

Colchester Institute Corporation

*Minutes of a Meeting of the Resources Committee
held on 26th January 2016
at Sheepen Road*

Present:

Richard Wainwright, *in the Chair*
Alison Andreas
Brenda Baker
Christopher Bridge

David Gronland
David Kerridge
Karen Tarling
Sue Thompson-Arnold

In attendance:

Gary Horne
Hazel Paton

Vice Principal: Finance and Operations
Clerk to the Governors

There were no apologies for absence.

1. Declarations of any conflicts of interest

None.

2. Minutes

The minutes of the meeting held on 9th November 2015 (CIC/RC/16/1/1) were received and confirmed. The Chair signed the minute book.

3. Matters arising from the minutes

None, other than on the agenda.

4. Chairman's Action since the last meeting

It was noted that:

4.1. The Chair approved (09.11.15) the initial professional team appointments for the STEM Building development at the College at Braintree (CIC/RC/16/1/2). The appointments have been superseded by subsequent events. In response to a question it was confirmed that some costs had already been incurred.

4.2. The Chair approved (23.11.15) the award of the new insurance contract to Zurich with effect from 1st December 2015 (CIC/RC/16/1/3).

5. Financial Monitoring

CIC/RC/16/1/4, November 2015 Management Report [Period 4], was received and noted. The Vice Principal: Finance and Operations tabled the Income and Expenditure Account and cash flow statement from the draft December 2015 Management Report and updated Governors on the latest position.

It was reported that the College was starting to turn around the underperformance in the first four months of the year. Income in December exceeded the budget by £0.5m and it was a particularly good month in terms of Work Based Learning income. As reported at the December Board meeting, some tuition fee income from the Student Loan Company had not

been accounted for in the November report, and £307k was received against this income line in December. HE tuition fee income is still £767k short of the full year budget expectation but planned enrolments in January and February might achieve an additional £200k. The shortfall in full time HE students (78 as at the previous week) is a mixture of under-recruitment of first year students due to increased local and national competition and a higher than anticipated number of students (30) not continuing (or not continuing immediately) into their second or third years. Colleges delivering FE and HE are struggling to recruit HE students, particularly part time HE students, but the College has bucked the national trend and has grown its part time HE numbers this year. Part of the discussion at the February Board meeting will be on how the College can make the most of its curriculum offer to potential students.

The College is starting to raise more income through adult FE provision and courses starting mid-year should help move this forward. There are still some challenges around full cost delivery and employer activity through the PTC.

Expenditure was over budget by £30k in December due to an overspend on payroll but year to date expenditure is under budget overall. There are still some uncertainties over income and the College will continue to roll out cost saving initiatives to improve the situation over the second half of the year to achieve a breakeven position at year end. Class sizes have been analysed and some classes have been merged. More efficient ways of working have been identified in some support areas and agency staff have left as a result. Non pay initiatives include a reduction in the mileage allowance for staff travelling on college business, reflecting the recent drop in petrol prices.

The cash flow was discussed. It was noted that the cash position at the end of December was better than forecast, but the College would still need some additional loan funding at the end of March. The Vice Principal: Finance and Operations reported that he was due to meet with officers from Barclays Bank the following day to discuss a £0.5m rolling overdraft arrangement should it be needed. Governors stressed that the College must not lose its focus on collecting cash. The costs were discussed and it was noted that as well as an arrangement fee there may also be a fee if the overdraft is not used.

The aged debtor position was discussed. It was reported that the College needed to be more pro-active in this area and that a new Credit Controller was due to start in post the following week. Governors asked if the College was still pursuing IWA for the funding that was drawn down for ineligible learners and which the College is required to repay to the funding body. It was reported that the solicitors have offered to write another letter but it is believed that it is very unlikely that the money will be recovered and the Executive are considering withdrawing rather than incur further expense. This will require Board approval. It was agreed to record this as a bad debt.

6. Property Issues

6.1. Braintree Campus Developments

It was reported that the lease of part of B Block to the NHS for a doctor's surgery is progressing. Staff have been asked to vacate the area by the end of February, which means creating alternative large spaces by then. The College is about to appoint solicitors, but no work will start until the NHS has confirmed in writing that they will meet any abortive costs ahead of the signing of the lease.

6.2. South Wing

It has been agreed that the contractors will leave the site on 4th February 2016. The College has control of the building and teaching is underway. The library is being fitted out and should be fully open by the end of this week. The College over-recruited motor vehicle students this year and a temporary motor vehicle workshop has just been completed to meet the demand for this year. This will become an electrical and mechanical facility from next September. Students were used to fit out the Multi-Skills Workshop and set up their own learning spaces with their tutor.

It was reported that the professional team were still working with the College and had not been paid any extra over the original tender despite the project overrun.

LX block is due to be removed at half term and the area converted into a sensory garden.

7. One Year Action Plan and Key Performance Indicators – September 2015 – August 2016 (ambitions 3, 4 and 5)

CIC/RC/16/1/5, update on One Year Action Plan 2015-16 – sections 3, 4 and 5, was received and considered. The plan covered the second year of the Three Year Strategic Plan 2014-2017.

Each action had been given a Red, Amber, Green (RAG) rating to reflect its level of significance in achieving the associated ambition, and progress towards achieving the action was similarly RAG rated. The Committee discussed areas where significance is high but progress is low (Red/Red) and noted that there were areas where there was still a lot of work to be done if they were not also to become Red/Red.

Governors asked about progress in rolling out a Management Development programme from January 2016 and were advised that it had been delayed by other priorities in HR. On questioning from Governors it was confirmed that managers would be notified of the delay to the start of the management development programme.

It was noted that marketing was going to be crucial if the College is to meet the challenges of the changes coming through in relation to employers and apprentices, and this needs to be progressed. This will be discussed further at the Board planning meeting in February.

8. Wellbeing Annual Report

CIC/RC/16/1/6, Report on activity to promote Staff Wellbeing during 2015, was received and considered. It was noted that a Staff Wellbeing Group was established towards the end of 2014, now chaired by the Principal, to look at what the College can do as a good employer to support the health and wellbeing of staff. It was reported that initiatives such as the reinstatement of a staff room at the Colchester campus and the Staff Wellbeing days at Colchester and Braintree during 2015 had been well received. Governors asked about the impact in terms of any reduction in staff absence or staff turnover and were advised that these would appear to be fairly consistent with previous years, but more detailed statistics would be available in the next few weeks and will be reported to the Board.

9. Date of next meeting

Tuesday, 22nd March 2016 at 4.30pm.

10. Any other Urgent Business

10.1. Lennartz Scheme

It was reported that the College's challenge against HMRC continues and there could be a pre-hearing as early as the middle of February. The VAT consultant advising the College is still confident of a positive outcome from the hearing, which will probably be around June.

It has been agreed that the penalty notice issued to the College will be suspended for a period of 12 months at which point it will be written off.

Part II – these minutes are not confidential but the supporting papers are confidential

11. Part II Minutes

The Part II minutes of the meeting held on 9th November 2015 (CIC/RC/16/1/7) were received and confirmed. The Chair signed the minute book.