

East Coast College Finance and General Purposes Meeting

17th March 2020 3pm Conference Call

Present:	Chair - David Hill (DH) Mike Dowdall (MD) Alan Debenham (AD) and Stuart Rimmer (Principal)	
In attendance:	Wendy Stanger (Director of Governance) Urmila Rasan (Deputy Chief Executive)	
F/20/03/1	Apologies and membership	Action
Apologies were received from Jane Fermor (JF) and Hayden Latore (HL)		
F/20/03/2	Declarations of Interest	
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.		
F/20/03/3	To approve the Minutes of the meeting of the 3 December 2019 and any other matters raised previously not otherwise included in the Agenda	
The minutes were agreed as a true record.		
F/20/03/4	To review the post-meeting action log	
<p>The action log was reviewed and noted where the item was covered on the agenda or would be considered as part of the strategic planning.</p> <p>F/19/04/9.2 – the Deputy Chief Executive advised that the return on investment of the Estate Strategy has not yet been completed.</p> <p>F/19/10/12 – the Director of Governance advised that the process for policy review was to be considered by GRS as part of their overall review of governance.</p> <p>F/19/12/7 – the Director of Governance advised the Standards Committee were to consider Apprenticeship provision in detail at their June meeting.</p> <p>F/19/12/8 - the Deputy Chief Executive advised that Sun were looking to provide a fix to enable automatic calculation of the creditor days.</p>		
F/20/03/5	Finance Risk Register	
<p>1. Has the risk register been reviewed</p> <p>The Committee noted that the register had been reviewed and that a separate register had been set up to manage the coronavirus. It was agreed that the register would need to be reviewed further in light of the coronavirus due to the effect on financial projections and forecasting. The risk would increase the longer that the College was closed. It would affect finances, recruitment, progression and retention and would need regular review.</p> <p>The Principal advised that there would also be a risk due to business failures and the resultant effect on apprenticeship and commercial income. There was also the</p>		

risk that the rate rise and capital fund announced in the budget would not materialise and that there would be an emergency budget in the Autumn.

The committee discussed Government assistance. The Principal advised that the AOC CEO had written to the Minister setting out the main issues that the sector needed addressing.

2. Is the Committee content that the risks are relevant and are being updated

The Committee agreed that the risks were relevant prior to the Coronavirus and were content that the Coronavirus was being managed through its own risk register.

3. Is the Committee content that the risks are being mitigated

The action log mitigation was reviewed and the action being taken was noted.

Governors raised that contractors were now including a coronavirus clause in contracts and challenged what mitigation the College was taking to minimise impact on college projects. The Principal advised that the only major contract was the cladding and discussions were ongoing with the contractor to accelerate the programme given that the main site would be closed. This would of course be subject to the contractor complying with the government coronavirus guidance.

4. Where a red risk is the Committee assured that appropriate action is being taken

The Committee agreed that the main risk was the Coronavirus and the effect on the College's business.

5. Where does the Committee have significant concerns

The significant concerns were the Coronavirus and its impact on business and income streams. The Energy Centre's income would be affected as staff wouldn't be allowed to travel unless it was for mandatory training.

The Principal advised that there was a separate risk assessment for the Energy Centre to try and ensure that the centre could remain open separate from the whole college.

F/20/03/6

Financial Information and Process.

The Deputy Chief Executive presented the management accounts for January 2020. In light of the Integrated Financial Model the format had been reviewed to include additional information on solvency, ratios and integrated cash flow.

The Committee noted that in the current financial year the position looked reasonable but forecast forward a year income was down and this was before the Coronavirus. The Deputy Chief Executive advised that the College was looking at increasing income through additional partnership work but this would now need reviewing due to the coronavirus.

The Committee noted that the financial forecasts would require review due the Coronavirus and the additional costs and loss of income that may be incurred.

The Principal commented that currently the College was an efficient business apart from its debt and this needed to be addressed. He suggested that the ESFA be approached about either reducing the level of debt or changing the debt payment period. The Committee agreed with this approach.

Governors challenged if investment could be reduced to make the balance sheet stronger. The Principal advised that due to the Coronavirus additional capital investment may be required, such as additional IT kit to support students and staff. The overall digital strategy would require reviewing to ensure that in the future we have an agile workforce. If there was a long term closure then staffing costs would reduce as staff recruitment would be slowed or stopped. The Curriculum plan would also look at efficiency savings.

The Director of Governance raised that the next version of the Integrated Financial Model was due to be submitted by end April. The Committee agreed that it should be submitted if the College was able to but that the ESFA should be approached for an extension.

The Committee agreed that the College needed to look at every avenue for financial support and flexibility to help the College to function in this crisis.

Governors challenged what had been put in place for senior management cover. The Director of Governance advised that the GRS Committee had agreed that the Deputy Chief Executive would be appointed Interim Chief Accounting Officer if the Principal was incapacitated and if she was incapacitated too an Interim appointment would have to be made by the Chair in conjunction with the senior team.

Governors agreed the following actions:

- **ESFA to be requested to revisit restructuring funds to enable the College's debt to be reduced – debt to be converted to grant or payment terms amended to allow for a longer payment period.**
- **ESFA to be requested for additional funds for IT equipment to support students.**
- **ESFA to be requested to review the date of submission for the next Integrated Financial Model.**
- **Capital funding to be accelerated if investment required due to the Coronavirus.**
- **Expenditure to be reduced or delayed where possible.**
- **Scenario planning to be carried out.**

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F/20/03/11	Agenda Planning	
Scenario planning		
F/20/03/12	Review of Meeting	
<ol style="list-style-type: none"> 1. Confidential Items: items 7-10 2. Risk Management: coronavirus 3. Health and Safety: coronavirus 4. Equality and Diversity: 		

5. Media: coronavirus	
6. How did the meeting go: difficult by audio	