

Colchester Institute Corporation

*Minutes of a Meeting of the Resources Committee  
held on 28<sup>th</sup> March 2017  
at the Sheepen Road Campus*

**Present:**

Richard Wainwright, <i>in the Chair</i>	Christopher Bridge
Alison Andreas	David Kerridge
Brenda Baker	Karen Tarling

**In attendance:**

Gary Horne	Executive Vice Principal: Finance and Corporate Development
Hazel Paton	Clerk to the Governors
Shaun McConnell	Executive Director: Human Resources

Apologies for absence were received from Mark Davies.

1. **Declarations of any conflicts of interest**

None.

2. **Minutes**

The minutes of the meeting held on 31<sup>st</sup> January 2017 (CIC/RC/17/2/1) were received and confirmed. The Chair signed the minute book.

3. **Matters arising from the minutes**

None, other than on the agenda.

4. **Chair's Action**

The Corporation Chair approved (21.03.17) the award of the contract for the new finance system to Advance Business Solution (contract tender value £73,920 over three years including all licences, maintenance and installation). CIC/RC/17/2/2, Finance Systems Benchmarking Analysis, was received and noted. It was reported that the selected system offers the College everything it needs to go forward and be able to integrate with other systems such as purchase orders, travel and subsistence claims, payroll and EBS student record system.

One of the recommendations of the Essex Area Review was that Colleges should work together to reduce costs and Essex Shared Services was specifically named. It was noted that the College did look at this shared service solution but it was far more expensive and would have required another interface programme into the EBS system.

5. **Financial Monitoring – February 2017 Management Report**

CIC/RC/17/2/3, February 2017 Management Report and Accounts [Period 7], was received and considered. It was reported that operating income was ahead of the same period last year; £38k short of the budget position. Apprenticeship income fell short of the budgeted position in the month. There were good cost savings generated in the month including core staff costs and supplied and services, assisting an overall improvement of £54k on the YTD budgeted surplus as at period 7. Individual forecast changes resulted in the full year operating surplus to be slightly ahead of budget at £412k.

Governors asked about the performance of the subsidiary company. It was reported that CIE Ltd is struggling to achieve its budgeted targets because most of the income is driven by full cost income,

which is £297k short of the year to date budget. Looking at pipeline programmes and new enrolments for April it looks like the College will achieve the revised full cost forecast of £720k.

The risk around apprenticeships was discussed at length. Starts in January/February did not meet College aspirations and the Senior Leadership Team is considering how the apprenticeship action plan can be improved to increase starts above the current rate. Opportunities are coming forward as a result of the levy and a major employer wants to come in and review our engineering facilities. Meetings are held every two weeks with each faculty to track apprenticeship opportunities at each stage of the process. There are some hard to fill vacancies where there are few or no suitable candidates coming forward. The reasons for this have been discussed and it may be that in some cases it will be to do with the nature of the employer. For example, vacancies in catering and hospitality are often in rural locations making them difficult to access for potential apprentices without their own transport. Dental nursing is an area where it can be hard to attract people and there are almost always vacancies. It was reported that there are still areas in the College where there is resistance to transferring a full time student to an apprenticeship if the student has expressed an interest in this and it is in their best interest. Students are coming towards the end of their programme and could start an apprenticeship in May/June. It was suggested that the College could do more with the National Careers Service (NCS) and use the NCS website to advertise. In addition to the actions in the apprenticeship action plan, there are opportunities to draw down ESF funding for pre-apprenticeship activity. The College is also contacting all adult applicants for programmes starting next year asking if they had considered an apprenticeship and including details of vacancies which they could apply for if they wished.

Governors asked what the break-even on apprenticeships would be in order to maintain satisfactory financial health, assuming everything else in the budget was on target. It was reported that this depended on timing and value. As an example, four business administration apprentices are worth the same as one engineering apprentice. The College needs to exceed last year's position of 649 starts, which it should do. The Business Development Team had registered 33 new vacancies the previous week and the College is considering an advertisement in the local press to attract applicants to fill the vacancies. If last year's total is not met or exceeded the forecast may have to be worsened by between £100k and £150k. It is believed £1m expenditure savings will be achievable by the end of the year.

Cash flow was discussed. If the College does not achieve its apprenticeship targets it will impact on cash flow next year due to less carrying in funding. This will affect decisions over capital expenditure in the budget. The College is on target to meet the loan covenants at the end of the year.

It was noted that the proportion of expenditure on staff costs is still too high and needs to be closer to the sector target of 65%. The College has made significant progress on class sizes and is more efficient in its delivery. Pay rates were discussed and it was reported that this is a future risk. Inflation is starting to go up and there has been no general cost of living increases since 2012. Increments continue to be paid to eligible staff. Staff turnover is creeping up and pay is becoming more of an issue. Overall staff costs will be a focus of the current budget setting round. The College is looking at a longer term reward strategy.

The Aged debtor position was discussed. It was reported that a large proportion (£3.1m) related to the Student Loan Company and would be paid over in May. A new Credit Controller is in post and is very pro-active in reducing debts.

## **6. Financial Recovery Plan**

### **6.1. Financial Recovery Plan**

Progress against targets (included as an appendix in the Management Report) was discussed. The College was at, or very close to, the year to date target for most areas. The exception was apprenticeship starts, which had already been discussed by the Committee.

## 6.2. SFA Financial Case Conference

CIC/RC/17/2/4, minutes of the SFA financial case conference held on 7<sup>th</sup> March 2017, was received and noted. The Vice Chair had attended the meeting and had provided feedback at the Board meeting on 15<sup>th</sup> March. A further meeting is scheduled for 4<sup>th</sup> April. The Executive Vice Principal: Finance and Corporate Development confirmed that all the actions in the minutes had been responded to on a timely basis.

## 7. HR Plan 2016-17 – Update on Progress

CIC/RC/17/12/5, HR Plan report, was received and presented by the Executive Director: Human Resources. It was reported that there had been limited progress on management development activities and greater efficiencies from the HR system; otherwise the HR plan was generally on track.

Steady progress has been made on resourcing. “Bank” staff was discussed by the Senior Leadership Team earlier that day and some activity has been put back to the Autumn term next academic year once there is greater understanding of staffing requirements in September. The agency procurement exercise is at the contract stage. Work is underway to update policies, particularly the absence policy, and DBS checks are being actioned and reported on regularly.

All sickness related policies are under review. The focus on wellbeing and reporting continues. Monthly management reporting is now in place with a number of indicators including sickness absence levels. The College’s absences processes are scheduled to be reviewed by the Internal Auditors in May 2017.

The College has not made the progress it wanted to make this year on management development. Governors asked the reasons for the lack of progress and were advised that it was due to other priorities within HR. An outline management development plan has been put together for delivery after Easter by the HR team.

Termly Learning and Teaching Development programmes have been established and the summer staff development programme will be run over two days at the end of term. A proposal for a programme for business support staff around how their role can make a difference commercially is to be piloted after Easter.

There has been limited progress on efficiencies using the HR systems. The key driver is e-recruitment which is being looked at.

The staff survey analysis had been published. The College needs to look at the reward systems around remuneration and pay. An HR Strategy is to be developed, informed by the College’s Strategic Plan.

## 8. Sickness Absence Report

CIC/RC/17/2/6, Sickness Absence Report, was received and considered. It was reported that sickness absence was currently 6.9 days average per employee. Absence due to stress and mental health is a concern but is being managed. All sectors are finding that absence due to stress and mental health is increasing. Currently there are three cases of open-ended absence due to this reason. Total absence due to stress, depression and mental health increased between March 2015 and March 2016 (31%) but dropped back to 22% for the period March 2016 to March 2017. A large proportion of short term absence is due to cold and flu. The Principal reported that although the data suggests a year on year increase in sickness absence, this may be due to better compliance in reporting and that there may have been some under reporting in prior years.

The benchmark data was noted. The AoC (Association of Colleges) has changed its methodology for calculating the methodology to headcount rather than FTE, resulting in a drop in the headline figure and making comparisons to previous years difficult.

The results of the staff survey 2016 were discussed. It was noted that 15% of respondents had said that they had taken time off work in the last 12 months for reasons they felt were due to stress compared to 26% in 2014. This is positive but there is still work to do. 47% of respondents said that they had felt pressurised to work beyond their contract hours compared to 58% in 2015, which is better but still very high. This may be due to peer pressure and pressure from students at certain times of the year but needs to be explored further. A lot of teaching staff increasingly work at home. A Governor commented that the College will not know if it is in breach of the Working Time Regulations if it does not know how many hours' staff work. 6% of respondents felt that the Wellbeing programme had reduced their stress. The number of respondents who said they were able to take their full annual leave entitlement worsened (82% compared to 85% in 2014). Managers need to work with their staff to ensure they take their full entitlement. Staff have received an analysis of the survey results and will receive the action plan in due course.

Work is underway to strengthen the wellbeing and absence management policies, informed by extensive research of other organisation's policies. The College Executive is looking at a top down approach where there are high instances of absence rather than a very low target which will pull more people into the formal process.

The categories for sickness are to be looked at and stress, depression and mental health broken down and separated. It was suggested that the College uses the International Disease Code definitions which are available on the World Health Organisation website.

Health, Welfare and Engagement is the first strand of the management development programme and will include briefings looking at College policies.

The Corporation Chair said that it would be helpful for the Governors to see the dashboard so they know what information is available to managers. The Executive Director: Human Resources agreed to look at this.

Governors asked about the summer staff development programme and any particular focus on wellbeing. It was reported that the Wellbeing Group would like to use the Friday of staff development week as a wellbeing day with social activities, health promotion, and actions arising from the staff survey, such as free mindfulness sessions. The day could also be used to announce the winners of the annual staff awards.

#### 9. **Staff Survey 2016 – Summary of Results**

CIC/RC/17/2/7, Staff survey 2016 – summary of results, was received and discussed. The Principal reported that the overall results were disappointing. Some Governors commented that when considering organisations they worked in or with, the results were comparable. There was a strong sense coming through that results may have been influenced by its timing. The survey was launched at a time when there had been no pay rise, and changes to the management structure were implemented. Although it was made clear in communications at the time that most of the posts were already in the organisation but had been moved into different positions, there was a perception that the College was investing in new management roles, but not in staffing at other levels. Governors asked how the results would be taken forward. It was reported that the Senior Leadership Team would need to be involved in the development and ownership of an action plan, which will have several strands. A half day meeting has been planned to look at this. There needs to be some cultural change within teams and across the organisation.

#### 10. **Date of next meeting**

Tuesday, 11<sup>th</sup> July 2017 at 4.30pm.

#### 11. **Any other Urgent Business**

None.