Approved Minutes

Colchester Institute Corporation

Minutes of a Meeting of the Resources Committee
held on 31st January 2017
at the Sheepen Road Campus

Present:

Richard Wainwright, *in the Chair*	Mark Davies
Alison Andreas	David Kerridge
Brenda Baker	Karen Tarling
Christopher Bridge	

In attendance:

Gary Horne	Executive Vice Principal: Finance and Corporate Development
Tanya Ellingham	Financial Controller (item 2 only)
Hazel Paton	Clerk to the Governors
Jill Wognum	Executive Vice principal: Curriculum, Planning and Quality

There were no apologies for absence.

Mark Davies was welcomed to his first meeting of the Resources Committee.

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

None.

2. **Course Costings Overview**

The Principal introduced this item. It was reported that as the College carefully considers the curriculum for the next 2-3 years, particularly in relation to the changes at The College at Braintree, there is a need for a more detailed review of course costing information and that this process takes place in-year rather than after year end. There is also an expectation from the Area Review that the curriculum is reviewed to from a skills priority perspective to ensure that it is meeting local economic need.

The Financial Controller has been working with colleagues across the College to produce some detailed information about what each course costs. These are then amalgamated to show what each area/faculty is contributing, taking into account income and all the direct costs associated with delivery. It is a complex calculation because of the range of different delivery models such as where students in-fill. The funding formula is also complex and variable, depending on the previous year's retention, the type of programme, and the ages of student enrolled. There are also direct costs associated with the delivery of some courses which can't be apportioned across the College, such as learning support which is linked to the students within the course. Other courses have technicians associated with them. Work on the initial concept started in April 2016. Detailed work commenced in September 2016 and is now at the point where there is confidence at the levels of contribution courses and various areas of the College are making. This is the first time the College has had in-year course costs. In the past course costs have been produced 3-4 months after the year end, which is too late to affect the previous year or the year that has just started as students have already enrolled and resources committed. A curriculum planning day (FE) is scheduled for 7th February and this data will be taken into account in the decision making process. Currently 2016-17 course costing is only available for FE classroom based provision (representing £23m of College funding). The intention is to extend it to HE, apprenticeships and work based learning.

The new model should be more precise than previous models because for the first time it uses the timetable to obtain direct costs per course. The Financial Controller talked Governors through the spreadsheet (using Public Services as an example), explaining where the data is drawn from, and how costs are apportioned. Some courses have a funding uplift and these weightings have been taken into account in the model. The extra funding for English and maths and Exceptional Student Support has also been included down to course level. An average teaching hourly rate of £52 for FE has been used. Costs not directly related to the course (eg administrative support staff) are split across the whole faculty. A RAG rating has been used. A contribution of less than 40% is Red, 40% to 50% is Amber, and above 50% is Green (aspiration). The next step is to apportion overheads by faculty.

Governors considered the contributions by faculty. Governors noted that the contribution is sensitive to enrolment numbers and suggested it would be helpful to define the capacity and indicate if a course is over, at, or under capacity. It was reported that the best performing course is Media because it has large groups. Some group sizes are more flexible than others. For example Hospitality is restricted by the number of students they can get into the kitchen.

It was reported that the Board has previously mandated a contribution rate of 40%. The current average is 25%. This needs to be revisited and proposals brought forward. Other factors need to be taken into account such as meeting local needs (STEM) and impact on reputation. Hospitality has the best success rates in the College.

Governors asked what the reaction of the Directors of Faculty had been to this information and were advised that they had been pleased to see the level of detail and clarity on where the costs are.

A summary by area is included in the revised Period 5 Management Report and will be included going forward. Governors questioned how the data would vary at this stage. It was reported that currently the figures are those in the budget and that they would shortly be at the stage where they could put in the forecast. The only significant variation will be 19+ student withdrawals; 16-18 funding is fixed.

The Board had recently asked the College Executive to provide for a greater surplus in future budget rounds than has previously been provided. The Executive Vice Principal: Finance and Corporate Development suggested that to facilitate this, each Faculty should be targeting a 5% increase next year on the current average contribution level. Governors were reminded that a year ago the College Executive had RAG rated the curriculum offer against a number of indicators including progression opportunities, destinations, success rates, quality, meeting local needs and skills priority areas. Some of the programmes that were at the bottom of the list against these indicators are quite high when measured against its contribution, so this is just another piece of information to be taken into account when making decisions on the future curriculum offer.

Governors welcomed this detailed work and thanked everyone involved in putting the model together.

3. **Minutes**

The minutes of the meeting held on 28th November 2016 (CIC/RC/17/1/1 were received and confirmed. The Chair signed the minute book.

4. **Matters arising from the minutes**

4.1. **Update on Local Government Pension Fund**

It was reported that the Essex Pension Fund Board has advised that it is their intention to treat 2017-18 as a transitional year and that the College will not be required to provide additional security at this stage. Dialogue will be ongoing.

5. **Chair's Action since last meeting**

The Chair approved (25.01.17) the award of framework agreements for tier 1 suppliers for the provision of agency staff for lot 1 – teaching and lecturing staff, lot 2 – teaching support staff, and for lot 3 – business support staff. CIC/RC/17/1/2, Agency Staff Procurement Exercise Position Paper and Recommendation to Award, was received and noted.

6. **Financial Monitoring – December 2016 Management Report**

CIC/RC/16/5/5, December 2016 Management Report reissued 31.01.17, was received and considered. In response to feedback from the Skills Funding Agency (SFA) following a recent meeting in London, and discussions at the special Board meeting on 25th January, the December Report had been updated and re-issued. No changes had been made to the figures, but the executive summary had been widened, based on AoC best practice model. At the request of the Board more granular detail had been included around how each department was performing.

It was reported that at the end of December year to date income was £476k under budget. Costs were also under the budget position (£575k) and there was an overall improvement on the budget position of £100k. The projected full year surplus is now £460k.

It was reported that the January report will include an additional schedule requested by the SFA monitoring progress against the monthly targets in the Financial Recovery Plan.

Apprenticeship recruitment was discussed. It was reported that over 520 starts were recorded at the end of January and the College has set internal targets to assist recovery of Satisfactory financial health. The full cost income target will similarly be monitored.

Governors noted that the indications are that inflation is going to rise and asked if this had been taken into account in forecast. It was reported that in terms of this year the majority of material purchases have already been made but the impact on day to day running costs such as energy will need to be monitored. The assumption is that there will be nil inflation on income but 2% has been factored in on overheads each year in the five year plan. Governors were reminded that the pence per mile rate for staff travel had been reduced from 43p to 38p when average pump prices dropped to £1.00. Now that pump prices are rising (average now close to £1.20) a recommendation may need to be made to the Board that the mileage rate is increased.

7. **Financial Recovery Plan**

CIC/RC/17/1/4, Financial Recovery Plan re-issued 30.01.17, was received and considered. Governors' attention was drawn to the amendments to the Executive Summary which had been made in response to the feedback from the Corporation Board on 25th January. The only other update was to the medium and long term action plans which continue to be updated.

It was reported that one indicator where Colchester Institute compares unfavourably with other colleges in the County is in relation to staff costs as a percentage of income, currently 70%. This will be an area of focus for the College Executive. The other criterion where Colchester Institute stands out compared to other colleges in the Area Review is in relation to the percentage of the estate that is below standard. The College is doing what it can to improve the position but even after the modernisation programme at Braintree is complete the College will still have the highest proportion of buildings below Category B. Hence the SE LEP SLGF bid.

The Key Performance Indicators 2015/16 and 2016/17 were considered. Governors questioned the target for student satisfaction – National Student Survey (HE) which had been set at 75% for 2016/17 compare to an actual of 79% in 2015/16. It was reported that the NSS results come through very late but the College is aiming to be above the sector average. This will be referred to the Curriculum and Quality Committee. Governors asked why the current performance for Functional English and maths was so far below target. It was reported that a lot of work is going on to improve the position. When the targets for 2016-17 were set the College was not aware of the massive national downturn in success rates to around 40% following a major shift in Functional Skills and a new system. Things have improved but the 70% target is not likely to be achieved.

It was noted that a number of actions in the Apprenticeship Action Plan had a target date of 31st January and Governors asked for an update on progress. It was reported that most had been achieved. An Apprenticeship Management meeting had been held the previous week and the minutes of that meeting will be circulated to the Chair of the Resources Committee and Link Governor for Apprenticeships once agreed. These meetings will be held monthly. There was a vibrant launch of the action plan on 27th January to all the staff (about 85) involved in delivering and supporting apprenticeships. In view of the importance of this area of work absentees have been followed up and invited to a meeting with the Principal and Executive Vice Principal: Curriculum, Planning and Quality next week.

The action plan for full cost commercial income was discussed. The Committee asked for the actions to be prioritised with a focus on the actions that will have the most impact on income. This will be referred back to the action plan owner.

It was reported that on the initiative of the Executive Vice Principal: Finance and Corporate Development three new banners had been put on the website home page. The Marketing Team responded within eight hours. The CE will be reviewing the website on a monthly basis to consider what needs to be promoted. A Governor expressed concern that the Marketing Team was being reactive rather than proactive and was advised that Marketing would not be aware of where the College needs to recruit to until somebody tells them. This led to a wide ranging discussion on the College's marketing strategy. It was reported that members of the Executive were due to meet with a consultant engaged to assist with the redrafting the strategy. Strategies and plans are in place for HE, FE and apprenticeships and a member of the Marketing team meets weekly with somebody from each of the faculties and HE to discuss what needs to be marketed. They are a small team and with some many competing priorities they are becoming reactive. Real progress has been made and there have been some excellent marketing events this year. It is hoped that a strategy will be brought to the July Board meeting.

Governors noted the changes which had been incorporated as a result of the discussion at the Board meeting and approved the document for submission to the SFA.

8. **Property Issues**

It was reported that the SE LEP STEM capital building project at The College at Braintree is progressing to plan and within budget. A school construction taster event is planned for the new facility on 20th April. It was agreed to move a Board meeting to Braintree to enable Governors to view the new facility.

9. **Wellbeing Annual Report**

CIC/RC/17/1/5, Report to the Resources Committee on activity to promote Staff Wellbeing during 2016, was received and presented by the Principal. It was reported that wellbeing is promoted through two groups. A Wellbeing Committee meets regularly, chaired by the Principal. The Committee has two stands of work: (i) promoting wellbeing through campaigns, wellbeing days and various initiatives, and (ii) trying to remove some of the stresses that can impact on wellbeing, such as improving systems. The Committee has had a positive impact but progress has not been as rapid as the Principal would like. During the course of the year a group of Workplace Health Champions were identified and trained and they are now rolling out monthly activities, starting with free fruit in the staff rooms in January.

It was noted that two staff surveys were carried out in 2016. The Executive Director: Human Resources is pulling together the feedback and comments to identify priorities and put out a response to some of the key themes. These will be shared with the Resources Committee in due course.

Governors asked for an update on staff sickness absence. It was reported that it was creeping up for the time of year (7.09%) but is not as high as the same time last year.

10. **UCC Fee Policy 2017-18**

CIC/RC/17/1/6, UCC Fee Policy 2017-18, was received. The Policy was approved by the Board in December 2016 but the UCC Operations Manager has subsequently identified two potential loopholes and proposed two amendments the policy. The first related to students who enrolled on a lower qualification and wish to progress to the full degree. Technically they are new students (having completed the lower qualification and graduated) and liable for the higher fees. It is believed that this would be a barrier to students progressing. It is proposed that they are deemed to be continuing students and be liable for the continuing student fee. They would not be eligible for the new student bursaries. This was approved.

The second change relates to a small number of students who appear in class and for various reasons (such as progressing from the previous year or intermitted) have not registered. The proposed change confirms that anyone who attends class for one or more timetabled session is deemed to be a student and liable for the fee. This was approved.

By Chair's action the Corporation Chair agreed that these changes could be implemented with immediate effect.

11. **Date of next meeting**

Tuesday, 28th March 2017 at 4.30pm.

12. **Any other Urgent Business**

None.