the annual Health and Safety Report and commended the Estates Manager for covering the role of Health and Safety Officer.</p> <p>The Deputy Chief Executive advised that the new Health and Safety Officer had now commenced.</p> <p>The Governor link for Health and Safety commented that a lot of issues had been resolved and he had confidence in the actions taken.</p>		
<b>ECC/19/12/16.2</b>	<b>College financial planning handbook 2019</b>	
<p>The Deputy Chief Executive presented the handbook. She advised that the Integrated Financial Model (IFMC) replaces the Financial Plan, the Financial Record, the Cash Flow forecast, and the CFADs model. The IFMC has been introduced to enable better decision making and help facilitate the prevention of college financial distress. The first return needed to be submitted by 28 February and required board approval and it was therefore likely that an additional Corporation meeting in February would be required.</p> <p><b>Corporation resolved to:</b></p> <ul style="list-style-type: none"> <li>• <b>note the introduction of the Integrated Financial Model, the timeline, information required and that Board approval of the model is required.</b></li> </ul>		
<b>ECC/19/12/16.3</b>	<b>Pay Review - As recommended by People and F&amp;GP</b>	
<p>The Principal presented the pay review report which had been produced following consultation with the unions, SLG, F&amp;GP and People Committee. There was currently no allowance in the 3YFF for a pay increase in 19/20 and if approved this would be included in the re-forecast.</p> <p>Governors challenged if the award was affordable. The Principal advised that it was and the full year cost in 20/21 would be covered by the lagged funding and increase in the funding rate. The College had achieved financial health rating of good and the quality indicators had improved so it was right that staff were rewarded.</p> <p>Governors commented that a pay increase should be included when setting the budget and that a pay strategy should be produced for the College. It was positive that the lower paid were being awarded the higher increase.</p> <p>Governors challenged if the pay scales were transparent. The Principal advised that they were published. Each College was free to set their own scales.</p> <p>Governors discussed the system of increments and whether these should still be used. It was agreed that this should be considered as part of the overall pay strategy.</p> <p><b>Governors agreed the following action:</b></p> <ul style="list-style-type: none"> <li>• <b>Pay Strategy to be produced.</b></li> <li>• <b>Principal to notify the staff of the award on behalf of the Corporation.</b></li> </ul> <p><b>The Corporation resolved to approve:</b></p> <ol style="list-style-type: none"> <li>1. <b>A sliding scale of cost of living increases is applied at an anticipated cost of increase (£218k). A sliding scale of increases to be offered to give those at the bottom of the payscale. 2.5% to be paid to those earning under £17,500 (Band B), 2% to those earning under £19,000 (Band C) and 1% for all those earning under £34,000 (Band D-H), 0.5% to</b></li> </ol>		<p><b>AW</b></p> <p><b>SR</b></p>

	<p>those earning over £34,000 (excluding any teachers), all teachers and lecturers to receive 1.5%.</p> <ol style="list-style-type: none"> <li>2. The Variable hours lecturers' rate is increased from £20.78 to £21.40, anticipated cost of increase (£22k).</li> <li>3. Continue to offer incremental pay progression to those eligible.</li> <li>4. Align holiday entitlement for all support staff to 29 days per annum increasing to 34 days per annum after 5 years.</li> <li>5. Align holiday entitlement for all lecturing staff to 52 days per annum.</li> <li>6. Allocate £50k to improving staff space out of pre agreed capex budget.</li> <li>7. Governors to discuss the appropriateness of setting a 1.5% pay award per annum in the 3 year financial forecast.</li> </ol>	
<b>ECC/19/12/16.4</b>	<b>Policies as recommended By F&amp;GP - no material changes</b>	
	<p>The Director of Governance advised that there were no material changes to the policies.</p> <p><b>The Corporation 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> <li>• <b>Health, Safety and Wellbeing Policy</b></li> </ul>	
<b>ECC/19/12/17</b>	<b>Audit Committee Report - Verbal Update</b>	
	<p>The Audit Committee Chair presented a verbal update. There had been good progress on the management of the risk register with all committees engaging in the review of their area of the register.</p> <p>An area of concern to the Committee was the mock funding audit's outcomes as this was a risk to income. There was a need to ensure that it was continually reviewed due to the complex and ever changing regulations. An additional follow up audit had been booked to review progress made.</p>	
<b>ECC/19/12/18</b>	<b>Winning our Market Committee Report</b>	
	<p>The WOM Chair presented the Winning our Market Committee's update. He highlighted that the Committee's major concern was the reduction in Commercial income. The Committee had received an update on action being taken to address this fall.</p> <p>The Committee were to review the recruitment process to ensure that there were no barriers to recruitment.</p>	
<b>ECC/19/12/18.1</b>	<b>Winning our Market Terms of Reference</b>	
	<p>The Chair presented the revised terms of reference that were recommended from the Committee for adoption.</p>	

<b>The Corporation resolved to:</b>		
<ul style="list-style-type: none"> <li>• <b>approve the Winning our Market Committee's Terms of Reference</b></li> </ul>		
<b>ECC/19/7/10C</b>	<b>Review of Meeting</b>	
<ol style="list-style-type: none"> <li>1. Confidential Items – Accounts and pay review until published</li> <li>2. Risk Management: any issues discussed which may require an additional Assessment – New entrants into the local HE market</li> <li>3. Equality &amp; Diversity: any issues discussed which may require an additional Impact Assessment – None</li> <li>4. Health &amp; Safety: any issues discussed which may require an additional Impact Assessment – None</li> <li>5. Media: any issues discussed to inform local media – None</li> <li>6. How did the meeting go – good meeting.</li> </ol>		