

East Coast College Finance and General Purposes Meeting

21st November 2023 9am Board Room L6FC

Present:	Chair - Ian Lomax (IL) Mike Dowdall (MD and Estates Chair) Peter Blackburn – from item 5 (PB) and on teams David Blake (DB)	
In attendance:	Urmila Rasan (Deputy Chief Executive) (Head of Finance) Lucy Wharry (Head of Finance) Charlotte Burgess (Deputy Head of Finance) and Wendy Stanger (Director of Governance)	
F/23/11/1	Apologies and membership	
<p>The Chair welcomed (at item 5) Peter Blackburn who had been appointed as an Associate Governor to his first Committee meeting</p> <p>The Committee were advised that the meeting was being virtually observed by Rob Lawson for the external board review which the Board had commissioned.</p> <p>Apologies – Joe Rahman (JR) and Stuart Rimmer (CEO/Principal)</p>		
F/23/11/2	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/23/11/3	To approve the Minutes of the meeting of the 14 June 2023 and any other matters raised previously not otherwise included in the Agenda	
<p>The minutes of the meeting held on 14 June 2023 were approved as a true and accurate record of the meeting.</p> <p>Governors queried if the outcome of the T level equipment bid was known. The Deputy Chief Executive advised that this had not yet been announced.</p> <p>Governors queried if the ESFA funding audit outcome had been confirmed. The Deputy Chief Executive advised that the final report had now been received and was to be considered by the December Audit along with the action plan. The level of clawback from ESFA was still not clear but provision had been made for a prudent amount in the accounts. The risk of a further funding audit would depend on the risk profile used by ESFA but given the level of clawback identified in the report this should not be high.</p>		
F/23/11/4	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 it was proposed by the Chair to hold an additional meeting in January which would include consideration of the opportunity register. This additional meeting would also consider the forecast and the action F/23/06/7 budget commentary risk analysis.</p>		
F/23/11/5	Deputy Chief Executive update report	
<p>The Deputy Chief Executive presented her update report and advised the report covered the non- financial as well as financial aspects of her role.</p>		

The Committee congratulated the finance team for the positive audit and thanked them for their hard work during the year in improving the financial systems and during the audit.

Governors discussed the new sub-contract with St Edmunds Society (St Eds) and its financial implications. The Deputy Chief Executive advised that the College had been requested by ESFA to take the contract on to preserve the provision and the financial risk and mitigations had been added to the risk register.

Governors discussed the Great Yarmouth re-development and the concerns re the façade and net zero. The Deputy Chief Executive advised that the financial risk relating to the re-development was with the DFE and that on completion the contracts would novate to the College. The contract also included a 10 year maintenance handover plan. The capital planning paper at agenda item 12 included the College's financials for the project which were match funding and furniture fit out. The College had a meeting booked with Great Yarmouth Council to present the scheme and planning was due to be submitted at the start of December. A further update would be reviewed by Estates Committee at its December meeting. The Estates Chair advised that he had written to the DFE following the Board raising concerns regarding the façade and net zero.

Governors commented that it was important that the Great Yarmouth Campus continued to be maintained during the project so as to project the learner experience. The Deputy Chief Executive confirmed that ongoing maintenance had been budgeted for.

Governors challenged if the windows 11 upgrade would be fully completed by the time support was withdrawn for windows 10. The Deputy Chief Executive advised that the plan and budget was in place to replace all with windows 11, this would be a mixture of refurbishment and replacement and would be completed by the IT team in addition to their normal support role. The work and budget were to be split over 2023/24 and 2024/25.

Governors agreed the following actions:

- **DFE to be chased for a progress update regarding the issues raised on behalf of the Board by the Estates Committee Chair re façade design and net zero.**
- **Pre-planning to be reviewed for any issues that require action.**

These actions to be reviewed by the December Estates Committee.

WS

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F/23/11/6

Management Accounts – October 2023

F/23/11/6.1

Management Accounts – September 2023

The Deputy Head of Finance presented the accounts, as this was early in the financial year and the Individualised Learner Record (ILR) had not yet been run, the income was based on funding with actuals for pay and non-pay. There were no issues to highlight at this stage in the year.

Governors challenged if the additional government funding covered the pay review. The Deputy Chief Executive advised that, as set out in the paper to the Board, the award was in excess of the additional funding received to ensure that the College's salaries were competitive and the Board's commitment to the real living wage. The full affect of the award would not be seen in 2023/24 as the award was being paid from November. This would be reflected in the accounts in the mid-year forecast. The mid-year forecast would also review the overall budget gap.

<p>Governors commented that the staff feedback received following the pay review demonstrated the impact of the Board's decision.</p> <p>Governors thanked the finance team for the timely production of the management accounts and noted that the risk of the 'single point of failure' within finance was now mitigated with the Deputy Chief Executive now able to concentrate on the strategic finances.</p> <p>Governors agreed the following actions:</p> <ul style="list-style-type: none"> • A joint meeting to be held with the People Committee to discuss the Real Living Wage and the long term implications of retaining this as a strategic aim. • An additional Finance and General Purposes Committee to be held in January to include review of the mid-year forecast. 		<p>WS</p> <p>WS</p>
F/23/11/7	Recruitment 2023/24 - Financial Implications	
<p>The Deputy Chief Executive presented the report. The recruitment had been positive. It should though be remembered that in the previous two years recruitment had fallen with a reduction in circa 350 over the two years so this recruitment was pulling one year back. The increase in recruitment needed to be maintained in future years.</p> <p>Governors commented that the increased recruitment was very positive and queried if this was due to a change in the demographic or due to the College's recruitment approach. The Deputy Chief Executive advised that the Deputy Principal Curriculum and Strategic Partnerships and all the College teams had worked hard on the recruitment drive. This had included following up applications, course changes and a positive enrolment that ensured all were enrolled. The College worked in a competitive environment and needed to work hard to compete and this increase in recruitment now needed to be maintained and the year two cohort planned through the curriculum planning.</p> <p>Governors noted that there was an additional cost in year of the additional recruitment due to the lagged funding, The Deputy Chief Executive advised that the costs would be reviewed further as part of the curriculum budget meetings to ensure that all were resourced correctly. The additional recruitment came at a cost but it was important that the College broke out of the cycle of under recruitment. The previous under recruitment had been managed efficiently and budgets controlled tightly which ensured that there were monies available to fund the increase.</p> <p>Governors queried how the additional maths and English provision had been resourced and the reasons for the increase. The Deputy Chief Executive advised that Maths and English had increased by circa 50% with an additional 594 learners which had required additional classes and teachers. The grade boundaries had reverted to pre-covid levels which had affected results and there was already a legacy problem with maths and English performance from the College's feeder schools. If this demand was reduced in 2024 and the teachers were underutilised the College would look to reduce staffing through not filling vacancies. Governors commented that in the curriculum area SARs vocational courses embedding of maths and English had been discussed with some areas better than others at achieving this.</p>		
F/23/11/8	2022/23 Financial Out turn	
<p>The Deputy Chief Executive presented the report which demonstrated both a positive EBITDA and an increased cash balance. The cash balance included the Apollo Project</p>		

advance funding and the VAT refund. The bank had now agreed to pay interest on the cash balance at a rate of 4.6%.

Governors queried the duplicated assets written off. The Deputy Head of Finance advised that this was duplications identified during the fixed asset review. The Deputy Chief Executive advised that fixed assets had been an issue since merger but had now all been reconciled and corrected with Audit updated on the work.

Governors discussed the loans and the repayments. The Deputy Chief Executive advised that the loans had been negotiated on merger. The last loan was due to be paid off in 2031. The exit cost was currently too high but by 2027 it may be viable to consider paying them off but this would need to be considered against needing the cash to invest in the college.

Governors agreed that it was a positive financial out turn and thanked the Deputy Chief Executive for her financial stewardship.

F/23/11/9	VAT Project
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The Deputy Chief Executive presented the report and explained the basis of the VAT claim and refund. Now that the partial exemption was agreed there would be an ongoing VAT refund. This work had overseen by RSM VAT consultants assisted by the College's finance team. The Director of Governance should also be thanked for her work on the legal requirements. The main VAT recovery was related to the building of the Energy Centre.

Governors challenged if the LEP, who had funded the Energy Centre, had approved the College retaining the VAT recovery. The Deputy Chief Executive advised that the LEP had confirmed it could be retained and that it should be reinvested in capital.

The Committee congratulated the College for the successful VAT recovery and thanked all involved. This additional money would help the College's financial position.

F/23/11/10	Apollo Project
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The Deputy Chief Executive presented the report and explained the Apollo Project and its governance. The overall aim was to support recruitment and retention within the health and social care sector.

The College had received the funding in advance to manage a two-year pilot Project Apollo scheme in Norfolk, Suffolk and North East Essex which commenced in July 2023. The funding has been channelled to the College through the University of Suffolk as it was already an approved supplier for the NHS. The governance structure was led by a Strategic Board chaired by the NHS and included the College's Chair of Quality and Standards as a member.

Governors challenged the College's role and accountability and how this would be managed. The Deputy Chief Executive advised that the College would receive a management fee for managing the project. The College has established a Project Team, led by a senior manager, with the Deputy CEO's oversight, to provide day to day performance management, monitoring and support for the delivery partners. To help with the monitoring dashboards were being developed and the finances would be included in the management accounts. If the partners did not meet their target their funding could be withdrawn.

Governors commented that this was an important project for the health sector who needed the recruit and retain the staff. The Deputy Chief Executive advised that this was

<p>a pilot and given the Health Service Workforce Plan there could be additional project funding if it was a success.</p> <p>Governors agreed the following actions:</p> <ul style="list-style-type: none"> • Apollo Project monitoring to be a standing Finance and General Purposes Committee item, with the reports to include the dashboards. 		WS/UR
F/23/11/11	HE Pilot Programme - Financial Implications	
<p>The Deputy Chief Executive presented the report, the degree is suitable for learners who want to become a commercial pilot as by the end of the qualification a learner will have a degree and the commercial pilot licence. This report considered the financial implications only and the degree was still subject to validation. The College feasibility exercise identified that the course required a minimum of 8 to run.</p> <p>Governors commented that this was a small cohort and challenged if the course was financially sustainable. The Deputy Chief Executive advised that the degree had no upfront cost for the college and due to the cost and high level of medical requirements and the academic rigour required to progress with the practical flight training a higher than normal attrition rate has been applied. Until the course was validated and marketed it wasn't clear if the market was there for the course. This would though be the only degree of its type in the region.</p> <p>The Committee resolved to</p> <ul style="list-style-type: none"> • approve the financial aspects of the degree subject to academic approval from UoS <p>and</p> <ul style="list-style-type: none"> • to include the HE Pilot Programme on the Tactical Risk Register if the programme proceeded. 		
F/23/11/12	Capital Planning - Financial Implications	
<p>The Deputy Chief Executive presented the report and advised on the College's future commitments to the capital projects.</p> <p>Governors commented that the capital projects were positive for the College, they noted the future capital commitments and that the funding would be from the College's reserves.</p>		
F/23/11/13	Health and Safety Annual Report	
<p>The Committee Chair, who is the Governor Lead for Health and Safety, presented the annual report. There had been an increase in incidents, partly due to seizures, but only 1 RIDDOR Reportable Incident. The College had not identified any issues with RAAC.</p> <p>Governors asked what action could be taken to mitigate the seizures. The Committee Chair advised that the majority of the mitigation was outside the College's control and the seizures involved a few students. ECHPs were in place along with suitable and sufficient risk assessments where required. To support there was a need for additional first aiders at Great Yarmouth and the medication policy was under review.</p> <p>Governors challenged if there were any issues with theft or damage. The Committee Chair advised that there had been some damage to fire doors due to them being forced open. The Deputy Chief Executive advised that there had been some instances of theft, and students not returning laptops that had been lent to them but the main issue was</p>		

damage. A lockable laptop cabinet was currently being trialled as part of classroom management.		
F/23/11/14	Finance Risk Register	
<p>The Director of Governance advised that a new summary report had been added to the registers and this highlighted changes from the last review.</p> <p>1. Has the risk register been reviewed Yes, November 2023.</p> <p>2. Is the Committee content that the risks are relevant and are being updated Yes - The Deputy Chief Executive advised that an additional risk had been added in relation to the St Eds subcontract.</p> <p>The Committee agreed risks needed to be added for:</p> <ul style="list-style-type: none"> • Apollo Project • HE Centre – with risk to be added also in Curriculum Growth and Development and • if it proceeded the Pilot Degree. <p>3. Is the Committee content that the risks are being mitigated Yes, and discussed in the reports on the agenda.</p> <p>4. Where a red risk is the Committee assured that appropriate action is being taken Yes, the red risks were being mitigated. The report on the funding audit and action plan would be considered by the Audit Committee and the red risk in relation to the pay award had reduced due to the additional funding. The additional planned meeting would look at the implications of remaining a real living wage employer.</p> <p>5. Where does the Committee have significant concerns. None noted.</p>		
F/23/11/15	Annual Committee Report	
<p>The Director of Governance presented the report and advised that annual reports were produced for each committee and are published on the College's website. The areas for improvement identified in the self-assessment were in progress with additional governors appointed to the committee and ongoing recruitment, improvements in reporting, joint meetings and the external board review.</p> <p>The Committee resolved to</p> <ul style="list-style-type: none"> • agree the Committee's annual report and its submission to Corporation. 		
F/23/11/16	Agenda Planning	
<p>December 2023 - Joint discussion with People Committee regarding the long term implications of remaining a Real Living Wage employer.</p> <p>January 2024 – Additional Finance and General Purposes Committee. To include mid-year forecast, opportunity register, and budget commentary risk analysis review.</p>		

F/23/11/17	Review of Meeting	
	<ol style="list-style-type: none"> 1. Confidential Items - None 2. Were Learners prominent in discussions? Mentioned but not prominent 3. Risk Management: any issues discussed which may require an additional Assessment – as noted in the agenda item 4. Equality & Diversity: any issues discussed which may require an additional Impact Assessment – Apollo Project and EDI mix to be monitored 5. Health & Safety: any issues discussed which may require an additional Impact Assessment – lack of first aiders at Great Yarmouth Campus 6. Sustainability: any issues discussed which may require an additional Impact Assessment – GY Campus re-development to be followed up with DFE. 7. Media: any issues discussed to inform local media - None 8. How did the meeting go – a good meeting with some positive reports. 	