

East Coast College Corporation Meeting 15th December 2020 9am Video/telephone Conference

Present:	Roger Cracknell (RC) Alan Debenham (AD) Mike Dowdall (MD) Tina Ellis (TE) Rob Evans (RE) Jane Fermor (JF) Gemma Head (GH) David Hill (DH) Peter Lavender (PL) David Blake (DB) Giles Kerkham (GK) Saul Humphrey (SH) Lucy Pryor (LP) and Stuart Rimmer (CEO/Principal)
In attendance:	Wendy Stanger (Director of Governance) Urmila Rasan (Deputy Chief Executive) Paul Padda (Deputy Principal)
ECC/20/11/1 Apologies and membership	
Apologies Apologies were received from Albert Cadmore (AC) and Debbie Pring (DP)	Action
Membership Alan Debenham (AD) Tina Ellis (TE) Rob Evans (Chair - RE) David Hill (DH) Stuart Rimmer (CEO & Principal - SR) 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) David Blake (DB) Lucy Pryor (LP) Lucy Pryor was welcomed to her first Corporation meeting.	
ECC/20/12/2	Declarations of Interest
There were the following declarations of interest: <ul style="list-style-type: none"> • Mike Dowdall as an employee of the LEP It was agreed that this declarations didn't preclude full participation in the meeting.	
ECC/20/12/3	To approve the Minutes of the meeting 24 11 20 and any other matters raised previously not otherwise included in the Agenda
The minutes for the Corporation meeting minutes of 24 11 20 were agreed as a true record of the meeting. Governors queried if the Comprehensive Spending Review had contained positive news for FE. The Principal advised that there was no general increase in funding or funding for additional Covid costs but it did include some additional capital funding for future years.	
ECC/20/12/4	Rolling Action Log
The rolling action log was reviewed and it was noted where the actions were complete or were due for completion at January's Corporation.	

ECC/20/12/5	Principal's Report	
<p>The Principal presented the update. This year had been the most difficult and isolating year. Staff and student experience had been restricted and there had been an increase in stress/anxiety. There had though not been strategic paralysis with development such as the GY HE Centre ongoing, the IOT bid submitted and the National Energy Skills Consortium established. A benefit of the covid restrictions had been that student behaviour had improved.</p> <p>Governors challenged how the issues raised in the recent staff pulse survey were to be addressed. The Principal advised that an action plan had been put in place and this would be overseen by the People Committee. The issues around systems and data were key to be addressed as these were now having a detrimental effect operationally. This had also been raised as an issue in Performance Monitoring and in Support to Improve.</p> <p>Governors challenged how the College was to reach outstanding if staff didn't have confidence in their manager's leadership capabilities or communication. The Principal advised the areas that were assessed as good provision tended to also good leaders, have good team communications and good team meetings. Where assessed as weak there was weak management and weak quality. To assist with communications the Staff Newsletter was to become more substantive with key information shared in it, an email protocol introduced, staff focus groups held and the Wider Leadership Group re-established. To assist with quality improvement how the curriculum is arranged is being reviewed and consideration given to whether there is a need for a quality team.</p> <p>Governors challenged how managers were to be developed. The Principal advised that as well as management skills technical and competency skills needed to be addressed. Managers were in the process of completing development such as FEA and ETF courses and foundation degrees. The Support to Improve process was also providing support through creating a collegiate approach to improvement.</p> <p>The Principal updated the Corporation on the work of the National Energy Skills Consortium that he had established. This had the support of the Minister and it was hoped would develop, in conjunction with the National College for Nuclear, to a National College for Clean Energy directly funded from the energy sector for front line skills.</p> <p>Governors commented that it needed to be about clean energy and infrastructure so as to align with more projects than just Sizewell C.</p>		
ECC/20/12/5.1	Confidential Estates Development - Verbal Update	
<ul style="list-style-type: none"> • 		
ECC/20/12/6	Governance Update	
<p>The Director of Governance presented the update report and reminded Governors of the CPD that was available.</p> <p>A decision would be taken in the new year of when the Chair interviews could be held on site.</p>		

ECC/20/12/6.1	Annual Remuneration Report - as recommended by Governance Remuneration and Search	
<p>The Director of Governance presented The Annual Remuneration Report which was required by the Colleges' Senior Post Holder Remuneration Code. The report covered the Senior Post Holders during the 19/20 accounting year and was required to be published. It included:</p> <ul style="list-style-type: none"> • A list of the Senior Post Holders • The College's Policy on the remuneration for Senior Post Holders • The College's Policy on income derived from external activities • The median earnings of the College's whole workforce, how that multiple has changed over time and if above the median average an explanation of why is provided • The choice of comparator College(s)/organisations used (including other sectors/organisations) • An explanation of any significant changes. <p>Corporation resolved to:</p> <ul style="list-style-type: none"> • approve the Annual Remuneration Report and agree to its publication. 		
ECC/20/12/7	Risk Register - Strategic and Covid	
<p>The Deputy Chief Executive presented the risk registers.</p> <p>Governors noted that the strategic risk of 'failure to recruit and retain a high-quality team, including governors' had increased. The Deputy Chief Executive advised that the scoring for the Strategic Risk Register was an average of the related tactical risks. The Principal advised that the People and Wellbeing team had been dealing with an increased amount of staffing issues. The Student Governor advised that the Student Union were to consider staff welfare as this directly impacted the student experience.</p> <p>Governors discussed the Covid risk register and noted that Covid rates were increasing in the local area. They challenged how this was affecting teaching. The Principal advised that the concept of the disrupted year and the hybrid model of teaching was likely to continue due to students/staff with Covid, self-isolating or risk of being on site. The aim though was to maintain the majority of teaching on site.</p> <p>Governors challenged if the Covid cases were linked to cases inside or outside the College. The Principal advised that all but 1 case had been from outside the College.</p> <p>Governors noted the risk to income from commercial, apprenticeships and maritime. They challenged how the loss of maritime income was to be adjusted in the accounts. The Principal advised that the decision had been taken to de-risk by removing all maritime income from the management accounts and concentrate on ensuring that the EBITDA was at the required level.</p> <p>Governors agreed the following actions:</p> <ul style="list-style-type: none"> • Risk to quality improvement and the College's development of poor or inadequate systems and data to be added to the risk register. 		UR

ECC/20/12/8	Capital Project Update	
<p>The Deputy Chief Executive presented the Capital Project Update that set out how the additional estate capital funding was to be spent.</p> <p>Governors challenged the use of green hedging and how these would be maintained. The Deputy Chief Executive advised that the Estates Team maintain the grounds including ensuring that hedges were maintained at a controllable level.</p>		
ECC/20/12/9	ECC Annual Accounts	
ECC/20/12/9.1	Accounts Briefing from F&GP Chair and Audit Chair	
ECC/20/12/9.2	Management Letter	
ECC/20/12/9.3	Letter of Representation	
ECC/20/12/9.4	ECC Annual Accounts	
<p>The F&GP and Audit Chairs presented their briefings on the annual accounts</p> <p>The F&GP Chair advised that the headlines were:</p> <ul style="list-style-type: none"> Income reduced by circa £1.5m. Commercial £400k, Maritime £700k, Apprenticeship £400k. Outturn EBITDA is £2,100k, higher than forecast The bank balance as at end of July 2020 was £4.3m against a budget of £4.8m College Health category will be calculated as “Requires Improvement” due to the worsening of the gearing ratio as a result of the reduction of the turnover. The College should though self-assess the health grade as “Good” given the high EBITDA and cash position in year. Although the gearing percentage has risen the total debt has decreased. The College cleared all its Bank covenants and the College’s 2020/21 budget forecasts a surplus of circa £1.8m that will result in the bank covenants being met during 2020/21. The cashflow forecasts for the next 12 months predict that there are sufficient cash days in hand throughout the period. The College is a going concern. <p>The Audit Chair advised that the Committee considered in detail the Management Letter, Letter of Representation and Governance statements at the Audit Committee and that the College had, had a clean audit. The Audit Committee were assured that the College was a going concern and that the bank covenants would be met. The Audit Committee confirmed their position with the following statement in the Annual Accounts:</p> <ul style="list-style-type: none"> The Audit Committee considered the solvency of the Corporation through the internal and external audit reports as well having due regard to the management accounts and integrated finance model at Full Corporation. These demonstrated that the College was solvent with an adequate cash flow. <p>The Audit Committee had discussed the bank covenants and in particular the risk of the College not meeting the bank covenants that were assessed quarterly as well as</p>		

annually and had set the following actions:

- Bank to be contacted for a formal response on how they would approach a quarterly covenant breach.
- Projections on the quarterly covenants to be carried out to determine the risk of breach.

The Deputy Chief Executive advised that she had spoken to the Bank regarding the bank covenants and the Bank Director was happy to attend and discuss these with the Finance and General Purposes Committee. The Bank Director had advised that they were operating under 'covid rules' which were more supportive of businesses.

Governors concluded that the 20/21 would be a difficult year financially and would require careful managing but were assured that the College was a going concern. This conclusion of a going concern didn't mean that the College had enough resources to invest and develop but that it was able to survive.

Governors noted the recommendations in the management letter which included the partial VAT exemption application, the segregation of the college and subsidiary accounting records, the risk of impairment to the Energy Skills Centre and the bank covenants.

Governors agreed the following action:

- **Audit Committee's actions on the Bank Covenants to be referred to the Finance and General Purposes Committee.**
- **Bank to be requested to attend a Finance and General Purposes Committee to discuss the bank covenants.**
- **Management accounts to include monthly a forward forecast on the bank covenants.**
- **Going concern statement in the annual accounts ... *The College's 2020/21 budget forecasts a surplus that will result in the bank covenants being met during 2020/21. The cashflow forecasts for the next 12 months predict that there are sufficient cash days in hand throughout the period. Subsequent amendments to income and expenditure are reported to the board each month...* to be changed from reported to the board each month to reported to the board at each Board meeting.**

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Corporation resolved to:

- **Approve the East Coast College Annual Report and Financial Statements Year ended 31 July 2020**
- **Authorise the Chair to sign on behalf of the Corporation all relevant documents and**
- **For the East Coast College Annual Report and Financial Statements Year ended 31 July 2020 to be published.**

ECC/20/12/10

ECETA Annual Accounts as approved by ECETA Board

The Corporation noted ECETA Annual Accounts that had been approved by the ECETA Board and were reflected in ECC's group accounts.

ECC/20/12/11	Annual Audit Committee Report	
<p>The Audit Chair presented the report which was recommended by the Audit Committee. As part of the report the Audit Committee were recommending that the Audit Committee's membership in the terms of reference be amended to <i>'Not fewer than four Independent members including up to two Associate Governors in order to maximise the Committee's independence and objectivity.'</i></p> <p>The report detailed the work of the Audit Committee during the year and covered the following areas:</p> <ul style="list-style-type: none"> • Membership • Risk management • Auditors • Internal Audit Reports • Year-end accounts and • Assessment of the Audit Committee's performance. <p>The membership of the Audit Committee had been strengthened to include an additional finance specialist as an Associate Governor and the Audit Committee was in the process of going out to tender for the 21/22 Internal Audit Service.</p> <p>Corporation resolved to approve:</p> <ul style="list-style-type: none"> • that the Audit Committee's membership in the terms of reference be amended to 'Not fewer than four Independent members including up to two Associate Governors in order to maximise the Committee's independence and objectivity.' 		
ECC/20/12/12	SOR Report - Confidential for Governors only and is not to be shared outside of the Corporation	
	Committee Reports – For Information	
ECC/20/12/13	Standards Committee Report – verbal update	
<p>The Chair of Standards gave a verbal update and advised the Corporation of the areas covered at the meeting which included an excellent presentation by the Curriculum Manager for maths and English and reports on subcontracting, quality, safeguarding, HE RiME and internal audit report on teaching and learning during Covid. Actions for future meetings were a review of digital learning and the disparity in quality between campuses.</p>		
ECC/20/12/13.1	HE RIME and QIP as recommended by Standards	
<p>The Chair of Standards advised that the RiME had been approved by the Academic Committee. The Standards Committee had set an action for future year RiME reports to be more succinct and evaluative.</p>		
ECC/20/12/14	Audit Committee Report	
<p>The Chair of Audit gave a report on the work of the committee and referred to the minutes and action log. The next meeting is to consider VFM, fraud and Internal Audit Tender.</p>		

ECC/20/12/14.1	Annual Audit Plan as recommended by Audit Committee	
<p>The Chair of Audit presented the Annual Audit Plan. This had been drawn up based on risk and concentrated on financial audits.</p> <p>Governors challenged if the Auditors had the necessary skills to review Securing Market Share and Reputation. It was agreed that the review would look at process and would need to be scoped in detail.</p> <p>The Director of Governance advised that the Audit Committee were to be updated on the scoping of Audits including the selection of which financial systems to review in the Key Financial Systems Audit.</p> <p>The Corporation resolved to approve the Annual Audit Plan.</p>		
ECC/20/12/15	ECETA Board Minutes	
<p>The ECETA Board minutes were noted and the ECETA Chair highlighted that the Board was looking to recruit additional directors.</p>		
ECC/20/12/16	Review of Meeting	
<ol style="list-style-type: none"> 1. Confidential Items – items 5.1 and 12 2. Risk Management: any issues discussed which may require an additional Assessment – as noted. 3. Equality & Diversity: any issues discussed which may require an additional Impact Assessment – no additions 4. Health & Safety: any issues discussed which may require an additional Impact Assessment – no additions. 5. Media: any issues discussed to inform local media – none 6. How did the meeting go – Good discussions of detailed reports. 		