

East Coast College Finance and General Purposes Meeting

29th November 2022 9am Video Conference

Present:	Interim Chair - David Blake (DB) Mike Dowdall (MD) Dave Cole (DC) Ian Lomax (IL) Stuart Rimmer (Principal)	
In attendance:	Urmila Rasan (Deputy Chief Executive) Wendy Stanger (Director of Governance) and for items 1 - 5 Julia Bates (Deputy Principal Curriculum and Strategic Partnerships)	
F/22/11/1	Apologies and membership	
Ian Lomax was welcomed to his first Finance & Resources Committee.		
F/22/11/2	Declarations of Interest	
MD declared an interest due to being an employee of the LEP. It was agreed that this declaration did not preclude his full participation in the meeting.		
F/22/11/3	To approve the Minutes of the meeting of the 21 June 2022 and any other matters raised previously not otherwise included in the Agenda	
The minutes of the meeting held on 21 June 2022 were approved as an accurate record of the meeting.		
F/22/11/4	To review the post-meeting action log	
<p>The action log was reviewed.</p> <p>F/21/11/6 – the Deputy Chief Executive advised that the use of an opportunity register had not yet been considered.</p> <p>F/22/06/6 - the Deputy Chief Executive advised that the payments from the DWP were now being received as per the contract.</p>		
F/22/11/5	Projects Update	
<p>The Deputy Principal Curriculum and Strategic Partnerships presented the update and advised on both current, future projects and the next steps that the College was looking to take. The Social Prosperity Fund (SPF) was not a direct replacement for the European Social Fund (ESF). The SPF funding pots were smaller, the actual deliverables were not yet decided, there were differences between the Counties approaches and potential of increased competition.</p> <p>Governors noted that the SPF was a devolved model with a lot less funding than the ESF and a multitude of bidders. This would have a detrimental effect on the College financially and its ability to provide the provision the ESF had.</p> <p>The CEO commented that the College had been the managing agent for the ESF and the management fee was part of the College's bottom line so this would need adjusting in the forecasts. ESF had funded valuable work and curriculum planning would need to consider this as well as a broader consideration of adult engagement and use of the AEB funding. The devolution deals for Norfolk and Suffolk would also affect AEB It was likely</p>		

	that due to the gap in funding between the ESF and the SPF funding the projects teams would have to be reduced.	
F/22/11/6	ECETA Board Update re College Financial Services Support	
	The Director of Governance advised, in her role as Company Secretary to ECETA, that the ECETA Board had raised concerns regarding the timeliness of financial information and the effect of this on their fiduciary duties. This had now been resolved and the College was providing the financial information required as per the calendar set out.	
F/22/11/7	Health and Safety Annual Report	
F/22/11/7.1	Health and Safety Link Governor Visit Report	
	<p>The Deputy Chief Executive presented the report. The Health and Safety Link Governor advised the Committee of his visits to the College and discussions with the Estates manager.</p> <p>Governors challenged the compliance with Smartlog training. The CEO advised that this was monitored weekly by the Senior Team and non-compliance had now reduced significantly.</p> <p>Governors discussed the annual report and agreed that it gave assurance that there were third party checks being carried out as well as internal ones and noted the Committees thanks to the College team.</p>	
F/22/11/8	ESFA College Financial Forecasting Return - Financial Health Grade	
	<p>The Director of Governance presented the ESFA College Financial Forecasting Return. The report included the descriptive for the financial health grades. Following the completion of the College Financial Forecasting Return (CFFR) in July 2022, the ESFA writes to all colleges to confirm their financial health grade and they have assessed that the appropriate assessment grade for the College is: -</p> <ul style="list-style-type: none"> • Good for 2021/22 (the latest outturn forecast year), and • Good for 2022/23 (the current budget year). 	
F/22/11/9	Management Accounts Sept 2022 (as received and approved by Nov Board) and Oct 2022	
	<p>The Committee noted the September management accounts that had been received by the Board and reviewed the October ones.</p> <p>The Deputy Chief Executive advised that the External Audit was now complete and the required adjustments would be reflected in the November management accounts. The reduction in 16-18 numbers was lagged funding so will not impact on this year's accounts.</p> <p>Governors challenged if the reduction in 16-18 numbers was a permanent change. The Deputy Chief Executive advised that the change was not due to demographics but due to the impact of Covid, employment opportunities and competition.</p> <p>The CEO advised that the Board needed to consider student numbers over the next decade, this shows a broad downward trend. Reasons for under recruitment included job opportunities at the lower end of the jobs market for 16-18 and the need for young people to contribute to the household income, a decline in level 3 recruitment and a decline in retention. All of which would need considering as part of the curriculum plan.</p>	

Governors challenged if 16-18s were also choosing not to engage with education due to issues such as poor mental health. The CEO advised that the NEET figures would be available January and these would give some more insight.		
F/22/11/10	Draft Annual Accounts - Finance and General Purposes to review numbers only	
<p>The Deputy Chief Executive presented the draft annual accounts. It was for Finance and General Purposes to review the numbers and Audit would review compliance and assurance. Since the final set of management accounts EBTDA had increased and reasons for this included accounting adjustments included the inclusion of some ESF projects.</p> <p>The CEO commented that it was a good financial performance by the College with an EBITDA higher than budgeted which put the College in a strong cash position.</p>		
F/22/11/11	HR and Payroll Contract Renewal	
Withdrawn to be considered at a later meeting.		
F/22/11/12	Finance Risk Register	
<p>1. Has the risk register been reviewed</p> <p>The risk register had been reviewed and additional risks added:</p> <ul style="list-style-type: none"> • College budgets insufficient to cover increases in essential expenditure which are outside its control – this related to energy and inflationary costs and was covered in Financial Forecast agenda item 13. • Income currently received by College from the European Social Fund (ESF) not replaced by income from other sources – this had been reviewed in the Projects Update agenda item 5. • College unable to afford to meet the terms of joint pay award submitted by the College's recognised Trades Unions – this was covered in the financial forecast agenda item 13 and the pay review agenda item 14. <p>2. Is the Committee content that the risks are relevant and are being updated</p> <p>It was evident that the risk register had been reviewed as set out above.</p> <p>3. Is the Committee content that the risks are being mitigated</p> <p>The reports relevant to the risks on the agenda had included the mitigating action being taken.</p> <p>4. Where a red risk is the Committee assured that appropriate action is being taken</p> <p>The red risks all were covered in reports on the agenda which included details of the action and the Committee had agreed that they were appropriate.</p> <p>5. Where does the Committee have significant concerns.</p> <p>The Committee and the College had significant concerns around the risks listed above.</p> <p>The CEO advised the Committee that the ONS reclassification had just been announced and this was backdated to 1993. This could be a risk to the College sector but it was not yet clear on all the implications. The risk registers would be updated when more was known but there were implications to bank lending and breaches of covenants, leases and senior pay decisions.</p>		

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DC left the meeting.		
F/22/11/15	ONS Reclassification	
The Committee noted the ONS briefing.		
F/22/11/16	Agenda Planning	
None		
F/22/11/17	Review of Meeting	
<ol style="list-style-type: none"> 1. Confidential Items: Agenda Item 13 and 14 2. Risk Management: As noted in the minutes 3. Health and Safety: As noted in the minutes 4. Equality and Diversity: There was a need to ensure that there were no EDI implications of the pay review. 5. Sustainability – None 6. Media: None 7. How did the meeting go: A good meeting with detailed discussions. 		