

East Coast College Corporation Meeting Tuesday 24 May 2022 9am Conference Call

Present:	David Blake (Chair - DB) Mike Dowdall (MD) Tina Ellis (TE) Rob Evans (RE) Saul Humphrey (SH) Ian Lomax (IL) Stuart Rimmer (CEO & Principal -SR) Andrew Walmsley (AW) Gemma Head (GH) Peter Lavender (PL) Giles Kerkham (GK) Jude Owens (JO) Nasima Begum (NB)	
In attendance:	Wendy Randle (Interim Director of Governance), Ann Wall (Director of People and Wellbeing), Urmila Rasan (Deputy Chief Executive), Paul Padda (Deputy Principal) and Julia Bates (Deputy Principal Curriculum Development and Strategic Partnerships)	
ECC/22/05/1	Apologies and membership	Action
<p>Apologies</p> <p>Apologies were received and accepted from Gemma Head (GH), Alan Debenham (AD), Kirk Lower (KL) and Wendy Stanger (Director of Governance). Tina Ellis planned to join the meeting at 10:30am. Jude Owen planned to leave the meeting at 10:30am.</p> <p>Membership</p> <p>Alan Debenham (AD) Tina Ellis (TE) Rob Evans (RE) Stuart Rimmer (CEO & Principal - SR) Saul Humphrey (SH) Peter Lavender (PL) Andrew Timberlake (AT) Gemma Head (GH) Mike Dowdall (MD) Giles Kerkham (GK) David Blake (Chair - DB) Kirk Lower (KL) Ian Lomax (IL) Andrew Walmsley (AW) Jude Owens (JO) Nasima Begun (NB)</p>		
ECC/22/05/2	Declarations of Interest	
In addition to previous interests declared the Corporation were reminded that all staff would have an interest in agenda item 20; Differential pay.		
ECC/22/05/3	To approve the Minutes of 26 4 22, including confidential and any other matters raised previously not otherwise included in the Agenda	
It was noted that Giles Kerkham (GK) had not attended the April meeting, the minutes would be amended to reflect this. The remaining minutes were approved as an accurate record of the meeting.		WR
ECC/22/05/4	Rolling Action Log	
<p>The Action Log was reviewed and it was noted it was not yet appropriate to produce the use of the VAT receipt as the sum remained uncertain.</p> <p>It was agreed that the College took the right decision re HMRC.</p> <p>A Governor requested an update on the poor and inadequate data. The Deputy Chief Executive updated that in the absence of appointing a Head of Data, a post vacant for the last year and provided assurance that data is available when needed with the support of consultants, yet recognised the situation was not ideal.</p> <p>A Governor expressed ongoing concern, whilst another Governor noted the impact on completing effective performance management. It was understood that progress with data was being made, that the Curriculum Development Committee will review data in</p>		

relation to quality at their next meeting and that the College await the addition of apprenticeship data to commence forecasting for this year.		
ECC/22/05/5	CEO/Principals Report	
ECC/22/05/5.1	Management Restructure	
<p>The CEO updated on the highlights from the report;</p> <ul style="list-style-type: none"> • Julia Bates has been appointed to the role of Deputy Principal Curriculum Development and Strategic Partnerships; a senior postholder role, and will develop a twelve month action plan to be shared with the Board. • LSIPs are in the second round, regional data will be sourced to guide this work. • The risk of the withdrawal of funding for BTECs; it was agreed that the Curriculum Development committee will review the qualification reforms. • The College are working through Performance Monitoring and Business Planning (PMPDs), noting some risks around qualifications, for example diplomas and qualifications in industries such as hairdressing/ construction which have been significantly impacted since Covid. • It was agreed that the CEO would distribute EBITDA over £2m through pay in this financial year. • Planning week has been scheduled. • The appendices to the report provide a summary on progress against the strategic priorities; the College are pleased with the direction of travel. • Substantive changes have been made to the management structure for the next academic year as detailed in the report. Consultation on a further review will commence in next academic year and performance management will be used to generate the energy required in order to achieve progress needed. <p>Best Companies update</p> <p>The Director of People and Wellbeing updated that the College had been disappointed to move from a two star to a one star organisation with Best Companies, yet had performed well in the recent Best Companies Live event; moving from the Top 75 to the Top 50 in the East of England and achieved eleventh in the Education and Training sector – the highest performing College. The College are now 94th in the Top 100 large companies which had been a core aim for the College and provides a good opportunity for publicity and recruitment. It was noted that individual team action plans will be created and progressed.</p> <p>Apprenticeships update</p> <p>The Deputy Principal Curriculum Development and Strategic Partnerships updated on apprenticeships reporting that the revised target was unlikely to be met, that the College are behind target by 20 students and that there are 27 current vacancies with 18 in hospitality which are notoriously difficult to fill. The College plan to review why the targets set by the team have not been met.</p> <p>The forecast outturn for apprenticeships is also unlikely to be met due to the EAL awarding body, the slow pace of completing the checks of apprenticeships due to finish in July and staffing gaps which continue to be a challenge. Quicker progress is needed.</p>		<p>SH</p> <p>CEO</p>

	<p>In terms of compliance checks there are 152 apprenticeship completions that sit with the curriculum and quality cycle, of these there are 42 at serious risk of failure; the College will need to determine if these should be pursued.</p> <p>Apprenticeship income will be lower than expected and will have a knock on effect for 2022/23 with some of the financial support for the team not realised due to being unable to fill posts; a revised paper will be presented to Corporation at the June meeting to include remodelling.</p> <p>All staff performance is being reviewed, value judgements will be made in the coming weeks to identify where improvements can be made.</p> <p>Other highlights</p> <p>A Governor attended the Association of Colleges (AoC) first Chairs of Curriculum national network. They reflected on the DfE presentation on developing a financial sustainable curriculum and a new report being prepared by the FEC and requested a report on the strategic planning processes in place at the College for consideration at the Curriculum Development Committee. The CEO noted the slides had provided assurance that the College's strategic planning is aligned and thorough and posed no risks.</p> <p>A Governor expressed concern about the progress made in apprenticeships, specifically in terms of quality, noting this had been an area for improvement noted by Ofsted. It was agreed that a report will be prepared on apprenticeships and quality and presented to the June Quality and Standards Committee. In response to a further Governor question, some of the difficulties within apprenticeships are experienced across the sector, yet the management and staffing of apprenticeships, specific to ECC, presents a change in work style needed.</p> <p>The Chair congratulated the team on delivering on budget and the Best Companies outcomes and asked that thanks be passed onto the teams.</p>	<p>JB</p> <p>JB</p> <p>JB</p> <p>SR</p>
ECC/22/05/6	Governance Update – Written Resolution	
	The written resolution approved by Corporation was received and ratified.	
	Strategic Development	
ECC/22/05/6.2	Performance Monitoring and Business Planning Framework	
	<p>The CEO updated on processes in place in developing the framework, noting that the schedule aligns to the overall college governance calendar, noting the richness for the senior management team in spending four days with the Curriculum Area Managers (CAMs)</p> <p>The Corporation approved the framework.</p>	
	Improving our Business	
ECC/22/05/7	Risk register	
	The Corporation received the risk registers. A Governor noted that the Quality and Standards committee risk register presents apprenticeships at a higher level of risk than the Curriculum Development committee; it was noted that these risk registers would align following planned presentations for the Curriculum Development committee.	

<p>In response to a Governor question, pay as a percentage of income includes vacancies and planned pay awards; it was noted that this risk rating may require review via both the Finance and General Purposes and People Committees.</p>	<p>AH/UR</p>	
<p>ECC/22/05/8</p>	<p>Management Accounts – March 2022</p>	
<p>The Deputy Chief Executive presented the management accounts and reported that the accounts had been sent to the PMO regarding the Transaction Unit loan; the accounts have been cleared with no questions.</p>		
<p>ECC/22/05/9</p>	<p>High level strategic budget 22/23 and early capital 22/23</p>	
<p>The Deputy Chief Executive presented the level strategic budget for 2022/23. The following highlights were noted:</p> <ul style="list-style-type: none"> • the draft outturn was not reflective in the March accounts yet would be in the April accounts. • A reduction in staffing costs was lower when compared to last year, with the forecast due to turnover. • Turnover would be included in the final version. • Catch up was predicted for April and will be dependent on achievement income • The College have an internal target of £2m which is planned for. • The previously agreed pay detail has been implemented and there are no plans to review this until January 2023. • Non contractual pay has assumed a 3.3% inflation. • Covenant threshold is 1.6, the College needs 1.8 for capital investment otherwise this won't be achievable and the College will break the Cash Flow Available for Debt Service (CFADs) covenant. <p>A Governor challenged the 3.3% increase for non contractual staff enquiring as to whether 5% would be more realistic and if the College had stress tested for 5/6%. It was reported that every 1% increase provides approximately a £100k swing, yet the College cannot submit such a return to the bank with the proposed level of capital investment.</p> <p>A Governor reflected on the financial outcomes noting the College have consistently outperformed on the budget, asking if the budget had been set more accurately would this have resulted in different outcomes, for example a less cautious approach means less risk taken. The Deputy Chief Executive noted that the predictions are for the ESFA and that the College aim further, with no overspend on internal budgets. It was understood that by achieving predictions the College remain respected by the ESFA and retain further flexibility in order to respond to business need i.e. the previous proposal to invest in apprenticeships. In summary a Governor stated they would encourage increased spend if it resulted in a quicker impact in areas such as apprenticeships.</p> <p>In response to a Governor's challenge to set a realistic budget noting inflation, it was reported that inflation will not impact all costs immediately; some impact in this financial year with energy costs increasing in future years when the fixed contract ends. The Deputy Chief Executive reported that the AoC were not offering any guidelines in terms of inflation; the College will reflect inflation in the outturn commentary in the next budget.</p> <p>Capital investment Details of proposed capital investment were shared noting this represented the highest level of investment for approximately four years and will be supported by £1.2m of College funds and £1.305m from grants. Investment will include; replacement of smaller</p>		

	<p>boilers, the Kier build, T level equipment, investment in engineering resources and replacement of computers to ensure compatibility with the Windows 11.</p> <p>The capital requests from Curriculum and the future investment required to support teaching and learning and to improve facilities to support the delivery of T Levels was noted.</p> <p>A Governor challenged the replacement of smaller boilers suggesting the College consider more sustainable options with longer term minimal costs in order to improve sustainability and mitigate against inflation. It was agreed this would be an action for the Estates Committee.</p> <p>Following discussion, the Corporation agreed to approve a £650k advance on capital spend for 2022/23 in order to avoid increased costs due to inflation.</p> <p>Risks The CEO reviewed the risks linked with the budget proposals as follows;</p> <ul style="list-style-type: none"> • provision for pay awards - it was reported that the AoC are entering into negotiations with unions at a 3.5% baseline • risk with apprenticeships • significant income in curriculum planning • recruitment is down this year <p>The full detail of the 2022/23 budget will be reviewed by the Finance and General Purposes Committee and return to Board in July for approval. Governors were encouraged to forward any further comments to the CEO, Deputy CEO and cc the Chair of the Board and the Interim Director of Governance.</p>	<p>MD/UR</p> <p>UR</p> <p>ALL</p>
	Committee Reports for Review	
ECC/22/05/10	Audit Committee Report	
	<p>The Audit Committee Chair reported on the Audit Committee report noting the following:</p> <ul style="list-style-type: none"> • The Estates Committee risk register was outstanding. • The Committee had considered apprenticeships with discussion consistent with commentary received under agenda item ECC/25/05/5.1. It was noted that assurance had been provided from RSM that the issues faced were sector wide. Governor noted this would likely be a long term risk. • The Committee received a good presentation on cyber security, with a focus on what processes would be followed when a ransomware attack is experienced. Penetration testing will be required next year. 	
ECC/22/05/11	Estates Committee	
	<p>The Estates Committee Chair reported that the minutes had not been circulated with the papers; these will be circulated with the next Corporation papers.</p> <p>Following conversations under previous agenda items the incorporation of green spaces at Yarmouth had been considered along with green tech deliverables.</p>	WR
	Subsidiary Update	

