

East Coast College Finance and General Purposes Meeting

14th March 2023 9am Video Conference

Present:	Chair - Ian Lomax (IL) Mike Dowdall (MD) Dave Cole (DC) Stuart Rimmer (Principal) David Blake (BD)	
In attendance:	Urmila Rasan (Deputy Chief Executive) Tom Bright (Project Manager) Lucy Wharry (Head of Finance) and Charlotte Burgess (Deputy Head of Finance)	
F/23/03/1	Apologies and membership	
<p>Chair</p> <p>The Committee noted that Ian Lomax had been appointed by the Board as Chair of Finance and General Purposes Committee. Recruitment is ongoing with Peridot and should that be successful Ian will become Vice Chair of Finance and General Purposes Committee. Ian has a strong business and technical background having worked in the energy, oil and gas, defence and mining industries. Ian is not though a qualified accountant and David Blake will therefore remain a member of the Committee so as to help ensure that the Committee has the financial expertise required.</p> <p>Apologies - Wendy Stanger Director of Governance. Tom Bright attended to provide advice and the meeting was recorded to assist with minuting. It was noted that the recording would be deleted after the minutes had been approved by the Chair.</p>		
F/23/03/2	Declarations of Interest	
<p>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.</p>		
F/23/03/3	To approve the Minutes of the meeting of the 29 November 2022 and any other matters raised previously not otherwise included in the Agenda	
<p>The minutes of the meeting held on 29 November 2022 were approved as a true and accurate record of the meeting.</p> <p>The CEO updated that the people and skills part of the SPF was due to commence end of 2024. The current round does not include anything that the College could tender for.</p>		
F/23/03/4	To review the post-meeting action log	
<p>The action log was reviewed.</p> <p>The CEO advised that the joint meeting, which it had been agreed to hold between People and Finance and General Purposes Committee, to discuss the pay review for the 2023/24 budget needed to be held in May so that its conclusions could be reflected in the budget.</p>		
F/23/03/5	Deputy Chief Executive update report	
<p>The Deputy Chief Executive presented her update report. The main areas of focus were the Funding Audit and the Curriculum Plan. It had been agreed with the Chair to hold an</p>		

additional Finance and General Purposes Committee on 23 May to review the draft budget.

Governors discussed the increase in free college meals. The Deputy Chief Executive advised that the College normally dealt with 650 applications and this year it was at 1400 with no additional government funding. The resources for this would have to be reviewed as part of the budget setting.

Governors queried whether additional action was required around cyber security. The Deputy Chief Executive advised that the College had taken preventative action and had business recovery plans in place. There had been a recent cyber hit at a College which meant they had lost all their data. A large investment was also needed in computers and to help this there was to be a rationalisation of staff resources.

F/23/03/6

Utility Tender

The Deputy Head of Finance presented the report. The College had reviewed its utility contracts and was looking to align the contracts to help ensure effective and efficient management of them. The contracts have been reviewed with the support of Auditel and the recommendations were included in the report.

The Deputy Chief Executive advised that prices had not increased as much as had been expected and the effect on the overall forecast had therefore reduced from that previously predicted. The gas prices would be re-run prior to the Board so that the Board had the current price on which to make its decision on the gas contract. The College had 5 electricity contracts which were due to expire 31st March 2023 but these have been automatically renewed until March 2025 which has resulted in lower unit costs. The remaining 5 electricity contracts are due for renewal September 2024 and it is planned to give notice so that all electricity contracts are streamlined by March 2025.

Governors thanked the Deputy Head of Finance for the work on the utility contracts which had helped reduce the risk to the College of energy price increases and that the timing of the work was good given the market volatility.

The Committee reviewed and noted the content of the report and, the recommendations and agreed to authorise the Finance Team to enter into further discussions in order to finalise the preferred tender options.

F/23/03/7

College Capital Energy Efficiency Fund

The Deputy Chief Executive presented the report and advised that the proposal was to use the energy efficiency grant to replace boilers at Great Yarmouth and at Lowestoft. The grant has to be used on measures that will improve the energy efficiency of our estate and reduce costs and must not be used towards the payment of energy bills. These new boilers would reduce energy usage and would mean that the current use of additional electric heaters in rooms was stopped. The boilers that it was proposed were replaced were condemned and would have needed replacing within the College's budgets if the grant had not been received.

Governors discussed the sustainability of the options proposed and noted that the heat pump option was not an affordable or a viable option due to the reduction in the achievable temperature and the quoted costs being in excess of the grant available. The Deputy Chief Executive advised that the boilers quoted were hydrogen ready boilers to future proof them should this become the preferred fuel source in the future and would provide efficiency savings of 18%-24% in Lowestoft and 18%-30% in Great Yarmouth compared to the current boilers.

<p>Governors discussed warranty and maintenance of the boilers and the Deputy Chief Executive advised that there would be a maintenance agreement in place to maintain efficiency, maximise the boilers life and ensure health and safety requirements were met.</p> <p>Governors queried the safety of the electric heaters currently being used. The Deputy Chief Executive advised that the College carries out an annual PAT test on all its electrical equipment.</p> <p>The Committee resolved to:</p> <ul style="list-style-type: none"> • Approve the recommendation that the revised quotation from GRS for the boiler replacement is accepted and that this is funded through the College Capital Energy Efficiency Fund. 		
F/23/03/8	Management Accounts	
<p>The Deputy Chief Executive presented the management accounts, the production of the accounts had been automated which had reduced the time taken to produce them. There were no major changes in the January accounts. The College is looking for further savings to be identified by the end of the year in order to achieve the required EBITDA to maintain good financial health.</p> <p>Governors discussed the current ESFA Funding Audit and how any potential clawback would be accounted for such as through a prior year or a below the line adjustment. It was noted that this would need to be discussed with the External Auditors. If there was a material clawback this would impact the financial health of the College and could ultimately lead to intervention. The Deputy Chief Executive advised if the College fell below financial health good this would impact on its ability to bid for funding and the College was working to help ensure that this did not happen and that options could include asking the PMO to write off the loan.</p> <p>Governors challenged the progress with the VAT refund payment and the Deputy Chief Executive advised that a formal complaint had been raised as the refund had still not been received. This refund would help the cashflow if the College was subject to a clawback.</p> <p>Governors challenged the apprenticeship income profile and whether the target would be met. The Deputy Chief Executive advised that recruitment was not on target and it was planned to do a full re-forecast in March which will be reflected in the April accounts..</p>		
F/23/03/9	Health and Safety	
<p>The Chair, who is also the Governor link for Health and Safety, presented the report which had been reviewed by the College's Health and Safety Committee.</p> <p>The Committee noted the report and thanked the Estates Manager for a comprehensive report.</p>		
F/23/03/10	Regional Comparative Data Dashboard	
<p>The Deputy Chief Executive presented the data dashboard and advised that this demonstrated that the College was 'average.' College's finances were affected by one off item such as sale of assets which would then show their cash days, holdings and other related ratios as high.</p> <p>The CEO commented that the College was negatively affected by its level of debt and the cost of servicing that debt. The College also had no opportunity to significantly increase</p>		

<p>turnover whereas other Colleges such as the Bedford Group were increasing turnover through merger.</p> <p>Governors agreed that the data was useful to review as it helped them to better understand the College's position. The Deputy Chief Executive advised that the data could be cut various ways and was updated annually in May.</p>		
F/23/03/11	Finance Risk Register	
<p>1. Has the risk register been reviewed</p> <p>The Deputy Chief Executive advised the register had been updated in light of the funding audit and the increased risk of cyber-attack.</p> <p>Governors challenged the risk of bank failure. The Deputy Chief Executive advised that the College had to hold all monies with Lloyds as part of the loan requirements.</p> <p>2. Is the Committee content that the risks are relevant and are being updated</p> <p>The Committee agreed risks were relevant and were being updated.</p> <p>3. Is the Committee content that the risks are being mitigated</p> <p>The Committee agreed the mitigation had been updated as part of the risk register review.</p> <p>4. Where a red risk is the Committee assured that appropriate action is being taken</p> <p>The Committee noted the updates related to the red risks</p> <p>5. Where does the Committee have significant concerns.</p> <p>The main risk discussed by the Committee was the potential for a clawback following the ESFA Funding Audit.</p>		
F/23/03/12	Agenda Planning	
<p>Future F&GP Committee meetings to be in person with hybrid version available.</p> <p>Additional F&GP Committee meeting to be held after the 23 May Board at 11.30am.</p>		
F/23/03/13	Review of Meeting	
<ol style="list-style-type: none"> 1. Confidential Items: None 2. Risk Management: As noted in the minutes 3. Health and Safety: As noted in the minutes 4. Equality and Diversity: None 5. Sustainability – As noted in the minutes 6. Media: None 7. How did the meeting go: A good meeting after the technology worked 		