

Colchester Institute Corporation

**Minutes of a Meeting of the Board
held on 26th July 2016
at the Sheepen Road Campus**

Present

Christopher Bridge, *in the Chair*
Alison Andreas
Brenda Baker
Charlie Byrne
Tyler-James Collinson
David Gask

David Gronland
David Kerridge
Bryn Morris
Kevin Prince
Karen Tarling
Richard Wainwright

In Attendance

Gary Horne
Hazel Paton

Vice Principal: Finance and Operations
Clerk to the Governors

Apologies for absence were received from Lisa Clampin, Peter Hempstead and Sue Thompson-Arnold.

1. Declaration of any Conflicts of Interest

None.

2. Membership

The Board APPROVED the

2.1. Re-appointment of Tyler-James Collinson as a Student Governor for the period 01.08.16 to 30.06.17.

2.2. Appointment of Charlie Byrne as a Student Governor for the period 26.07.16 to 30.06.17 and welcomed him to the meeting.

3. Minutes

The Minutes of the meeting held on 20th April 2016 (CIC/16/3/1) were received and confirmed. The Chair signed the minute book.

4. Matters Arising from the Minutes

None, other than on the agenda.

5. Chair's Announcements/Action since last meeting

5.1. It was reported that the Chair had approved:

5.1.1. On 07.06.16 the University Centre Colchester (UCC) Fees Policy 2016-17 (CIC/16/3/2) for submission to OFFA (Office for Fair Access). A Governor commented that there were a number of areas in the policy where it was potentially unclear in relation to what students would be required to pay or could be claimed to be unfair terms and recommended that the policy is reviewed against the CMA (Competition and Markets Authority) Guidance and the advice on consumer protection for HE providers. This was

supported by the Board. The approval of any changes deemed necessary to the Policy as a result of the view was delegated to the Chair.

- 5.1.2. On 10.06.16 the appointment of Cadman Construction Limited as main contractor for the STEM Innovation Centre (sports hall conversion) project. The planning application has been submitted and is one week from determination and subject to a positive outcome work is due to start on site at the end of August. There will be a discreet builder's compound and the work should not impact on the operation of the main block of the campus.
- 5.1.3. On 14.06.16 the Curriculum and Quality Targets (FE and HE) 2016/17 (CIC/16/3/3) for immediate use following discussion and endorsement of the targets by the Curriculum and Quality Committee that day. The confirmed targets are feeding into the PDR process, which is now well underway at the College. Governors noted that the proposed targets for Functional English and Maths was lower than in 2015-16 and asked the basis for this. It was reported that in 2015-16 the College set targets that were well above reported national averages. The target for all success rates was 88% but it became clear that this was not appropriate for Functional Skills and GCSE A*-C English and Maths. The proposed targets are more appropriate and achievable whilst still providing stretch.
- 5.1.4. Following an exchange of emails with Board members, the sale of part of B Block at the College at Braintree to Braintree District Council (28.06.16). The Council will lease the property to Virgin Health and it will become the new location for St Lawrence Surgery. The purchase has been approved by the District Council's Cabinet but because the purchase exceeds £1m it needs to be endorsed by the full Council at its next meeting in September.

5.2. The Chair reported that he had attended a number of celebration events: the FE Awards ceremonies on 21 June (the College at Braintree) and 23 June (Sheepen Road); the presentation of the annual staff awards on 1 July; and a long service awards event on 4th July for staff who had served 20, 25 and 30 years at the College. All were uplifting events. Kevin Prince, Lisa Clampin and Bryn Morris were thanked for determining the winners of the annual staff awards. It was noted that the award for Outstanding Team had gone to the Maths and English Team who had done really well for the College this year.

5.3. It was reported that the proposed sixth form at Tabor Academy in Braintree is going ahead and will open in September 2016.

6. **Principal's Report**

CIC/16/3/4, Principal's Report July 2016, was received and considered.

(i) **Post-16 Skills Plan**

It was noted that the Sainsbury Report and associated Post-16 Skills Plan had now been published. The most significant change for the FE sector is around the new college-based routes which will see students spending less time in college and more students on apprenticeships. Full time students will spend part of their first and second year of study with employers. This will have a significant impact on the pattern of student attendance and the ability to enrol more students. There appear to be some omissions in the 15 subject based routes. For example there is no mention of music and performing arts or sports, although these might be included in creative and health respectively. Some areas will be largely delivered through apprenticeships, including areas currently called public services. The implementation date is 2019.

Governors discussed the impact on employers, the challenges of finding employers and the implications for staffing. It was suggested that the College would require different kinds of staff, with more people monitoring progress in the work place and carrying out assessing type activities as opposed to the more traditional teaching and learning activity. The College has recently launched CI Business Solution to work in partnership with businesses.

Governors questioned whether the increase in apprenticeships or work based learning element in programmes would present bigger challenges for the College in terms of attendance, progress and achievement. It was reported that this would largely depend on how successful the tripartite agreement between the College, employer and student is. This works well with apprenticeships when the employer is fully engaged with the process.

(ii) **Governmental Changes**

The recent ministerial changes were noted. The College's contacts at the SFA (Skills Funding Agency) are of the view that the changes will not impact on the introduction of the Apprenticeship Levy in 2017. The College sees the levy as an opportunity and on 16th September will be attending an Essex County Council business breakfast for employers to learn more about the levy and how it will impact on them. The College has also developed some materials for the website and to send out to help employers understand the levy. Governors asked to receive a briefing on apprenticeship funding and the roll out of the levy later in 2016 or early 2017.

(iii) **High Level Performance Targets**

Progress as at 22nd July 2016 against the High Level Performance Targets approved by the Board on 21st July 2015 was noted. The targets were aspirational and it was noted that a number were revised down during the year.

7. **Reports from Committees**

7.1. **Audit and Compliance Committee**

The minutes of the meeting held on 14th June 2016 (CIC/16/3/5) were received and presented by Committee Member Kevin Prince.

7.1.1. **Recommendations to the Board**

The Board considered two recommendations made by the Committee and AGREED:

- (i) To mandate the recording of all work experience on a College approved system. This recommendation was to support the findings of the internal audit of Learner Number Systems in relation to the availability of the documentation of work experience. If the College is not able to demonstrate that it has planned work experience for students on Study Programmes the students could drop funding bands.
- (ii) To carry out a Board review of the Corporate Risk Register and risk appetite during 2016-17, possibly as part of a Board planning meeting. This recommendation arose from the review of the Corporate Risk Register and whether the target risk ratings reflected the Board's risk appetite.

7.1.2. **Risk Management Policy**

CIC/16/3/6, Risk Management Policy, was received, considered and approved.

7.1.3. **Corporate Risk Register**

CIC/16/3/7, Corporate Risk Register as at 3 February 2016, was received and noted. The Committee had reviewed the format of the Risk Register and as well as including task and finish actions and target dates it was suggested that the assurance lines are RAG (Red, Amber, Green) rated to provide Governors with an assurance on how well the controls and mitigating actions are working. This will be taken forward to the next Risk Committee meeting.

7.1.4. **RSM FE Briefing**

CIC/16/3/8, FE Briefing note from the College's Internal Auditors RSM, was received and noted.

7.1.5. **Internal Audit Procurement Exercise**

An additional paper, Internal Audit Procurement Exercise – Position Paper and recommendation to Award (CIC/16/3/23), was received and considered. It was AGREED to award the contract to RSM Tenon for three years, plus the option to extend for two further years subject to satisfactory performance.

7.2. **Curriculum and Quality Committee**

The minutes of the meeting held on 14th June 2016 (CIC/16/3/9) were received and presented by the Committee Chair David Gask.

7.2.1. **Scorecard**

The Committee had received an update on the current performance of students based on the live data in Scorecard. The biggest challenge for 2016-17 will be improving attendance.

7.2.2. **CISU Annual Report 2015-16**

CIC/16/3/10, Colchester Institute Students' Union Annual Report 2015-16, was received and noted and the budget forecast 2016-17 was approved. Governors noted that under the Constitution the Student Union is required to report any external affiliations on an annual basis in the Annual Report. It was confirmed that the Students' Union is affiliated with the National Union of Students although this was not included in the Annual Report. Governors asked for the report to be corrected and for any other affiliations and links to be included.

7.2.3. **Students' Union Constitution**

CIC/16/3/11, Constitution of Colchester Institute Students' Union, was received, considered and APPROVED.

7.2.4. **Link Governor Scheme**

CIC/16/3/12, Key points for the Board's attention taken from the link visit reports 2015-16, was received and noted. It was agreed to review how the scheme works at the next Board meeting.

TJ Collinson left the meeting.

7.3. Resources Committee

The minutes of the meeting held on 19th July 2016 (CIC/16/3/13) were received and presented by the Committee Chair Richard Wainwright.

7.3.1. VAT Claim

It was reported that consultants acting on behalf of the College have made a claim to the HMRC for the immediate repayment of VAT on what should be exempt supply activity from salons, restaurants etc. The HMRC has written asking for more information and the repayment is unlikely to be received before the end of the financial year.

7.3.2. Management Report – June 2016

CIC/16/3/14, Management Report June 2016 [Period 11], was received and considered.

It was reported that the Resources Committee had received the Period 10 Management Report at its meeting and had noted an apparent increase in staff sickness absence. The Committee had asked to receive further reports during 2016-17, including more data on the type and length of absence, so the situation can be monitored. The Vice Principal: Finance and Resources reported that whilst the 12 month rolling totals had shown an increase in April and May 2016 the June figures were showing an improvement. The College Executive will be focusing on sickness absence and the policies around controlling absence next year.

The Vice Principal: Finance and Operations reminded Governors of the background to the current financial position, the impact of the decision in 2008 to curtail the Building Colleges for the Future Programme which left the College with debt servicing cost of £1m pa on a 24 year mortgage, and the pressures on cash at a time when the College is trying to further invest in the estate, accommodation and teaching and learning. He then outlined how key income streams had performed in 2015-16. The College is forecast to achieve its adult FE numbers and is on target to achieve its apprenticeship numbers by the end of July. The withdrawal rate for apprentices (9%) was higher than budgeted and will need to be closely monitored going forward. The biggest shortfall was in HE where the number of full time learners was 78 short of target. There was a significant drop in overall income compared to the previous year which has been partially offset by savings on expenditure lines. The College is forecasting a year end deficit and any further deterioration in July could result in the College being in breach of its bank loan covenants.

It was reported that the College intends to write off part of the professional fees incurred on the aborted planning application at The College at Braintree. Under the new Financial Reporting Standards 102 there is no allowance for exceptional items and under the auto calculation of financial health the write off of these professional fees will push the College back into Inadequate. The College Executive had discussed this with the SFA the previous week and it was suggested that the Board write to the SFA ahead of the submission of the Financial Plan asking to self-assess as Satisfactory on the basis that exceptional costs should not be taken into account. Governors discussed whether the write off the design fees could be deferred until the following year or whether there was a case to write off all the professional fees. It was reported that some of the design fees contribute to the design of the new project and could be carried forward. It was agreed to take advice from the Financial Statements Auditors on the timing of the write off the fees. Noting the circumstances, and the fact that a

number of College's request a self-declaration of financial health each year, it was agreed that the Chair should write the SFA as suggested.

Governors asked the level of confidence in the forecast year end position. It was reported that there were still some risks. The adult funding line is paid on achievement and there could be an issue if the number of achievements has not been correctly forecast. The level of overtime payments and agency costs is also unknown.

7.3.3. **Budget 2016-17**

CIC/16/3/15, Corporate Budget 2016-17, was received and considered. The Vice President: Finance and Resources drew Governors attention to key areas, including reductions in the HE tuition and FE lines. Efficiencies in delivery include changes to contact time and a reduction in the number of taught hours on Level 3 core programmes which has facilitated a reduction in the part time hourly paid line. An allowance (1%) has been made for staff progressing through pay bands. The key growth line is apprenticeships. The budget is thought achievable given the high carry in associated with 649 apprenticeship starts in 2015-16 and growth projections in new areas. It is anticipated that income will increase slightly on the current year.

The new employer engagement strategy and the role of the recently launched CI Business Solutions in supporting the College in achieving the growth in apprenticeships were discussed. Governors asked if extra investment was needed to support this area of activity and were advised that the College has already appointed four dedicated account managers rather than three as intended. The role of the account managers is to go out to employers to talk to them face to face about the solutions the College can offer. Governors asked about marketing and were advised that a full month by month marketing plan has been drawn up with each Faculty to launch different activities in different sectors. Governors asked for updates on progress against targets to be included in the Monthly Management Reports.

The Board APPROVED the Budget 2016-17.

7.3.4. **Financial Plan**

The Board received and considered:

- CIC/16/3/16, Financial Planning checklist, and
- CIC16/3/17, Financial Plan 2016-18

It was noted that the College could respond positively to each question in the checklist and that the three year plan aligned to the College's strategic plan.

The Vice Principal: Finance and Operations presented the Financial Plan. It was noted that that forecast was based on a steady increase in 16-19 learner numbers, continued apprenticeship growth and a steady state for HE income. An allowance is made in 2017-18 for a cost of living increase and a 2% allowance for inflation on non-pay costs. Governors asked about the HE fee level in 2017 and were advised that a paper will be brought to the Board proposing an increase to a maximum allowed. This will give the College an opportunity to offer bursaries and attract students.

The Board APPROVED the Financial Plan 2016-17.

7.3.5. Fees Policies

The Board received, considered and APPROVED:

- CIC/16/3/18, FE Fees Policy 2016-17
- CIC/16/3/19, International Fees Policy 2016-17
- CIC/16/3/20, Employer Contribution Fees and Charges Policy

8. Future Meetings

8.1. There will be a Board / Planning meeting on Wednesday, 5th October 2016 at 4.00pm.

8.2. CIC/16/3/21, Meeting Schedule 2016-17, was received. The Clerk reported that the dates of the FE Awards Ceremonies 2017 have now been confirmed as Tuesday, 20th June 2017 (Braintree) and Thursday, 22nd June 2017 (Colchester). The meeting of the Curriculum and Quality Committee scheduled for 20th June will therefore be moved to Tuesday, 27th June at 4.30pm. A revised meeting schedule will be circulated to Governors outside the meeting.

9. Any other Business

9.1. Colchester Borough Plan

The Chair reported that he would be writing on behalf of the Board to Colchester Borough Council and the two district councils (Braintree and Tendring) in response to their current consultations on Local Plan.