

Colchester Institute Corporation

*Minutes of a Meeting of the Resources Committee
held on 1st October 2019
at the Sheepen Road Campus*

Present:

Richard Wainwright, *in the Chair*

Liz Goodall

Alison Andreas

Kevin Prince

In attendance:

Elaine Hart Director of Human Resources

Gary Horne Executive Vice Principal: Finance and Corporate Development

Hazel Paton Clerk to the Governors

Jill Wognum Executive Vice Principal: Curriculum, Planning and Quality

1. Apologies for absence

Apologies for absence were received from Brenda Baker.

2. Declaration of any conflicts of interest

None

3. Minutes

The Minutes of the meeting held on 23 July 2019 (CIC/RC/19/4/1), were received and confirmed. The Chair signed the minute book.

4. Matters Arising from the Minutes

4.1. Learning Coaches

It was reported that of the eight Learning Coaches that had been appointed and trained, one subsequently asked to be released after securing a new role within the College. Seven coaches were in place at the start of the academic year.

5. Chair's Action

5.1. The Chair approved (15.08.19) a new Organisational Change (Redundancy) Policy which became operational on 1 September 2019 (CIC/RC/19/4/2).

5.2. The Corporation Chair approved (13.08.19) minor amendments to the Supply Chain Management Policy (CIC/RC/19/4/3).

5.3. The Corporation Chair approved (28.08.19) the quotation from APEC Groundworks Ltd for the construction of a Groundworks retaining wall at the Colchester Campus (CIC/RC/19/4/4). It was reported that work on the retaining wall had started the previous day.

5.4. The Corporation Chair and Principal signed (10.09.19) the LGF3B (Groundworks and Scaffolding Training Centre) Grant agreement between Essex County Council and Colchester Institute Corporation.

6. HR Plan

CIC/RC/19/4/5, HR Plan 2018-19 – Update on Progress, was received and presented by the Director of Human Resources.

6.1. HR and Payroll System Replacement

It was reported that this was progressing well. Tenders have been issued and will be evaluated between 14-16 October. Recruitment is underway for payroll implementation manager and pensions officer, which is critical to moving the project forward and enable payroll to be separated from the HR function.

6.2. HE Service Delivery

A new structure will be introduced on 1st November 2019, following the departure of the current HR Manager. The HR Manager role has been removed from the new structure and a new Learning and Development role has been created. Interviews for the new role will be held over the next two weeks. Other roles within the HR team have been redefined.

6.3. Single Central Record (SCR)

Good progress has been made in updating the SCR and on staff training, supported by the Designated Lead for Safeguarding.

It was reported that as part of an update to the Funding Agreement, the Educational and Skills Funding Agency (ESFA) sought to introduce a number of unexpected new terms, including a requirement that DBS checks would need to be undertaken every three years. Following a challenge by the sector, through the Association of Colleges, it had been announced in the last few days that this and a number of other new requirements had been removed, and a revised Funding Agreement issued. What is now required, as best practice, is for staff to make an annual self-declaration. This was something that the College had already put in place. It had been included in the last policy update and was implemented in May 2019. There is currently a small number of staff who have yet to complete a self-declaration, and Managers have now been asked to meet with these individuals.

6.4. Management Development and usage of the Apprenticeship Levy

The launch of the Lead in Excellence programme before the summer holiday got off to a good start. There are three Level 5 management apprentices, two Level 3 apprentices and one person doing a chartered management degree. To date the College has spent £75k (65%) of the levy, and is planning some case studies to support a drive for more starts. All vacancies are being reviewed to see whether it is appropriate to offer as an apprenticeship or other training opportunities, for example teacher training.

6.5. HR Policies

The Organisational Change Policy is now operational, and the Allegations against Staff Policy is being reviewed as part of a review of safeguarding.

The Dignity at Work and Workplace Resolution policies have been to the Trades Unions for consultation and will be issued within the next few days.

Of the programme of policies under review the most urgent is the Whistleblowing Policy, which has not been reviewed since 2015.

6.6. Recruitment Skills Shortage Areas

There are currently three hard to fill roles. The lack of an appointment in Electrical is having an impact on sign ups, and potentially on achievements and quality. The electrical apprenticeship is a five year programme and getting the students through the final year including the end point assessment is proving difficult. Last year the College lost a number of apprentices because they were not getting enough support in the workplace or regular reviews. The College is now looking at a new model which involves using a professional coach, who is not necessarily skilled in electrical, to work with the employers, liaise with the tutors and give support in the workplace.

It was reported that two new staff had been recruited through the Skills Supplement and the increased teaching resource is having a positive impact on the subsidiary company Colchester Institute Enterprises Ltd.

The College has also been successful in appointing a Course Team Leader in Health, a position that had been vacant for 18 months.

The introduction of a Skills Supplement and Golden Hellos is having an impact, attracting five people from local colleges to join electrical and plumbing who would not otherwise have come to the College.

6.7. Contract Terms and Conditions

Talks on contract terms and conditions were due to start the following day.

6.8. Personal Development Reviews (PDR)

The review has not yet started.

The Committee welcomed the format of the report and thanked the Director of Human Resources for providing a comprehensive update.

The Director of Human Resources left the meeting.

7. Apprenticeship Monitoring Report

CIC/RC/19/4/8, Apprenticeship Monitoring Report, was received and presented by the Executive Vice Principal: Curriculum Delivery and Performance. It was reported that for the first time the College had achieved 700 starts for the year. This was due to an increase in work with levy paying employers in the last two terms.

The College is confident that it is on track, although it may not achieve its profiled target for September of 422 starts. The challenge is getting everybody signed up, which has been difficult this year. The College has started well and has seen increased numbers in Electrical, Plumbing and Wood occupations; all areas where there is plenty of work and demand. There has been a significant decline in salon studies, an area where there is a lot of local competition. Enrolments in Business and Accounting are down. This may be because a number of competitor providers are offering an online programme, which is a delivery model that Colchester Institute is looking at.

New programmes in September included Level 3 Professional and Technology route in Construction which leads in architecture, and the first cohort on a Top Up degree in Engineering, which the College was asked to validate as a degree route for apprentices at Levels 4 and 5 by E2V.

There has been a huge increase in numbers in the higher apprenticeship in Engineering (37 against a target of 20). This will be a challenge for resourcing. Governors were asked if the College had been impacted by the changes to funding for non-levy paying employers and were advised not to date, but that it was being closely monitored. In respect of staff resource, the main area of concern is in Electrical.

In the context of the withdrawal rate last year (7.3%), Governors asked how achievable the withdrawal rate of target this year was (5%). It was acknowledged that there is a danger that the new style standards may result in a higher drop out rate. A particular area of concern is Business, IT and accountancy, where a number of accountancy learners stopped because they could not get through the various parts of the end point assessment. Also, it is traditionally very difficult to keep learners on Business Administration and Customer Services programmes because they tend to be less committed and more likely to leave to take up employment opportunities. Trowel is a large area where it is traditionally very difficult to support learners who are working with contractors and very

dispersed. Once learners are offered a job it is very difficult to persuade them to complete the apprenticeship.

8. **Subcontracting 2019-20**

8.1. **Report on Subcontracting**

CIC/RC/19/4/11, Report on Subcontracting Activities, was received and presented by the Executive Vice Principal: Curriculum Planning and Quality. It was noted that the College had carry in funding from three providers which the College used to subcontract to, but who now have their own contacts under changes to subcontracting rules. This has had an impact in that the College no longer has any influence over the subcontractors. Learner withdrawals for these cohorts have increased and achievement rates are 8% less than the achievement rates for Colchester Institute. Previously achievement rates in subcontracted provision were very similar to that of the College. Learner numbers are now small as the contracts run out, and the College meets with the subcontractors on a regular basis to monitor performance.

The College is now only able to subcontract where another organisation is sharing the delivery of the apprenticeship, and it is working with three partners delivering the professional element of the programme.

As planned for in the budget the College will continue to work with Learning Curve this year (adult education budget funding). This is an ongoing relationship which serves the needs of learners in specific areas, and normally provides for very good achievement rates.

The College has two HE subcontracts, delivering HNDs to Colchester Institute learners: VLUK (Sports programmes) and OLC (Business programmes). This is the final year of working with OLC to allow students to complete the second year of their HND. Following a major restructure of staffing, there were some issues associated with the quality of provision, but these have now been addressed through a robust action plan.

The funding profile for subcontracted provision was noted.

8.2. **Contract Contingency Arrangements**

The Committee received, considered and APPROVED for signature by the Committee Chair:

CIC/RC/19/4/12, Contract Contingency Arrangements - Work Based Learning Subcontractors, and
CIC/RC/19/4/13, Contract Contingency Arrangements - non Work Based Learning Subcontractors

The documents set out the arrangements that would be put in place to ensure a viable delivery of the programme to the learners should anything happen to the subcontracting organisation.

9. **HE Tuition Fees 2020-21**

The Executive Vice Principal: Curriculum Planning and Quality presented paper CIC/RC/19/4/15, proposed HE Tuition Fees 2020-21, which was received and considered for recommendation to the Board. It was reported that like many providers, the College had charged £6k for HND/HNC programmes for many years, the maximum for the fee band. Moving into the next fee band would require the College to put in place an Access and Participation Plan, which would bring associated higher costs. The Office for Students has applied an inflationary increase to the cap on this fee band and the proposed fees included a slight increase for HND/HNC programmes to £6,165, the new maximum for this fee band. This is consistent with the market and is not expected to impact on learner numbers. Many of the College's Higher National programmes are charged to the employer. It was confirmed that the proposed fees were in line with the fees quoted in the College's Access and Participation Plan, currently with the OfS. The OfS had made some initial comments on the Plan, but had not questioned the fees.

Arising from the discussion, it was agreed that Governors undertaking a full cost course should be eligible for a discount (which would to be recorded in their register of interests) similar to the discount available to staff.

Subject to the above, it was AGREED to recommend the HE Fees 2020-21 to the Board for approval.

10. **Management Report and Accounts July 2019**

CIC/RC/19/4/6, Management Report and Accounts July 2019 (Period 12), was received and presented by the Executive Vice Principal: Finance and Corporate Development. Governors were reminded that the full year forecast was reduced in the Period 11 (June 2019) Management Report because it was believed that there was a further deterioration in income and increased expenditure. The College finished the year above the Period 11 forecast but did not quite achieve the budgeted surplus of £265k. The College is seven days into the external audit process and anticipates that the declared surplus of £233 will be confirmed. The cash position was also stronger than forecast.

Governors asked about the increased pension liability and the impact on the balance sheet. It was reported that a £6m swing in favour of the College last year has been reversed by a £5.5m negative swing this year. The pension fund report (minute 11 refers) assumes an increase in salaries based on CPI (2.35%), which is above and not representative of actual salary increases, including increments. The standard pension report assumes salary increases based on RPI; the College pays an extra £250 +VAT each year to have the model reassessed at the lower CPI, but believes that the rate should be even lower.

Governors considered the cash flow forecast and noted that the College would have a potential shortfall in January 2020 if the sale of the land at the Braintree Campus does not complete in November as planned. The other potential risk to cash flow is under-recruitment on any of the four funding income streams. It was confirmed that the College Executive were in discussions with four financial institutions regarding an interim loan between November 2019 and the completion of the sale of land should it be required. Santander ruled themselves out, and Sancus has now closed their facility to FE Colleges. Barclays responded positively, recognising that this is a timing issue, and an application is now with the Credit Committee for consideration. The College will know within the next two weeks whether it will need to trigger some form of cash support. The uncertainty is in respect of the plans for the temporary phone mast. The phone masts have to be removed for the College to meet the vacant possession satisfaction date of 15 November 2019.

Governors noted that the level of debtors and creditors was improving.

11. **Essex Pension Fund**

The Committee received and noted CIC/RC/19/4/7, Essex Pension Fund FRS102 Report for Colchester Institute. This had been discussed under minute 10, Management Report and Accounts July 2019.

12. **Update on VAT Appeal**

It was reported that discussions with HM Revenue and Customs around a compromise position were ongoing. Meanwhile the College is preparing for the Upper Tier Tribunal Appeal in January. The Executive Vice Principal: Finance and Corporate Development was due to meet with the Consultant on 10 October ahead of a meeting with the Queens Counsel in London in November.

13. **Principal's Report September/October 2019**

The Principal presented her written report (CIC/RC/19/4/9).

FE funding was discussed. Under the lagged learner number funding methodology, funding in 2020-21 is dependent on the number of learners enrolled this year and still in learning at 42 days. The College has recruited more first year students into the College than last year, and the progression rate is the same as last year, but there are fewer students and smaller groups in years 13 and 14 (2nd and 3rd year of a programme) because of under-recruitment last year. The College currently has

3672 16-18 learners with a small number of part time learners still to be enrolled. FE student numbers are about 30 up on the same period last year, but last year the College still had 85 subcontracted learners to add to their numbers, which will not be the case this year. If retention in the first 42 days can be improved, and more part time students are recruited, it might just be possible to achieve 3700.

It was noted that final results 2019 were mostly positive except for apprenticeships, which saw a drop. The results for Colchester Institute were much better than the results of subcontractors for the reasons discussed earlier in the meeting.

14. **Student Enrolment 2019-20**

The Principal updated the Committee on enrolments. It was reported that the College was five learners short of its full time adult target of 382. These learners either enrol on adult full time programmes or infill on full time 16-18 programmes.

HE full time numbers are currently 12 down but the College is confident from recent enquiries that the target will be achieved. The early signs are that the College will be reporting a slight downturn in HE part time numbers.

15. **Property Issues**

15.1. **Braintree Campus Masterplan**

CIC/RC/19/4/19, Update on progress against FE Commissioner recommendation No.3, was received. Governors noted the latest position in respect of the mobile phone masts and asked when the planners were expected to make a final decision. It was reported that as Braintree District Council has not yet agreed its Local Plan it is overrun with applications from property developers and speculators. It is understood from discussions with the planning office that the Council do not want many applications to go the Planning Committee, but want them dealt with under devolved powers instead. However, this application has been called in by a local District Councillor for determination by the Planning Committee. The College has suggested that the application should not be called in because the Councillor is conflicted due to their relationship with the College. The College has written to the planning team with its rationale for why this application is the best outcome for the local community. Similarly the mast designer has gone back to the planners to confirm that the structure is the slimmest version on the market but it needs to be the same height as the existing antennae as four mobile phone providers will be sharing the mast. The planners concerns over the heritage assets have been explored. The main issue is the Grade 2, 2* listed building where it is argued that what they will be able to see in the future will be better than what they can currently see. The planners have been invited to look at the site and the mast designers are re-submitting the application with some photo montages and are to request a heritage statement.

Governors noted that the College is expected to give vacant possession by 15th November 2019 and asked the latest date by which the masts had to be removed in order to achieve this. It was reported that agreement has been reached in respect of the location of the temporary masts, which can be erected quite quickly, and the solicitors are ready to exchange heads of terms, but these have been held back pending the outcome of planning for the permanent mast. Clarke Telecoms, who surveyed the site and pulled together the Heads of Terms for the CTIL temporary arrangement, are working as quickly as possible to meet the deadline for vacant possession. The risk to the operators is that they may not be able to put up a permanent mast. Under the Telecoms Code they have a statutory responsibility to the local community to provide a service and can use this to refuse to take away the temporary mast.

The risks to the land sale associated with the removal of the phone masts were discussed. Any delay to vacant possession will impact on cash flow and the College is looking at mitigating actions. As soon as the College provides vacant possession £1.8m becomes payable during November and December. If vacant possession can't be provided by the long stop date of 31 July 2022 the

purchasers can withdraw from the agreement and could potentially claim damages for their losses. The risk is that planning for the permanent mast is denied. Even though the leases on the existing masts expire in 2021 the Telecoms Code protects their ability to serve the area and the current antennae can only be moved when an alternative location can be found.

The College Executive are doing everything they can to resolve the issue. The Executive Vice Principal: Finance and Corporate Development was asked to keep the Committee and Corporation Chairs updated on all significant developments as they arise.

15.2. South Wing

It was reported that the project was two weeks behind programme due to the weather and problems of water ingress. The building will be waterproof within the next week. The lost time is expected to be made up.

15.3. Groundworks and Scaffolding Training Centre

It was reported that work had just started on a groundworks retaining wall. Following a visit to the CITB National College of Construction in Norfolk, the College may ask for permission to vary the project and proceed with the groundworks aspect only. This is because employer demand is waning. In addition, when the bid was put together it was not recognised that complying with the awarding body requirements would incur significant investment in resources. Also, with the emergence of modular builds there will be less demand for scaffolding in the future.

16. Venue Hire Rates 2019-20

CIC/RC/19/3/14, Venue Hire Rates 2019-20, was received, considered and APPROVED. Governors asked about marketing and usage of the College's facilities. It was reported that an online brochure is available on the College's website but a lot of enquiries are the result of word of mouth and tradition. The decision to reduce the opening hours at the Sheepen Road campus means that there is less scope to hire the facilities. Enquiries for lettings out or teaching hours or at weekends are carefully considered before accepted to make sure that it is financially viable to open up the campus. Last year the College received near £200k from lettings. This included rental income for the Cafe at The Minories.

17. Financial Regulations and Associated Procedures 2019-20

CIC/RC/19/4/16, Financial Regulations and Associated Procedures 2019-20, was received, considered and APPROVED.

18. Date of next Meeting

Tuesday, 26 November 2019 at 4.30pm.

19. Any Other Urgent Business

There were no items.