

East Coast College Finance and General Purposes Meeting

21st June 2022 9am Video Conference

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| Present: | Interim Chair - David Blake (DB) Mike Dowdall (MD) Alan Debenham (AD) Dave Cole (DC) Paul Nisbett (PN) Stuart Rimmer (Principal) | |
| In attendance: | Wendy Randle (Interim Director of Governance) Urmila Rasan (Deputy Chief Executive) and observing Wendy Stanger (Director of Governance) | |
| F/22/06/1 | Apologies and membership | |
| <p>The full committee were in attendance.</p> <p>It was noted that Paul Nisbett has submitted his resignation as an Associate Governor and will leave at the end of June and he was thanked for his support.</p> | | |
| F/22/06/2 | Declarations of Interest | |
| <p>There were no further interests to declare than those contained on the members register.</p> | | |
| F/22/06/3 | To approve the Minutes of the meeting of the 15 March 22 and any other matters raised previously not otherwise included in the Agenda | |
| <p>The minutes of the meeting held on 15 March 22 were approved as an accurate record of the meeting.</p> <p>Governor noted:</p> <ul style="list-style-type: none"> • the worsening position of inflation and the need to review budgets • the expected pressures to implement higher pay awards in response to the cost of living crisis. The College plan to assess the feasibility of allocating a budget for an honorarium payment, a cost of £300k; if achievable and subject to Governor approval an announcement will be made before the end of this academic year. | | |
| F/22/06/4 | To review the post-meeting action log | |
| <p>The action log was reviewed.</p> | | |
| F/22/06/5 | Management Accounts | |
| <p>The Deputy Chief Executive presented April's management accounts. The following points were noted:</p> <ul style="list-style-type: none"> • The accounts update does not include proposals for the honorarium payment referred to under item F/22/06/3; this will be included in the June forecast if applicable. • The HE income, which will be considered under agenda item F/22/06/12, and the apprenticeship income represent a risk. • An explanation of the apprenticeship funding methodology was provided; the impact of achievement within apprenticeships could provide a variance of £800k. | | |

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| Following discussions Governors noted the following: | | |
| <ul style="list-style-type: none"> • That historic achievement rates are used for budgeting • The need to consider the impact of inflation on forecasting. • That forecasting be completed and reviewed earlier in the year so as not to stifle decision making. | | |
| F/22/06/6 | ESF project funding | |
| <p>The Deputy Chief Executive stated that the College previously secured a number of European Social Fund (ESF) projects this year. It was noted that the ESF project team are struggling to recruit staff thus impacting on prompt payments to the College; although not considered bad debt there remains a risk as the College continue to bank roll projects.</p> <p>Following discussion, it was agreed that the SMG will contact the Department for Work and Pensions (DWP) to agree payment terms and that tighter contracts will be put in place when moving forwards with the Shared Prosperity Fund.</p> | | UR |
| F/22/06/7 | Boiler sustainability | |
| <p>The Deputy Chief Executive presented the report.</p> <p>Following Governor challenge it was agreed that the College will explore affordability and sustainability of the main boilers when they need replacing whilst continuing with the proposals for replacement of the smaller boilers. Any replacement of the main boilers to be subject to Governor review and approval.</p> | | |
| F/22/06/8 | 3 year financial forecast, Budget and Capital Budget 2022/23 | |
| F/22/06/8.1 | Commentary | |
| F/22/06/8.2 | College Financial Forecast Return (CFFR) | |
| F/22/06/8.3 | Capital Budget Summary 2022/23 | |
| F/22/06/8.4 | Capital Budget Detail 2022/23 | |
| <p>The Deputy Chief Executive noted the following points:</p> <ul style="list-style-type: none"> • The budget does not assume a pay award. • There could be further movement within both HE and apprenticeships income due to recruitment and achievement. • The College are secure with energy prices until 2023/24. • The cleaning contract will increase due to the living wage. • Benchmarking of pay costs as a percentage of income has been considered, should the College introduce a pay award affordability will need reviewing as the College could move above the benchmark. • The high level proposals for the capital budget reviewed at the previous Corporation meeting had been included within the budget resulting in a large capital investment. • The College have secured an order for 300 desktops. | | |

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| | <ul style="list-style-type: none"> • The larger costs have been stress-tested. • The College plan to reforecast in the autumn term due to inflation, pay and potential industrial action, and the cost of living. • It was noted that the unions pay request of 8% would be equal to £1.5m which is not achievable. A Governor noted that pay and the impact of inflation was a sector wide issue that government would need to resolve. • If the College remain standalone the 2023/24 finances could be difficult. <p>In response to a Governor query, the VAT reclaim could be a good contingency yet it was advised this be used capital, an honorarium or retained in the bank; a final submission at the end of June will be made to HMRC.</p> <p>In summary the College are presenting a well informed and realistic budget with limited contingency in a volatile environment.</p> <p>The Committee resolved to recommend to the Board the three year financial forecast, budget and capital budget 2022/23 for approval.</p> | |
| <p>F/22/06/9</p> | <p>Charity Funds</p> | |
| | <p>A discussion took place on Charity Funds, it was noted that the College hold donations from various individuals. It was proposed that all funds be consolidated, where restrictions allow, in order to reduce the administrative requirements and that a Governor is involved in the annual review which is then reported to Finance and General Purposes Committee.</p> <p>It was confirmed that the funds were not registered charities.</p> <p>The Committee resolved to approve the proposals and recommend their approval to Corporation:</p> <ul style="list-style-type: none"> • a charity committee is established which has the responsibility of managing annual awards from the College Charity Fund and the three named legacy funds. • the committee would maintain an oversight of the Apprenticeship Fund but would not be involved in making any recommendations for the use of its funds. • the membership of the committee shall be decided once the other proposals have been approved, but will take note of the requirements of the Stuart Harris Trust Fund Deed. | |
| <p>F/22/06/10</p> | <p>Subcontracting</p> | |
| | <p>The Subcontracting review and proposals report was received and approved by Committee; the finances are contained in the budget.</p> <p>The Committee noted that the report gave reassurance of the current college due diligence processes and compliance with the subcontracting funding guidance.</p> | |
| <p>F/22/06/11</p> | <p>Pension</p> | |
| | <p>The College plan to review pensions to gather a full understanding of staff concerns. It was noted that the funds in the balance sheet are ringfenced and that a risk register will be created and guidance from RSM followed.</p> | |

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| F/22/06/12 | HE income | |
| <p>It was reported that the University of Suffolk (UoS) has dropped the HE income on a further reforecast to £2.2m. The College are reviewing the last four years' income with a concluding paper planned for presentation to Board in July. Future automation of this budget will ensure reliability of data.</p> | | |
| F/22/06/13 | Health and Safety Term Two report | |
| <p>Governors received the Health and Safety report. It was reported that an external Health and Safety consultant will report to Committee termly, reducing to twice a year.</p> <p>In response to a Governor's question it was noted that during the build at Great Yarmouth the area will be cordoned off and remain under DfE control.</p> <p>It was reported that the government have collected all Covid test kits from Colleges.</p> <p>The CEO was asked to thank a member of staff for their contributions whilst providing maternity cover for the Health and Safety team.</p> | | |
| F/22/06/14 | ONS reclassification of Colleges | |
| <p>The Committee considered the papers circulated in advance of the meeting and noted the following implications should the reclassification proposals materialise;</p> <ul style="list-style-type: none"> • the impact on controls for example financial regulations, instrument and articles etc. • the impact on mergers and whether a privately-owned business such as University could own a public asset. • loan rates would reduce yet Colleges would not be able to rely on borrowing from banks. <p>In preparation for any reclassification, the DfE has written to the College to request the following information around the College's debt:</p> <ul style="list-style-type: none"> • Completion of an excel template providing details of all college borrowing & financing arrangements as at 31 May 2022 and also details of future financing needs currently known – copy attached • A consent letter for each primary lender (i.e. commercial lenders and local authorities, not finance lease lenders) allowing us to contact the lender and discuss the college debt, if needed – copy attached • Copies of supporting financing documents. <p>The deadline for the consent letter is 14th June and the template and supporting documents is 24th June 2022.</p> <p>The Committee approved the application of the accounting officer signature on the consent letter.</p> | | |
| F/22/06/15 | Polices for update | |
| F/22/06/15.1 | Data Protection Policies and Procedures | |
| <p>It was noted that the Date Protection policies and procedures are required to be reviewed annually:</p> | | |

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| | <ul style="list-style-type: none"> • Data Protection Policy • Rights of Individuals Policy • Rights of Individuals Procedure • Data Breach Notification Policy • Data Breach Notification Procedure <p>These documents, the content of which is largely dictated by legislation, have been reviewed and no changes are required to the existing documents.</p> <p>The Committee resolved to approve the Data Protection policies and procedures:</p> <ul style="list-style-type: none"> • Data Protection Policy • Rights of Individuals Policy • Rights of Individuals Procedure • Data Breach Notification Policy • Data Breach Notification Procedure <p>and recommend their approval to Corporation.</p> | |
| <p>F/22/06/15.2</p> | <p>Fees Policy</p> | |
| | <p>The review was noted and that a further review may be required following ESFA's guidance update.</p> <p>The Committee resolved to approve the Fee Policy and recommend its approval to Corporation.</p> | |
| <p>F/22/06/15.3</p> | <p>Sub-Contracting Policy</p> | |
| | <p>It was noted that the ESFA has introduced a Sub-contracting Standard for the 2022/23 year and this Policy has been largely rewritten from the previous version to reflect the requirements placed on the College from the new Standard.</p> <p>The Committee resolved to approve the Sub-Contracting Policy and recommend its approval to Corporation.</p> | |
| <p>F/22/06/15.4</p> | <p>Supply Chain Fees and Charges Policy</p> | |
| | <p>It was noted that this Policy is largely unchanged from the previous version, with the exception of a section which refers to the new Sub-contracting Standard. The detailed requirements of the Standard are not included in this Policy, and instead a reference to the Sub-contacting Policy which contains that detail is made.</p> <p>The Committee resolved to approve the Supply Chain Fees and Charges Policy and recommend its approval to Corporation.</p> | |
| <p>F/22/06/15.5</p> | <p>Bursary Policy and Procedure</p> | |
| | <p>The changes to the Bursary policy were noted.</p> <p>The Committee resolved to approve the Bursary Policy and Procedure and recommend their approval to Corporation.</p> | |

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| F/22/06/16 | Risk register | |
| <p>The Committee reviewed the risk register.</p> <p>Governors queried the impact of Covid, and that rates of infection appear to be increasing. The CEO advised that the College continued be guided by the government guidance.</p> <p>It was agreed that clarity would be provided as to whether concerns around pay is covered under recruitment and retention and if needed a further risk would be added to the register.</p> | | UR |
| F/22/06/17 | ESFA Governing Body Financial Dashboard | |
| <p>Information was circulated in advance of the meeting and the Deputy Chief Executive presented the data.</p> <p>It was reported that comparisons will be built into the budget to allow the identification of trends.</p> | | |
| F/22/06/18 | Agenda Planning | |
| <p>In response to a Governor question the train strikes would cause minimal impact on student attendance, the College are more concerned about teachers striking.</p> | | |
| F/22/06/19 | Review of Meeting | |
| <ol style="list-style-type: none"> 1. Confidential Items: As noted 2. Risk Management: As noted in the minutes 3. Health and Safety: As noted in the minutes 4. Equality and Diversity: None 5. Sustainability – Sustainability of the new smaller boilers was considered, along with a need to seek a Governor’s expertise for the replacement of the main boilers when timely. 6. Media: None 7. How did the meeting go: A good meeting | | |