

Colchester Institute Corporation

**Minutes of a Virtual Meeting of the Corporation Board
held on 28th July 2020**

Present:

Kevin Prince, *in the Chair*
Alison Andreas
Lisa Clampin
Mark Davies
Pam Donnelly
Patrick Giddings

Liz Goodall
Irene Kettle
Keith Moule
Jasmin Patel
Richard Wainwright

In Attendance:

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 Lizzy Ellam and Terry Smyth.

2. Declaration of any conflicts of interest

None.

3. Minutes

The Minutes of the meeting held on 3rd June 2020 (CIC/20/3/1) were received and confirmed.

4. Matters arising from the minutes

None, other than on the agenda.

5. Items Recommended by the Audit and Compliance Committee**5.1. Policy Review**

The Board received, considered and APPROVED:

- CIC/20/3/2, Risk Management Policy and Procedures
- CIC/20/3/3, Health and Safety Policy
- CIC/20/3/4, Health and Safety Policy Additional Guidance: Policy for Delivering Provision Onsite after Lockdown – Covid-19.

5.2. Audit and Compliance Committee

It was agreed to rename the Committee the Audit and Risk Committee. CIC/20/3/5, proposed amendments to the Committee's terms of reference, was received and APPROVED.

6. Items Recommended by the Finance and Resources Committee**6.1. Budget 2020-21**

CIC/20/3/6, Budget 2020-21, was received and presented by the Executive Vice Principal: Finance and Corporate Development.

It was reported that some difficult decisions had been taken in order to achieve a balanced budget. These included discussions with the Unions in respect of the request to withdraw the payment of

contractual incremental increases this year (£0.25m saving). It has also not been possible to budget for a cost of living pay increase. A 1% pay increase would cost £0.25m. Savings have also been achieved on non-pay expenditure lines. Payments to sub-contractors will be reduced as a result of a reduction in HE sub-contracting activity and an increase in the proportion of in-house delivery as opposed to subcontracted delivery in our FE and Work Based Learning activity next year.

Governors' attention was drawn to the Work Based Learning income line. Despite an anticipated reduction in the number of starts next year (467 compared to 600 in the prior year), funding is forecast to be in line with 2019-20. This reflects the move to apprenticeship Standards which are funded at a much higher level than the traditional Frameworks. The higher funding recognises that apprenticeship Standards are more complex and cost more to deliver.

The Committee Chair reported that discussion at the last Finance and Resources Committee had focused on the reduction in student numbers, particularly HE and apprenticeships. These remain the highest areas of risk in terms of achieving the budget. There is a potential for a £100k uplift in January if the College retains workers on furlough but because of the uncertainty this has not been included in the Budget at this stage. In terms of the cash position, the furlough scheme has helped the cash reserves and the bank covenants should be achieved. The view of the Finance and Resources Committee is that this is a prudent budget. It will need to be reviewed in October when there is firm data on recruitment.

The Chair of the Audit and Compliance Committee reported that the External Auditors will be looking very carefully at going concern as part of the audit process. With this in mind, he asked if the variance analysis was sufficiently robust to give them and the Board the necessary comfort. It was reported that the budget has been evolving since March, and issued on 7th July. The situation continues to change. Applications are being closely monitored. Under the lagged-learner funding methodology, any reduction in 16-19 learner numbers will not impact on funding until 2021-22. HE and Work Based Learning present an in-year risk to funding. As of that morning there were 171 firm acceptances for HE programmes (year 1 starts) and 233 apprenticeship applicants were ready to start with employers in September (against a target for the year of 467). The College is also looking at the additional funding opportunities for further education that have been announced by the Government.

Since the budget was issued, the Government has agreed that colleges should also receive catch-up funding to support students who have missed out on their education over the last few months. It is believed the College will receive over £400k in next year's funding for those students who have been disadvantaged by the pandemic. The funding will be based on how many students in 2019/20 do not have a Grade 4 pass (or higher) in maths and/or English. This funding will need to be spent on small group work, with could be delivered either face-to-face or remotely. The recent financial statement by the Chancellor included extra funding for Job Centre Plus and careers advisors. The College already works closely with Job Centre Plus and is due to meet with the lead for North Essex in mid-August to discuss opportunities and how the needs of employers and the unemployed can be met. A series of workstreams have been established so that the College is ready to work with relevant stakeholders to access this funding.

Governors asked what mitigating actions could be taken in September if recruitment targets are not achieved. The cost base will be re-shaped according to need and where possible staff will be transferred to support areas which will attract funding. Staff will be required in the Learning Shop to fill current vacancies and to support the planned increase in provision. Sector based work academies could be run in Colchester and Braintree for the unemployed.

Governors' attention was drawn to the contingencies and going concern considerations in the commentary to the College Finance Return. Contingencies which will benefit the College include a reduction in the VAT rate and the bringing forward of the College Condition Fund. Although it is yet to be confirmed, the College expects to receive c.£1m which could fund projects currently underway to reconfigure spaces for next year and improve IT facilities.

Governors asked if there was any evidence of the unemployed or school leavers who would have gone into jobs enrolling at colleges. There is no indication of this yet, but people in this situation are likely to delay a decision until August/September.

Noting the risks and uncertainties, the Board APPROVED the budget 2020-21.

6.2. Policy Review

The Board received, considered and APPROVED:

- CIC/20/3/8/7, Disciplinary Policy and Procedure
- CIC/20/3/8/9, Vetting Checks and single Central Register Policy – it was noted that the amendments requested by the Committee had been incorporated into the policy.
- CIC/20/3/10, Whistleblowing Policy

CIC/20/3/8, Sickness Absence Policy, was received and discussed. Proposed contractual changes had been discussed at the last Board meeting and Governors had questioned the financial benefits of the proposals. It was reported that had this sickness absence policy been in place last year the College would have saved £66k in sick pay costs. Governors asked the outcome of the consultation period, which ended on 20th July. It was reported that both Unions unanimously accepted the proposals put forward at that point (removal of increments for one year and the change to the respective notice periods for teaching and support staff, plus increased leave entitlement). Previously the notice period for teaching staff was four months in the event of redundancy and two months if the staff member resigned. The notice period is now standardised at three months. What was left out the consultation was the change to the sick pay arrangements for new staff. This was because the College agreed to a request from the Unions for more time to look at the proposal holistically and discuss why sickness levels are so high. As part of the consultation the Unions were advised that the College will implement new sick pay arrangements from October, and they agreed to this. As the changes only affect new staff, they do not need the agreement of existing staff and are likely to go ahead. Noting that the College had agreed more time to look at the proposals for new staff, embedded in the policy, it was agreed to withdraw the policy. The final policy will be brought to the next meeting.

6.3. Fee Policies

The Board received, considered and APPROVED:

- CIC/20/3/11, International Fees Policy 2020-21
- CIC/20/3/12, Supply Chain Management Policy – this policy will cover the period to 31 October 2020. A revised policy will be brought to the October Board meeting reflecting recently published changes to the regulations relating to sub-contracting.
- CIC/20/3/13, Employer Co-investment Policy

7. Items Recommended by the Remuneration and Search Committee

7.1. Member completing their term of office

The Board APPROVED the reappointment of Mark Davies as an Independent member for a four-year term of office with effect from 1 January 2021.

7.2. Election of Student Governors

CIC/20/3/14, Election of Student Governors, was received and considered. It was reported that the level of engagement of Student governors in recent years has been variable and attendance is often poor. This may be because the Students' Union Presidents are automatically appointed as Student Governors. The roles are very different and may attract different people if appointed through separate processes. The Board APPROVED the proposal that the link to the Students' Union is removed and that Student Governors are directly elected to the role. The Board further APPROVED proposed changes to the Instrument of Government, set out in the paper, which will enable one Student Governor to be

nominated and elected by the College's higher education students, and the other by the further education students. Elections for the two roles will be held early in the autumn term.

Arising from the discussion it was reported that the proposals relating to the Student Governors were part of a wider review of the Students' Union. Due to falling interest in the Union, the decision has reluctantly been taken not to have a formal Students' Union for FE next year. Students will not be disadvantaged. Activities will continue through the Student Service Officer working with a range of students and the course representatives. A separate HE Students' Union will be established as previously agreed.

8. **Targets 2020/21**

CIC/20/3/15, College Targets 2020/21 – FE, Apprenticeships, Higher Education and Human Resources, was received and presented by the Principal. The targets had been considered and accepted by the relevant Committees. The finance targets (financial and student numbers) are based on the Corporate Budget and will be added now that the budget has been approved.

The Board APPROVED the targets 2020/21. The targets will be shared with Managers and will inform personal objectives for staff members next year.

9. **Equality and Diversity Annual Report**

CIC/20/3/16, Equality and Diversity Report 2018-2019, was received and considered. The report would normally have been received at the April meeting, which was cancelled.

The written comments of a Member unable to attend the meeting were noted. The College Executive welcomed and accepted the wider comments in respect of diversity. These included a view that the current aim of reflecting the community we service is too low an aspiration, and that the College should be working towards being anti-racist (as opposed to being non-racist). The Executive Vice Principal: Curriculum, Planning and Quality agreed to review the action plan and bring a revised plan to the next meeting which addresses the points made.

10. **Chair's Announcement/Action since last meeting**

It was reported that the Corporation Chair:

- Has continued to meet with the Principal and the Clerk on a weekly basis;
- Approved (16.07.20) the FE Fee Policy 2020-21. The Finance and Resources Committee had reviewed the policy (14.06.20) and were recommending it to the Board for approval. The Policy needed to be published before this meeting to enable the enrolment process to start.
- along with the Principal signed the Grant Agreement between Essex County Council and Colchester Institute Corporation in relation to Groundworks Training Centre Colchester.

11. **Corporate Risk Register**

CIC/20/3/18, Corporate Risk Register – Strategic Risks (updated by the College Executive 23 June 2020), was received and presented by the Executive Vice Principal: Finance and Corporate Development. The College is likely to be inspected by Ofsted during the next academic year and needs to maintain the quality level achieved in 2018-19. The risks around HE and FE student income had been discussed earlier in the meeting. -

12. **Reports from Committee**

12.1. **Audit and Compliance Committee**

The Minutes of the Audit and Compliance Committee held on 24th June 2020 (CIC/20/3/19) were received and presented by the Committee Chair.

It was reported that due to the closure of the College campuses the decision was taken to suspend the internal audit programme for this academic year, and possibly into next year as well. This was felt

appropriate for a number of reasons. The College had been subject to a considerable amount of external review prior to the lockdown, and a review of apprenticeship funding by a specialist provider had been completed. The Internal Auditor has not carried out sufficient work to issue an annual opinion this year, but the Board can take assurance from other reviews.

The Committee had discussed potentially requesting an external review of the College's planning and activities in response to the Covid-19 pandemic, but it was felt that this was not a good use of time. The Board has established a separate Committee which has been providing independent oversight of the College's response.

12.2. Curriculum and Quality Committee

The Minutes of the Curriculum and Quality Committee held on 17th June 2020 (CIC/20/3/20) were received and presented by the Committee Chair.

The Committee had considered current performance. The biggest risk in terms of achievement is apprenticeships, where learners are at risk of redundancy as a result of the pandemic.

Applications for 2020/21 had also been discussed. The Committee had been concerned at the potential impact of the decision to offer places, without interview, to all FE applicants who on paper met the entry requirements. Additional processes will be in place in September to ensure students are on the right course.

The Board received and noted:

CIC/20/3/21, CISU Annual Report 2019-20

CIC/20/3/22, Progress against QIP/PIAP (Quality Improvement Plan/Post Inspection Action Plan)

12.3. Finance and Resources Committee

The Minutes of the Finance and Resources Committee held on 14th July 2020 (CIC/20/3/23) were received and presented by the Committee Chair.

12.3.1. Monthly Management Report

As agreed at the last meeting, the Committee Chair had discussed the financial position, and the factors contributing to the improvements to the forecast, with the Executive Vice Principal: Finance and Corporate Development. The College has performed better month by month than originally predicted, and has benefited from the Job Retention (furlough) Scheme and the Provider Relief Funding. It was agreed not to pursue discussions with Barclays Bank about a potential covenant waiver and the cessation of loan capital repayments as there was no longer a need to do so. The cash covenant is likely to be met on 31 July and continuing discussions with the Bank might have resulted in a requirement for additional security. The College has short-term finance available, should it require it, through the Whitehall facility agreement. It was reported that as a result of Covid-19 it has been possible to delay the purchase of the IT equipment and furniture for the South Wing extension, which will not be paid for until after the year end (£200k).

CIC/20/3/24, Monthly Management Report and Accounts May 2020 [Period 10], was received and noted. The Executive Vice Principal: Finance and Corporate Development reported on the Period 11 report, which had been issued the previous day. There had been a further improvement (£100k) to the full year operating forecast compared to Period 10. The forecast deficit for the year is £385K compared to the small surplus predicted in February prior to the lockdown. This is well within the threshold to meet the bank covenant position and maintain Requires Improvement financial health.

The aged debtors analysis, particularly 6+ months, was discussed. Noting that there are likely to be business failures as a result of the pandemic, Governors asked how much of this debt

related to payment from employers for apprenticeships and potentially vulnerable. It was agreed to update the schedule to show the different categories of debt (sales, students, CIE, full cost etc).

12.3.2. **College Financial Return – July 2020**

CIC/20/3/25, College Financial Return – July 2020, was received and noted. This is an additional, simplified, return that colleges have been required to make as a result of the pandemic.

In view of the earlier discussion, Governors questioned the statement in the commentary relating to engagement with the bank in respect of an overdraft facility. The funding body will expect the College to continue dialogue with the bank to mitigate the risk of a potential cash shortfall.

12.3.3. **Update on Property Issues**

Colchester Campus

It was reported that T Block had been sold and was now being removed. The examinations suite is being relocated to J Block. There will be one standard examination room which will accommodate up to 80 candidates and two online examination rooms. Art and Design is being moved into H Block and some refurbishment work is being carried out in B Block. A new ANPR (automatic number plate recognition) car parking system is also being installed.

Braintree Campus

The College is due to receive notification of its application to demolish the rear half of B Block in the first week of August.

12.4. **Remuneration and Search Committee**

The Minutes of the Remuneration and Search Committee held on 23rd June 2020 (CIC/20/3/26) were received and presented by the Committee Chair.

Consideration is being given to the appointment of Vice Chairs to Committees to ensure continuity in the event of the absence of the Chair.

It has been agreed to establish a small panel of Governors to look at the results of the Board self-assessment survey and make recommendations.

12.5. **Governance Coronavirus Committee**

The Minutes of the Governor Coronavirus Committee held on 18th June 2020 (CIC/20/3/27) and 16th July 2020 (CIC/20/3/28) were received and presented by the Committee Chair.

Small numbers of staff (about 61) and students (about 60) were on campus on the day of the meeting which was typical at that time. Students were completing assessments and examinations. Apprentices will continue to be in College throughout the summer completing work or to be assessed.

Social distancing measures have been put in place, including a one-way system. Students are generally following the guidelines well.

The next challenge is preparing for the September intake when there will be larger groups on campus. The timetable has been developed to be adaptable according to circumstances. Staff will continue to work from home if their role allows it, and come into campus as required. Student breaks will be staggered, and they will be encouraged to go outside if the weather permits. There is nothing in the behaviour of applicants to date to suggest that they are changing their minds about coming to College in September.

There is no guidance from the Government in respect of the potential liability in the event of a Covid-19 outbreak in College, but it would be difficult for anyone who contracted the virus to identify or evidence where the transmission took place. The College is adhering to the Government guidance as well as putting its own additional measures in place.

There will be a further meeting of the Committee on 27th August, to update Governors on the final plans for September.

The Principal reported a separate Covid-19 risk register was established at the start of the pandemic. This will now be integrated into the corporate risk register, as the College moves from crisis management to the new business as usual.

It was noted that some staff may have concerns about being asked to return to campus. Governors noted that risk assessments associated with the return to the workplace had been produced and asked if these were widely accessible. Risk assessments of the activities that have taken place over the summer were carried out, and measures put in place to reduce the risk as far as possible. Generic risk assessments will be reviewed for September, but many will not be changed too much. A risk assessment form was recently issued for staff in the Clinically Extremely Vulnerable or Clinically Vulnerable categories, or are at increased risk for some other reason such as BAME community, and guidance issued to Managers. Staff will be reminded through the fortnightly briefing and by separate email that anyone who feels that they are at increased risk can request a risk assessment from their line manager.

13. Future Meetings

The next meeting of the Corporation Board is on Wednesday, 21st October 2020 at 4.30pm. It is likely that meetings in the autumn term will continue to be held virtually.

CIC/20/3/29, Meeting schedule 2020-21, was received and noted.

14. Any Other Urgent Business

On behalf of the Board, the Chairman thanked the Principal and members of the Senior Leadership Team for their hard work, dedication and professionalism in what has been a difficult year due to the pandemic.

The Principal thanked the Board for their support and engagement during the year, and for being very accessible during the pandemic to respond to requests.

Part II

These minutes are not confidential, but the supporting papers are confidential.

15. Part II Minutes

The Part II and Part IIB Minutes of the Corporation Board meeting held on 3rd June 2020 (CIC/20/3/30 and CIC/20/3/34) were received and confirmed.

The Board received and noted:

- CIC/20/3/32, Part II Minutes of the Audit and Compliance Committee held on 24th June 2020,
- CIC/20/3/33, Part II Minutes of the Finance and Resource Committee held on 14th July 2020