

Colchester Institute Corporation

**Minutes of a Meeting of the Board
held on 25th July 2018
at the Sheepen Road Campus**

Present

Christopher Bridge, <i>in the Chair</i>	David Kerridge
Alison Andreas	Scott Piper
Daniel Clarke	Kevin Prince
Martin Fordham	Terry Smyth
David Gask	Sue Thompson-Arnold
David Gronland	Richard Wainwright

In Attendance

Gary Horne	Executive Vice Principal: Finance and Corporate Development
Shaun McConnell	Executive Director: Human Resources (item 7.3 only)
Hazel Paton	Clerk to the Governors
Jason Peters	Vice Principal: Curriculum Delivery and Performance
Jill Wognum	Executive Vice Principal: Curriculum, Planning and Quality

Apologies for absence were received from Brenda Baker, Mark Davies and Ian Thurgood.

1. **Declaration of any Conflicts of Interest**

None.

2. **Membership**

The Board confirmed the appointments of:

- Scott Piper and Daniel Clarke as Student members for a term of office 25/07/2018 to 30/06/2019.
- Terry Smyth as an Independent member for a four year term of office 25/07/2018 to 24/07/2022.
- Liz Goodall as a Staff Member, nominated and elected by the business support staff, for a four year term of office 01/08/2018 to 31/07/22.

The Board welcomed Daniel, Scott and Terry to their first meeting of the Board.

3. **Minutes**

The minutes of the meeting held on 25th April 2018 (CIC/18/3/1) were received and confirmed. The Chairman signed the minute book.

4. **Matters Arising from the Minutes**

None, other than on the agenda.

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

It was reported that

- 5.1. The Vice Chair and Principal signed (17/05/18) and the Corporation Seal was affixed to a Deed of Covenant for the Sale of Land to the North East Side of Gainsford Avenue, Clacton-on-Sea (Title Number EX760565) between Tendring District Council and Colchester Institute Corporation.

- 5.2. The Vice Chair and Principal signed (17/05/18) and the Corporation Seal was affixed to a Deed of Covenant for the Sale of Land to the North East Side of Gainsford Avenue, Clacton-on-Sea (Title Number EX760565) between (1) Mark Lesley James Sorrell, Louise Neal, Darren Williams and James Whyte as Trustees of Holland Sport Association and (2) Colchester Institute Corporation.
- 5.3. The Chair approved (18/07/16) the draft Heads of Terms in respect of Agreement –Land at Church Lane, Bocking, Braintree, Essex, subject to contract. The agreement is in respect of a small parcel of land (27m²) which is being sold to a neighbour. The Executive Vice Principal: Finance and Corporate Development reported that the planning application for the new STEM building at The College at Braintree was submitted two weeks ago, and that he would be joining the Director of Capital Projects and the architect at a public meeting later that evening to present the proposals.
- 5.4. The Chair authorised (20/07/2018) the purchase order for the work in respect of internal alterations to various areas at the College at Clacton.
- 5.5. The Chair authorised (25/07/2018) the invoice for course validation fees 2017-18 payable to the University of Essex.

6. **Principal's Report**

The Principal presented her written report for July 2018 (CIC/18/3/2). Progress against high level targets 2017/18 was discussed. It was noted that the College is moving closer to these stretch targets compared to the outcomes for the previous year. A number of the targets will not be fully confirmed until early in the autumn term.

Governors noted that HE enrolments were down but that income had increased and asked how this had been achieved. It was reported that the College's sub-contracted numbers have increased (business and sports programmes). The College has worked with VLUK for a number of years, previously offering apprenticeships, but now for the delivery of full time further and higher national diplomas in sport, usually through sports clubs such as football clubs. The second organisation is OLC, based in Bolton, Manchester and London, delivering higher national diplomas in business, largely to students from ethnic groups where entry into traditional HE programmes is low. The increased HE income also suggests that retention during the year was better than budgeted.

Governors asked if the recent Government announcement of a 3.5% pay increase for schools teachers would have an impact on the College. The Principal expressed concern that it might raise expectations amongst staff.

7. **Reports from Committees**

7.1. **Audit and Compliance Committee**

The Minutes of the Audit and Compliance Committee meeting held on 6th June 2018 (CIC/18/3/3) were received and presented by the Committee Chair, Kevin Prince.

7.1.1. **Lennartz VAT Appeal**

Governors noted that 12 months had elapsed since the College's Lennartz VAT appeal was heard in the first tier tribunal and there was still no decision from the judge.

7.1.2. **Preferred supplier list**

The Committee had been informed that the College had been unable to appoint a Procurement Manager, which had delayed progress on a preferred supplier list. The Executive Vice Principal: Finance and Corporate Development confirmed that this had now been resolved.

7.1.3. **General Data Protection Regulation**

An internal audit review found that the College's preparations for the introduction of the General Data Protection Regulation (GDPR) were good compared to the FE sector generally, and the Committee had thanked the Executive Vice Principal: Finance and Corporate Development for his work as the CE lead on this project.

7.1.4. Internal Audit Plan

CIC/18/3/4, Internal Audit Plan 2018-19, was received, considered and APPROVED.

7.1.5. Full Time Further Education Admissions Policy

CIC/18/3/5, Full Time Further Education Admissions Policy, was received, considered and APPROVED for admissions to College in 2018/19 for 2019/20. The revisions to the policy clarify that the College has the right to refuse admission to an applicant.

7.1.6. Strategic Corporate Risk Register

CIC/18/3/6, Strategic Corporate Risk Register, was received and considered. The Executive Vice Principal: Finance and Corporate Development outlined the reasons for the increase in the risk ranking associated with the capital development at The College at Braintree. The contract to purchase the middle section of the campus in July 2019 will not complete if the College cannot remove the telephone masts. The current status of discussions with the telecommunications company was noted. The high risk reflected in the risk register is in respect of the planning application for the new STEM 2 building, funded partly by the sale of the land. It was reported that the College had spoken to the close neighbours about the proposal and the neighbours had indicated that they were content with what is planned. The proposed new build is as close to the rear of the campus as possible, minimising any concerns in respect of noise or of neighbours being over-looked. The planning application is now on the planning portal and there is one negative comment in the correspondence section from a local Councillor. The College is disappointed that the Councillor submitted these comments having first been contacted by the College to discuss proposals. As a result of these comments, the Principal has now met with the Councillor, and an open event is taking place at the Braintree Campus later that day. If the College is unable to secure planning permission, it could potentially have accommodation problems in August 2019 when the middle section of the campus is sold. The College may also have to potentially write off the design costs and the cost of the enabling works that are about to start to the drainage and to realign the car park in advance of the building work formally commencing. It was reported that the Councillor's concern, which is over the noise from an air source heat pump, is in the view of professional opinion, flawed. The College carried out a noise impact assessment, and has now incurred additional expenditure employing an acoustic consultant to provide further evidence against these claims. The risk is that the determination period is extended, or the application is turned down altogether.

7.1.7. Revised Committee Terms of Reference

CIC/18/3/7, revised terms of reference for the Audit and Compliance Committee, were received, considered and APPROVED.

7.2. Curriculum and Quality Committee

The Minutes of the Curriculum and Quality Committee meeting held on 26th June 2018 (CIC/18/3/8) were received and presented by the Committee Chair, David Gask.

7.2.1. Learner Destinations

It was reported that good progress has been made in improving the quality of the information on learner destinations.

7.2.2. English and Maths

Governors noted the work that had been put into increasing attendance at English and maths examinations compared to the previous year.

7.2.3. **CISU Annual Report 2017-18**

CIC/18/3/9, Colchester Institute Students' Union Annual Report 2017-18, was received, considered and APPROVED. It was reported that the Curriculum and Quality Committee was concerned at the level of student involvement with the Students' Union. The Student Governor responded that this was something that they were trying improve and the SU Executive was looking at different activities to try and get more students involved. It was reported that the annual elections for the Students' Union had just taken place. The role of Students' Union Vice President: Higher Education had been vacant for much of 2017-18, and the HE student elected to the role for 2018-19 subsequently resigned. The other executive positions are filled by FE students (although they are open to all students), so the SU Executive does not have the benefit of the views of the HE students. The reasons for the lack of engagement by HE students were discussed. The Board supported the endeavours of the SU Executive to increase the involvement of HE students.

7.2.4. **Update on One Year Strategic Action Plan**

CIC/18/3/10, update on One Year Strategic Action Plan, was received and noted.

7.2.5. **Revised Committee terms of Reference**

CIC/18/3/11, revised terms of reference for the Curriculum and Quality Committee, was received, considered and APPROVED.

7.3. **Resources Committee**

The minutes of the Resources Committee meeting held on 12th July 2018 (CIC/18/3/12) were received and presented by the Committee Chair Richard Wainwright.

7.3.1. **Management Report June 2018**

CIC/18/3/13, Monthly Management Report June 2018, was received and considered. It was noted that the projected forecast was down compared to the May 2018 report and Governors asked if further reductions were likely to be recorded in July. The Executive Vice Principal: Finance and Corporate Development reported that the College overachieved the June Budget outcome position by £114k. The year-end forecast was reduced as a precaution against some costs coming through the system, but is still £317k better than the full year budgeted position. There is the potential for the College to move into Good financial health category which would be a significant turn-around over a two year period. The detail in the Period 11 Management Report has been incorporated into the Financial Plan and will be used by the ESFA to judge how good the College's predictions are. The plan is to end the year as close to the Period 11 forecast as possible. It was reported that there is a potential risk around the achievement of the adult education budget. If the College does not achieve 97% of its £2.3m budget, the funding body could claw back £60k. The College is doing everything it can to maximise its ILR to avoid this

7.3.2. **Budget 2018-19**

CIC/18/3/14, Budget 2018-19, was received and considered. The Chair of the Resources Committee summarised the pressures on the budget 2018-19 resulting in a reduced projected surplus. FE income will be down and costs are increasing as a result of a potential cost of living increase and additional pension costs. There are also some risks associated with the capital development plan and land sale at the College at Braintree. The Resources Committee had been concerned that the budget is dependent upon achieving apprenticeship numbers which are predicted to increase by 11%, and after discussion it had been agreed to reduce the forecast surplus by £100k. This will mitigate the risk that apprentices do not start as quickly as planned.

It was reported that the College has committed to significant expenditure over the next three years to improve the IT infrastructure, but there is an ongoing need for capital expenditure on areas such as IT and WiFi. The Student Governor reported that a trial of new WiFi routers

was carried out towards the end of the academic year, and suggested that the timing was wrong for the trial to be effective, given that so few students were still on campus. In response, it was reported that this was a small test in H Block to compare the strength of WiFi connectivity of different suppliers. The trial worked well and helped inform investment decisions going forward. Arising from the discussion it was noted that there is a backlog of IT infrastructure work. As an example, the College is still running Windows 7 and the support for this operating system will be withdrawn in 2019. There are 1600 computers which are over six years old and need to be renewed in order to support students.

CIC/18/3/5, follow up report to minute 7 (Budget 2018-19) of the Resources Committee minutes, was received. The Resources Committee had been concerned at the stance of a telecommunications company in respect of the re-siting of a telephone mast, and the impact this could have on the sale of land at the Braintree campus if not resolved in a timely manner. The Executive Vice Principal: Finance and Corporate Development had been asked to meet with the company involved. Governors were pleased to note that the meeting between the College and the telecoms company had been a positive one and congratulated the Executive Vice Principal on the progress to date.

A decision on a potential cost of living increase for staff was deferred to the autumn term when the year-end outturn is confirmed, and there is greater certainty over 2018-19 enrolments and income. Subject to this, the Board APPROVED the budget 2018-19.

7.3.3. **Financial Plan 2018-20**

CIC/18/3/16, completed financial planning checklist, was received and noted.

CIC/18/3/17, Financial Plan 2018-20, was received and considered. It was noted that the forecast year (2019/20) is largely steady state, with a potential 0.5% increase in 16-19 income as a result of the lagged learner number funding methodology.

Staff costs as a percentage of income was discussed. The Board has a target to reduce the expenditure on staff by 2% per annum over the three years of the strategic plan. The Executive Vice Principal: Finance and Corporate Development reported that the College still needs to take forward the transformational change programme which it is envisaged will allow staff costs to be reduced further. Staff costs are currently 68% of income, and are forecast to be 67% in 2019/20. Senior leaders are maximising the contribution from all areas of the College. Further education work is now as efficient as it can be, and that work needs to continue across all areas of delivery, as well as examining back office processes next year.

The Board APPROVED the Financial Plan 2018-20. The financial health grade was considered. Governors were supportive of the target of Satisfactory financial health grade for the budget year 2018-19 and forecast year 2019-20.

The Chair reminded Governors that the College was still under a Financial Notice of Concern and regular monitoring meetings with the Education and Skills Funding Agency (ESFA) as a result of going into deficit two years ago. The rigour and frequency of the meetings has changed as the College has demonstrated progress, and the ESFA have indicated that they may be prepared to lift the Notice of Concern once the three year Financial Plan had been scrutinised and approved.

7.3.4. **Capital Projects Update**

It was reported that the planning application for the South Wing extension at the Sheepen Road campus will be submitted within the next two to four weeks. Work has started on the refurbishment of the gym, which only needed building control approval. The application for the STEM 2 building at The College at Braintree was submitted two weeks ago and is now live on the planning portal with a determination early in October.

7.3.5. **Fee Policies**

The Board received, considered and APPROVED:

- CIC/18/3/18, FE Fees Policy 2018-19
- CIC/18/3/19, UCC Fee Policy 2018-19
- CIC/18/3/20, International Fee Policy 2018-19
- CIC/18/3/21, Supply Chain Management Policy
- CIC/18/3/22, Employer Co-investment Policy

7.3.6. **Subsistence Rates**

CIC/18/3/23, proposal to increase subsistence rates with effect from 1 August 2018, was received, considered and APPROVED.

7.3.7. **Update on One Year Strategic Action Plan**

CIC/18/3/24, update on One Year Action Plan, was received and considered. It was noted that the College had made progress but that there was still work to do. The College now has a Wellbeing Policy in place to act as a platform with the HR Strategy, to be launched in September 2018, to take forward the staffing actions.

7.3.8. **HR Policies**

The Board received, considered and APPROVED:

- CIC/18/3/25, HR Strategy
- CIC/18/3/26, Wellbeing Policy
- CIC/18/3/27, Code of Conduct
- CIC/18/3/28, Maternity Policy

It was reported that the Trades Unions were happy with the proposed changes.

The Executive Director: Human Resources will provide Governors with a briefing on the HR Strategy at a future meeting.

7.3.9. **Revised Committee Terms of Reference**

CIC/18/3/29, revised terms of reference for the Resources Committee, were received, considered and APPROVED.

7.4. **Remuneration and Search Committee**

The minutes of the Remuneration and Search Committee meeting held on 12th July 2018 (CIC/18/3/30) were received and presented by the Committee Chair Christopher Bridge.

7.4.1. **Committee Membership**

The Board APPROVED the Committee membership with effect from 1 August 2018:

Curriculum and Quality Committee

David Gask, Chair
Alison Andreas (ex officio)
Christopher Bridge (ex officio)
Daniel Clarke
Martin Fordham
David Gronland
Scott Piper
Kevin Prince
Terry Smyth

Resources Committee

Richard Wainwright, Chair
Alison Andreas (ex officio)
Brenda Baker
Christopher Bridge (ex officio)
Mark Davies
Liz Goodall
Ian Thurgood

Audit and Compliance Committee

Kevin Prince, Chair
Pam Donnelly (co-opted)
David Gronland
Sue Thompson-Arnold

Remuneration and Search Committee

Christopher Bridge, Chair (ex officio)
Alison Andreas (ex officio)
David Gask
Kevin Prince
Sue Thompson-Arnold
Richard Wainwright

7.4.2. Board Vacancies

It was noted that there is currently a vacancy for a member of the Corporation Board. The Remuneration and Search Committee is currently looking for someone with a background in further education, and the vacancy is currently advertised on the College's website as well as two websites dedicated to matching volunteers to governor vacancies. There have been no nominations to date.

It was noted that there will be a further vacancy when Christopher Bridge stands down at the end of December 2018. The Remuneration and Search Committee believe that Christopher's health background is well covered by the appointment of Terry Smyth but that the Board would be strengthened through the appointment of someone with legal expertise. The Committee will look for suitable candidates during the autumn term.

7.4.3. Appointment of Chair Elect

It was reported that to help with the smooth transition of the role of Corporation Chair, and to enable a period of handover, the Remuneration and Search Committee recommend the appointment of a Chair Elect. The Chair had subsequently written to all Independent Members of the Board, asking them to contact the Clerk in advance of this Board meeting if they wished to be considered for the role of Chairman. It was reported that Kevin Prince had expressed a wish to be considered. The Chair asked all Governors who wished to be considered for Chair to leave the room.

Kevin Prince left the meeting.

After discussion it was AGREED to appoint Kevin Prince as Chair Elect with effect from 1 August 2018. He will continue to act as Vice Chair until 31st December 2018.

Kevin Prince re-joined the meeting.

7.4.4. Instrument and Articles of Government

CIC/18/3/31, revised Instrument and Articles of Government for Colchester Institute, was received, considered and APPROVED.

7.4.5. Standing Orders

CIC/18/3/32, revised Standing Orders, was received, considered and APPROVED.

7.4.6. Code of Conduct

CIC/18/3/33, revised Code of Conduct for Corporation Board members, was received, considered and APPROVED.

7.4.7. Revised Committee Terms of Reference

CIC/18/3/34, revised terms of reference for the Remuneration and Search Committee, was received, considered and APPROVED.

Gary Horne left the meeting to attend the public meeting at The College at Braintree

8. **Targets 2018/19**

CIC/18/3/35, Headline Targets 2018-19, was received, considered and APPROVED. The targets continue to be challenging. The Chair drew the Board's attention to particular targets. In respect of learner destinations, it was reported that Colchester Institute was in the top ten of colleges in the chart published by FE Week because of the quality of its learner destination information.

Given the national concern about standards and grade inflation in higher education Governors asked if external examiners had concerns about the grades being awarded. It was reported that this is not a concern for the College. The summer examination boards have just finished and there is a very wide spread of grades with no clustering at the top. The College has made small incremental improvements in the number of good degrees (1st or 2.1) over the last five years and external examiners are happy with the grading system. The target is aspirational because the College has a lot of widening participation students.

Data on current year actual performance is not yet available for a number of the targets but the Principal reported that improvements compared to the previous year are expected in FE progress, continuation and outcomes. Given the volume of students involved, it is essential for the overall achievement rates that the target for GCSE maths and English is achieved. Attendance at GCSE examinations were significantly up this year (91.8% compared to 82% in 2017) giving more learners the potential to pass. The results will be published on 23rd August. The practice in schools of entering students for the examinations early and then letting them resit the examinations on numerous occasions to improve their grade was discussed. It was reported that this is less common as Ofsted now only accept the result for the first take. As student cohorts leave the College there are fewer and fewer learners who have repeated GCSE examinations at school.

9. **FE Student Disciplinary Policy**

CIC/18/3/26, FE Student Disciplinary Policy, was received, considered and APPROVED. It was reported that the previous policy was lengthy, unwieldy and involved a lot of staff time in order to address what were either very clear cut issues of a serious nature or in dealing with minor matters. The policy has been completely rewritten, drawing on the very best practice from other colleges. It remains very fair to students but does not involve the College in a very lengthy process.

In approving the policy, the Board asked for a review of its effectiveness to be carried out after 12 months, including asking the student body for their views on how it has worked.

10. **Feedback from Governors on Link Visits**

Governors were invited to provide feedback from their link visits. David Gronland raised his concerns that the salaries offered by the College, particularly in the STEM subjects, are not competitive and that it will be difficult for the College to attract technical staff. Arising from the discussion it was noted that the average vacancy rate in the College during the last year was 46. The AoC (Association of Colleges) is lobbying on behalf of the sector for the funding for further education to be the same as that for schools.

11. **Next Meeting**

The next meeting of the Board will be on Wednesday, 10th October 2018 at 4.30pm. CIC/18/3/37, Board/Committee meeting schedule 2018-19, was received and noted.

12. **Any Other Urgent Business**

12.1. **Apprenticeships**

A Governor referred to a recent report on the take up of apprenticeships nationally. Although the College has recruited well compared to sector benchmarks, he asked whether the Board should write to the Minister expressing their concerns that the apprenticeship reforms are not working. It was noted that organisations such as the AoC are lobbying Government on this and agreed to take no action at this time. Arising from the discussion it was noted that the biggest expenditure of levy

funding is on existing staff doing business and management courses rather than creating new apprenticeship opportunities. This is getting a lot of coverage in the press, and the Junior Minister is aware of the issues.

12.2. Revised Declaration of Eligibility to be a Governor

Governors were reminded to sign and return the declaration of eligibility to be a governor form tabled at the start of the meeting.

12.3. Student Union Budget

The Student Governor raised a question in relation to the Student Union budget and was advised to refer this to the Executive Vice Principal: Finance and Corporate Development outside the meeting.

12.4. David Kerridge

Governors thanked David Kerridge for his contribution to the work of the Board and wished him a long, happy and healthy retirement.