

# East Coast College Finance and General Purposes Meeting

26<sup>th</sup> June 2024 9am Board Room L6FC

Present:	Committee Chair - Ian Lomax (IL) Mike Dowdall (MD and Estates Chair) Paul Padda (PP Principal and CEO) Lynne Doublet (LD) Peter Blackburn (PB Associate Governor) and on teams David Blake (DB Corporation Chair)	
<b>In attendance:</b>	Urmila Rasan (Deputy Chief Executive) Lucy Wharry (Head of Finance) and Wendy Stanger (Director of Governance)	
<b>F/24/06/1</b>	<b>Apologies and membership</b>	
Apologies – none received. Lynne Doublet was welcomed to her first committee meeting.		
<b>F/24/06/2</b>	<b>Declarations of Interest</b>	
There were no declarations of interest.		
<b>F/24/06/3</b>	<b>To approve the Minutes of the meeting of the 19 March 2024 and any other matters raised previously not otherwise included in the Agenda</b>	
The minutes of the meeting held on 19 March 2024 were approved as a true and accurate record of the meeting. It was noted that the Centre of Excellence opening had been delayed.		
<b>F/24/06/4</b>	<b>To review the post-meeting action log</b>	
The action log was reviewed and it was noted there were no actions outstanding.		
<b>F/24/06/5</b>	<b>Deputy Chief Executive Update</b>	
<p>The Deputy Chief Executive presented the report and updated on the estate development. It was not envisaged that the redevelopment of the Great Yarmouth campus would be affected by the election due to the amount that had already been invested but the contract signing had been delayed to early August. The temporary works had also been delayed and as these works needed to be completed over the summer break the College was to fund the works and either claim back or set off against the College's contribution to the project.</p> <p>The Committee noted that the College had also invested a lot of time and money into the Great Yarmouth redevelopment and delays could increase the cost of the project which might mean that the DFE may need to look for cost savings.</p> <p>Governors discussed the proposed charge that the Department for Education (DfE) had notified the College that it will require on the new Great Yarmouth campus. The Deputy Chief Executive advised that the details had not yet been received and would need to be reviewed by the College and DFE's lawyers. The campus was already subject to a charge with the bank and the DFE for the loans provided at merger and these would need to take first priority.</p>		

Governors discussed the issue of the site contamination and the effect this could have on the project. The Deputy Chief Executive advised that if contamination was too high it would need to be removed and decontaminated which would delay the project and push the opening back to 2027 and demolition to 2028.

Governors discussed the issues with the school and access. The Deputy Chief Executive advised that Kier have negotiated to use some of the playing field for their compound and the school are in discussions with the College about access and the playing field. The school hold a 'ransom strip' that the College needs access over for the new development and a meeting had been arranged to discuss.

**F/24/06/6**

**Draft Budget and Three year financial forecast for Review and recommendation to the Corporation**

**F/24/06/6.1**

**College Financial Forecast Return (CFFR) Extracts**

The Deputy Chief Executive presented the budget and advised on the process that had been followed.

Governors challenged the amount set aside for a pay increase and whether there was scope to increase this. The Deputy Chief Executive advised that an allowance had been included in the budget based on circa 2% increase but whether this is affordable will be dependent on enrolment and the Real Living Wage rate. This would be discussed at the joint meeting with the People Committee.

Governors discussed the financial health rating and whether the College should request that the health rating be adjusted to a good rating given that the outstanding rating is based on one off income. The Deputy Chief Executive commented that the outturn may be affected by the funding audit and any clawback. The audit was scheduled to take place in the autumn term prior to the closing of the annual accounts.

Governors queried if the risk register should be updated to reflect the funding audit. The Deputy Chief Executive advised that the risk was already included on the risk register.

Governors challenged why the AEB allocation had reduced and queried progress with devolution negotiations. The Deputy Chief Executive advised that the reduction was due to the College not using its previous allocations. The Principal and CEO advised that discussions with the Counties were ongoing with the aim to raise the area's average level of education. Devolution was planned for 2025, and was also considering innovation and development opportunities and how adults were engaged.

Governors discussed bidding for funds and the costs that this involved. The Principal and CEO advised that the College needed to consider which funds to bid for and the implications of them in regards to staffing, delivery and outputs. The College should be considering delivery and looking to enable people to improve their level of education and life opportunities.

Governors discussed income levels and the changes reflected in the budget. The Deputy Chief Executive advised that there was an increase in the 14 -19 income due to the increase in the funding rates and the effect of the lagged funding. Unfunded growth had also been planned for 2024/25. HE numbers in the budget would need review as the planned numbers were currently not being achieved and there would be the additional overhead of The Place. The impact would be assessed in the forecast in the new year. The Principal and CEO advised that current 16-19 recruitment was looking positive including internal progression.

Governors challenged if the budget was a conservative one. The Deputy Chief Executive confirmed that it was a conservative one		
<p><b>The Committee resolved to</b></p> <ul style="list-style-type: none"> <li>• <b>recommend to Corporation the Budget and that the Three-Year College Financial Forecast Submission, comprising a College Financial Forecast Return and Commentary be approved.</b></li> </ul>		
<b>F/24/06/7</b>	<b>Health and Safety Update – Term 2 2023/24</b>	
The Health and Safety report was noted. The Chair, who is also the Health and Safety Lead Governor advised that there were no concerns to report and that the incidents reported had reduced compared to term 2 in 2022/23.		
<b>F/24/06/8</b>	<b>Management Accounts - April 2024</b>	
<b>F/24/06/8.1</b>	<b>Management Accounts - May 2024</b>	
<p>The Deputy Chief Executive presented the management accounts and it was discussed how apprenticeship and HE numbers should be included in the learner numbers table.</p> <p>The Committee agreed that the accounts were now much more accessible and included the information needed to give them the required assurance.</p>		
<b>F/24/06/9</b>	<b>The Place</b>	
<p>The Deputy Chief Executive presented the update and advised on the discussions regarding the funding of The Place development. The project has been delayed due to asbestos and the additional work required. Due to this there have been additional costs which the College has been asked to contribute to and UoS were looking at staggering their grant to the College.</p> <p>The Principal and CEO advised that the central position of The Place would it is hoped help revitalise the Town Centre, raise the profile of the College and its offer and develop the adult market including higher education. The Deputy Chief Executive advised to help with this an IAG post had been budgeted for and this post would help signpost to the courses available.</p> <p>Governors agreed that the additional contribution be recommended to the Corporation but that the resolution should make clear that this was the final contribution.</p> <p><b>The Committee agreed to advice the Corporation that if GYBC do not agree to staggered payments for the £3.5 million that the College will have an opportunity cost of circa £8,000 per month due to loss of interest.</b></p> <p><b>The Committee resolved to recommend to Corporation that:</b></p> <ul style="list-style-type: none"> <li>• <b>a contribution of £200k, including VAT, is made to GYBC towards the additional refurbishment costs at The Place. This to be the College’s final contribution.</b></li> <li>• <b>the College operates an Adult Skills Centre on the third floor of The Place.</b></li> </ul>		
<b>F/24/06/10</b>	<b>Apollo Project</b>	
The Deputy Chief Executive presented the report and advised that the shortfall in income has been the result of staffing issues including slow recruitment and sickness which resulted in the activity required to reach the agreed targets not starting until quarter three.		

<p>The project was being reviewed to see if additional resources were needed to meet the targets and monthly review meetings were being held.</p> <p>The Principal and CEO advised that the project was all about delivery and other partners had shown that the project could be a success. Once the College had the staff with the skillset needed the project should deliver. These were different skillsets than for other projects.</p> <p>Governors challenged what the risk was. The Deputy Chief Executive advised that this was that the College made a loss. Given that the project was a two year one there was time to address the issues and meet the targets.</p>		
<b>F/24/06/11</b>	<b>Subcontracting Tender</b>	
<p>The Deputy Chief Executive presented the report and updated on the tender process and the provision that the Subcontractors provided and the allocated numbers. St Edmunds Society had been taken on as a subcontractor at the request of the ESFA to protect the provision. There is a need for improvements to be made and the management charge reflected the additional support the College had to provide.</p> <p>The Principal and CEO advised that the College subcontracted for work that it could not provide itself including where learners required a smaller setting to help their engagement with learning. Tendering was part of the subcontracting rules requirements.</p> <p>The Committee noted that there was a reputational risk to the College if the provision was not continued and any change would require notice.</p> <p><b>The Committee resolved to recommend to Corporation that</b></p> <ul style="list-style-type: none"> <li>• <b>the four organisations which have submitted tenders be appointed to carry out that provision during the 2024/25 academic year. That is</b> <ul style="list-style-type: none"> <li>○ <b>Dance Performance Academy (DPA)</b></li> <li>○ <b>ACE</b></li> <li>○ <b>Inspire Suffolk</b></li> <li>○ <b>St Edmunds Society</b></li> </ul> </li> </ul>		
<b>F/24/06/12</b>	<b>Finance Risk Register</b>	
<p>1. Has the risk register been reviewed Yes, 3 June 2024</p> <p>2. Is the Committee content that the risks are relevant and are being updated Yes, the summary report set out the changes made.</p> <p>3. Is the Committee content that the risks are being mitigated Yes, the summary report set out the changes in the mitigation.</p> <p>4. Where a red risk is the Committee assured that appropriate action is being taken The red risks had been mitigated through the budgetary process.</p> <p>5. Where does the Committee have significant concerns. Apprenticeship income continued to be a significant risk.</p>		

<b>F/24/06/13</b>	<b>Policies for approval and recommendation to the Board</b>	
<b>F/24/06/13.1</b>	<b>QD027 - Fees Policy 202425</b>	
<b>F/24/06/13.2</b>	<b>QD048 - Bursary Policy and Procedure 2024-25</b>	
<b>F/24/06/13.3</b>	<b>QD074 - Supply Chain Fees and Charges Policy 2024-25</b>	
<b>F/24/06/13.4</b>	<b>QD093- Subcontracting Policy 2024-25</b>	
<p>The Deputy Chief Executive presented the policies and advised on the changes including those made to reflect the current rules.</p> <p><b>The Committee reviewed the revised Policies and recommended approval to the Corporation of the following:</b></p> <ul style="list-style-type: none"> <li>• <b>QD027 - Fees Policy 202425</b></li> <li>• <b>QD048 - Bursary Policy and Procedure 2024-25</b></li> <li>• <b>QD074 - Supply Chain Fees and Charges Policy 20245</b></li> <li>• <b>• QD093- Subcontracting Policy 202425</b></li> </ul>		
<b>F/24/06/14</b>	<b>Accountability Statement</b>	
<p>The Principal and CEO presented the Accountability Statement and advised that this was an early draft. Marketing were currently designing and editing the document. The front section was setting the College context and was based on the College's Strategic Curriculum Review. This was being considered by all the main committees and then would be subject to a written resolution so that it could be submitted by 30 June.</p> <p>Governors challenged the purpose of the document. The Director of Governance advised that the accountability statement was part of the funding agreement and was for the College to set out its objectives, as well as being submitted it needed to be published on the College's website. The Annual Review that the College produced was designed to be more of an accessible public document.</p> <p><b>The Committee reviewed the draft statement for 2024/25 and approved subject to the final review its objective sections of the statement.</b></p>		
<b>F/24/06/15</b>	<b>Agenda Planning</b>	
None		
<b>F/24/06/16</b>	<b>Review of Meeting</b>	
<ol style="list-style-type: none"> <li>1. Confidential Items - None</li> <li>2. Were Learners prominent in discussions? Yes - in the reports on the agenda</li> <li>3. Risk Management: any issues discussed which may require an additional Assessment – None</li> <li>4. Equality &amp; Diversity: any issues discussed which may require an additional Impact Assessment – None</li> <li>5. Health &amp; Safety: any issues discussed which may require an additional Impact Assessment – new build</li> </ol>		

6. Sustainability: any issues discussed which may require an additional Impact Assessment – none	
7. Media: any issues discussed to inform local media - None	
8. How did the meeting go – a good meeting.	

## East Coast College Finance and General Purposes and People Meeting

**26<sup>th</sup> June 2024 11am Board Room L6FC**

Present:	Finance and General Purposes Committee Chair - Ian Lomax (IL) Mike Dowdall (MD and Estates Chair) Paul Padda (PP Principal and CEO) Lynne Doublet (LD) Peter Blackburn (PB Associate Governor) and on teams David Blake (DB Corporation Chair) and  People Committee Chair Jude Owens (JO) Tina Ellis (TE) Kirk Lower (KL) and Alan Debenham (AD)
In attendance:	Urmila Rasan (Deputy Chief Executive) Ann Wall (Director of People and Wellbeing) and Wendy Stanger (Director of Governance)
<b>FP/24/06/1</b>	<b>Apologies and membership</b>
Apologies – none received.	
<b>FP/24/06/2</b>	<b>Declarations of Interest</b>
There were no declarations of interest.	
<b>FP/24/06/3</b>	<b>Pay Review</b>
<p>The Principal and CEO presented the paper and advised the joint committee on the allowance made in the budget for the pay review in 2024/25. Governors needed to consider how the budget was allocated and the impact of the Real Living Wage. The distribution could be a straight %, a fixed amount or a graduated award based on for instance grading.</p> <p>The Director of Governance advised that the meeting was not to make a pay review decision but to provide the Senior Team with guidance only at this stage. The new governance schedule included a planned joint committee in January 2025 to consider a Pay Strategy which would set out the Board's strategic aims for pay.</p> <p>The Director of People and Wellbeing advised that the AOC were not at this stage making a pay recommendation and that if the College remained a Real Living Wage pay scales may again need amending. The College also needed to consider the effect of pay levels on recruitment and retention.</p> <p>The Committees commented that the College's income rates were largely controlled so the only option to increase funds available for a pay award was productivity. The College</p>	

had low class sizes and duplication of offer across the campuses and would need to consider campus specialisations to improve productivity but this was impacted by travel restrictions.

The Deputy Chief Executive commented that any award would need to be assessed after recruitment and the Board would need to assess if the same award was made to the whole College given that the funding was a mix of grant and non-grant funded.

The Committees discussed the Real Living Wage and its impact on pay bands and discussed if a more pragmatic approach should be taken. It was noted that another local college had stepped away from it. The Real Living Wage was a strategic aim and the College should look to pay and that a change of government may affect this and the National Living Wage rates.

**Governors agreed the following:**

- **Pay Review to be assessed after recruitment**
- **Real Living Wage to remain a strategic aim, with its financial impact and affordability to be assessed once the rates announced**
- **Pay Review to be a cross College one with options for distribution to be proposed by the Senior Team**
- **A College Pay Strategy to be considered at the scheduled January 2025 joint meeting of Finance and General Purposes and People Committee.**