

Colchester Institute Corporation

**Minutes of a Meeting of the Board  
held on 26<sup>th</sup> July 2019  
at the Sheepen Road Campus**

**Present:**

Kevin Prince, *in the Chair*  
Alison Andreas  
Martin Fordham

David Gask  
Terry Smyth  
Richard Wainwright

**In Attendance:**

Gary Horne Executive Vice Principal: Finance and Corporate Development  
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, Lisa Clampin, Mark Davies, Liz Goodall and David Gronland

1. **Declaration of any conflicts of interest**

None.

2. **Minutes**

The Minutes of the meeting held on 24<sup>th</sup> April 2019 (CIC/19/3/1) were received and confirmed. The Chairman signed the minute book.

The notes of the planning meeting held on 5<sup>th</sup> June 2019 (CIC/19/3/2) were received and noted. The Chair reported that it was a successful session which exceeded expectations and resulted in some interesting comments for the Board and the Chair to take note of. The only disappointment was the level of attendance.

3. **Matters arising from the minutes**

None, other than on the agenda.

4. **Items Recommended by the Audit and Compliance Committee**

4.1. **Audit and Compliance Committee Terms of Reference**

The Board received, considered and APPROVED CIC/19/3/3, revised Audit and Compliance Committee Terms of Reference. The Terms of Reference had been updated in line with the latest requirements of the Post 16 Audit Code of Practice.

4.2. **Internal Audit Plan 2019-20**

CIC/AC/19/3/4, Internal Audit Plan 2019-20, was received and considered. It was reported that the Committee Chair, Mark Davies, and the Executive Vice Principal: Finance and Corporate Development had met with the Internal Auditors, RSM Risk Assurance Services LLP, in May. The meeting reviewed a number of areas that the Auditors felt ought to be covered as a result of their previous work with the College and to ensure coverage across areas of risk mapped against the Corporate Risk Register. The outcome was a thorough but unaffordable plan in terms of the budget. After review the College Executive were presenting for Board approval a smaller programme which covered the main risk areas.

The Board welcomed the inclusion of three priority areas for the Resources Committee as well as an audit of the student experience which will be mapped against the Ofsted framework.

The Board APPROVED the Internal Audit Plan 2019-20.

#### 4.3. **Risk Management Policy and Procedures**

The Board received, considered and APPROVED CIC/19/3/5, Risk Management Policy and Procedure.

### 5. **Items Recommended by the Curriculum and Quality Committee**

#### 5.1. **Students' Union Constitutions**

It was reported that at the request of the new HE validating partner, the College has separated the Students' Union into two separate Unions, requiring separate constitutions. The Board received, considered and APPROVED:

- CIC/19/3/6, FE Students' Union Constitution. It was noted that the FE Student Ambassadors are being replaced with Trustees.
- CIC/19/3/7, UCC Students' Union Constitution. The first election process for HE SU Officers will be held in the autumn term 2019.

#### 5.2. **Curriculum and Quality Committee Terms of Reference**

The Board received, considered and APPROVED CIC/19/3/8, revised Curriculum and Quality Committee Terms of Reference.

### 6. **Items Recommended by the Resources Committee**

#### 6.1. **Budget 2019-20**

CIC/19/3/9, Budget 2019-20, was received and considered. Governors noted that the projected budget surplus (£162k) was small. This was considered in the context of a reduction in 16-19 funding next year due to under recruitment in 2018-19, and an expected reduction in funding for non-levy apprenticeships. It was reported that in 2019 the College expects to do more work with large levy-paying employers to offset the non-levy reduction. A slight increase in 16-19 learner numbers is also expected compared to the previous year, and HE numbers are expected to be stable. The development of a number of financial strategies in 2018-19 (including staffing reductions) would benefit 2019-20. The level of capital expenditure is expected to be lower next year. The largest Income and Expenditure risk is student recruitment levels on the three key income lines.

In respect of cash flow, the biggest risk is in respect of the timely disposal of the land at the Braintree Campus. Governors asked about contingency arrangements in the event of a delay and were advised that a number of plans and long term financial strategies had been developed. The only condition attached to the offer accepted by the Board in March 2018 is providing vacant possession. This requires the timely removal of the mobile phone masts. The design of the new mast is moving forward. The College is looking for both masts to be moved to a temporary location in the car park from 15 November with a view to the permanent mast being installed in early 2020. Planning permission for the permanent mast was submitted earlier that week, and arrangements for the supply of power to the temporary site are being finalised. The planned completion date is 20<sup>th</sup> December, but the purchaser has suggested that they might want to vary that date on the basis that a completion date in 2020 might be more favourable to them in terms of stamp duty on the care home aspect of the development. This will be discussed further. If the completion date is delayed, the majority of the funding will still be received in 2019.

It was noted that the College had achieved over £1m savings in pay costs as a result of the under recruitment of staff over the course of the 2018-19 academic year and the recent round of projects should reshape the staffing base. Expenditure has reduced in accordance with the drop in income next year and the Executive Vice Principal: Finance and Corporate Development was confident that Satisfactory Financial Health could be maintained going into 2019-20 and beyond. Governors were

reminded that next year Satisfactory Financial Health will be re-designated as Requires Improvement.

Governors asked what the College was doing to attract the interest of the larger levy paying companies, and how successful it was in this area. It was reported that CIBS (CI Business Solutions) was targeting large levy paying companies by offering very bespoke and flexible delivery programmes to meet employer need. For example, the College is working with Essex Fire and Rescue, sharing the training with specialists from that organisation. The College has also been working with providers on HR and Procurement programmes, enrolling 50 learners in June and July. In response to a question it was reported that the College could do more marketing, and that all staff need to use their own networks to promote the College.

## 6.2. **Financial Planning 2019-22**

CIC/19/3/10, Financial Planning Checklist, was received and noted.

CIC/19/3/11, Financial Plan 2019-2022, was received, considered and APPROVED. It was reported that the Plan provided for modest increases in student numbers, with a focus on levy paying apprenticeships. One of the biggest risks to costs is around the continued payment of the TPS (Teachers' Pension Scheme) funding. It has been assumed in the plan that the Government will continue this funding at the current levels for the budget year. Governors asked about the assumptions in respect of staff cost of living increases and were advised that no provision had been made for an increase in the current year, but 1% has been included in the two following years. This will be a decision for the Board at its December meeting.

## 6.3. **12-24 Month Rolling Cash Flow Forecast**

CIC/19/3/11a, 12-24 month rolling cash flow forecast, was received, considered and approved.

## 6.4. **Fee Policies 2019-20**

The Board received, considered and APPROVED:

CIC/19/3/12, FE Fees Policy 2019-20

CIC/19/3/13, UCC Fee Policy 2019-20

CIC/19/3/14, International Fees Policy 2019-20

CIC/19/3/15, Supply Chain Management Policy

CIC/19/3/16, Employer Co-investment Policy

## 6.5. **Safeguarding – Safer Recruitment and Update to Vetting and Barring Procedures**

CIC/19/3/17, Safeguarding – The Vetting Checks and Single Central Record Policy, was received, considered and APPROVED. The Principal reminded the Board that the previous version of the Policy included a statement that DBS checks would be refreshed every five years, and that staff would be required to make annual self-declarations. The policy of annual self-declarations has now been introduced. As this meets the requirements of Ofsted and the statutory guidance Keeping Children Safe in Education the five year period for refreshing DBS has been removed.

## 7. **Items Recommended by the Remuneration and Search Committee**

### 7.1. **Terms of Office of Board Members**

CIC/19/3/18, Terms of Office of Board Members, was received and considered. It was reported that the College's registration with the Office for Students (OfS) is subject enhanced monitoring. One area of concern is that the Board has not agreed a limit to the terms of office that an Independent member may serve. Public interest governance principle XI stated that terms of office should normally be limited to a maximum of three terms of three years or two terms of four years. The Remunerations and Search Committee had considered this in the context of the Code of Governance for English Colleges, adopted in July 2015, and recommended an amendment to Standing Orders. The Board considered and APPROVED the addition of the following clauses to the Standing Orders:

## 2. **Terms of Office**

- 2.3 Board members should not normally serve for more than two terms (or a maximum of eight years) except where undertaking the role of Chair or Vice Chair of Governors or other exceptional circumstances.
- 2.4 Board members undertaking the role of Chair or Vice Chair of Governors may serve an additional two terms of four years in their role as Chair.

## 7.2. **Student Governors**

In line with the separation of the Students' Union into FE and HE Unions, the Board APPROVED, on the recommendation of the Remunerations and Search Committee, the deletion of clause 2.7 in the Standing Orders and the following amendment to clause 2.6:

- 2.6 The President of the HE Students Union and President of the FE Students Union shall be Student Governors and their term of office shall be coterminous with their appointment as Student Union President.

## 7.3. **Membership Matters**

The Corporation Chair updated the Board on membership matters.

It was reported that Sue Thompson-Arnold had resigned her membership of the Board due to other commitments, and that three Independent members who have completed at least eight years as a Governor will be standing down when their current term of office ends on 31 December 2019. The Remuneration and Search Committee is looking for new members to fill these vacancies as well as the current vacancies (two).

It was reported that Richard Wainwright and Kevin Prince would complete their current term of office on 3 October 2019 and 31 December 2019 respectively. Both had recently taken on the role of Vice Chair and Chair respectively. On the recommendation of the Remuneration and Search Committee, the Board APPROVED the reappointment of:

- Richard Wainwright as an Independent Member and co Vice-Chair for a four year term of office with effect from 3 October 2019.
- Kevin Prince as an Independent Member for a four year term of office with effect from 1 January 2020.

## 7.4. **The College's Senior Post Holder Remuneration Code**

CIC/19/3/19, The College's Senior Post Holder Remuneration Code, was received and considered. On the recommendation of the Remuneration and Search Committee the Board AGREED to adopt and have regard to the Code.

The Board APPROVED revised terms of reference for the Remuneration and Search Committee (appended to paper CIC/19/3/19). The terms of reference had been updated to bring them in line with the requirement of the Senior Post Holder Remuneration Code.

## 8. **Targets 2019/20**

CIC/19/3/20, Targets 2019/20, was received and considered. The targets had been received, considered and approved by the respective Committees. At the request of the Curriculum and Quality Committee the target for achievement had been amended to 88%, in line with the results for this year, and what would be expected of a Good college.

Governors asked for a target for the percentage of students moving from a Grade 3 to Grade 4 in English and maths to be added. Governors were surprised at the national benchmark data for English and maths, because it was believed that FE students did not perform well in these subjects. It

was reported that the national benchmark data includes learners in schools and sixth forms who have a very different academic profile to the student at Colchester Institute.

Financial targets based on the Corporate Budget and Financial Plan still needed to be added, and a measure for one of the HR targets (staff satisfaction) was under discussion. These will be included when the paper is re-presented in the autumn term, although it may be that a target for staff satisfaction can't be established for this year.

Governors questioned the proposed target of 70% for Good degrees, given last year's achievement of 71% and the national benchmark of 76%. It was reported that that this was a strategic decision in the context of the view nationally that grades are being inflated. The College has achieved 76% this year because a couple of courses had done extremely well, but this was not a target the College wished to set.

The APPROVED the targets 2019/20, subject the above.

## 9. **Chairs Announcements/Action**

- 9.1. The Chair approved 18.06.19 the UCC Recruitment and Admission Policy. The Board received and noted a copy of the approved policy (CIC/19/3/21)
- 9.2. The Chair thanked those Governors who had supported the College by attending the FE Commissioner's Office monitoring visit meetings on 23th July 2019. Of the six recommendations in the original report, four have been completed. The two remaining recommendations are in respect of finance and student numbers, and the embedding of practices that were introduced in terms of monitoring students. Governors congratulated the College Executive on the work that they had done in a short period of time. The College will continue to receive monitoring visits twice a year until it is graded Ofsted Good, and potentially beyond that if there are any concerns regarding the College's financial position.
- 9.3. The Chair and Terry Smyth attended the Staff Wellbeing Day on 26<sup>th</sup> June 2019. They had been impressed at the level of staff participation and the range of activities that were available.
- 9.4. The Chair and the Unions signed the Dying to Work Charter, a voluntary charter making a commitment to employees to ensure that they are protected if diagnosed with a terminal illness.

## 10. **Principal's Report**

The Principal presented her written report (CIC/19/3/22).

Progress against high level targets, which in some cases represented the final results for the year, were noted. Retention improved by more than 1% on the previous year to 93%, and the apprenticeship numbers target was achieved.

Governors asked if the College was still considering a policy of "three strikes and you're out" in relation to poor attendance at English and maths classes. It was reported that this had been discussed but there were no plans to do this. Instead it is proposed to adapt a practice from Northampton College. Those students who do not attend the first two English and maths classes will be invited to one of a small number of meetings to be held in the lecture theatre to address them as a group on the importance of these subjects and of good attendance. The students will be asked to complete a proforma setting out why they are not attending. If the students still do not attend, the College will engage with their parents and carers, and they will be monitored throughout the year.

Governors noted that the College had utilised 61% of its levy funding and asked what effect this had had on the financial position. It was acknowledged that the usage of the apprenticeship levy was still not good enough. Governors noted that the College executive were confident that the new

Management Development Apprenticeship programme, 'Leading for Excellence', launch on 5<sup>th</sup> July 2019, would help increase usage next year. Also, when a vacancy occurs, Managers are encouraged to fill it with an apprentice where appropriate. Governors suggested that a contractual requirement should be introduced for staff in a leadership role to commit to undertaking training within two years of taking up the post, in the same way that teaching staff are required to work toward a teaching qualification if they do not already have one. It is possible that levy funding could be used to fund staff to undertake the new teaching standard.

## 11. **Update on One Year Strategic Action Plan**

CIC/19/3/23, One Year Action Plan 2018-19 to achieve Strategic Plan Priorities 2017-20, was received and considered. It was noted that the College had made reasonable progress, but a few areas have not moved forward as rapidly as planned, such as around Industry Boards, but work was starting in this area. Some areas are RAG rated Amber, not because progress is not being made, but because this is the middle year of a three year plan and there is still work to do.

## 12. **Reports from Committees**

### 12.1. **Audit and Compliance Committee**

The minutes of the meeting held on 19<sup>th</sup> June 2019 (CIC/19/3/24) were received and considered. In the absence of the Committee Chair, the Executive Vice Principal: Finance and Corporate Development, summarised the main areas discussed by the Committee.

#### 12.1.1. **External Audit 2019**

The External Auditors, Scrutton Bland, had presented their plan for the audit of the financial statements, which was largely unchanged from the previous year. Some risks have been identified which the Auditors will continue to monitor up until the accounts are signed off at the December Board meeting. These include the cash position, and the risk around the property strategy at the Braintree Campus.

#### 12.1.2. **Fraud Policy**

The risk of fraud is an area of increasing concern to the Government. The Executive Vice Principal: Finance and Corporate Development will be updating the College's anti-bribery and anti-fraud policies. Governors asked the reasons for the Government's increased concern in this area and were advised that there had been a number of high profile issues recently.

#### 12.1.3. **New Internal Audit Reports**

The review of Curriculum Planning resulted in a substantial assurance, with no recommendations. The review of Utilisation of Classrooms received reasonable assurance. Some learning points are being taken forward. The Internal Auditors have completed their Internal Audit Plan 2018-19 and there are no issues arising from the audits that will impact on the level of assurance given to the Committee at the end of the year.

#### 12.1.4. **Strategic Corporate Risk Register**

CIC/19/3/25, Strategic Corporate Risk Register (updated 18 July 2019), was received and noted. Current risk issues mainly relate to the non-levy funding allocations. It was reported that the Corporate Risk Register had undergone a number of changes since it was received by the Audit and Compliance Committee and a number of positive assurance have been recorded against the risk associated with Ofsted (College achievement, progress and final destination outcomes). The focus is now on the risk associated with enrolment, which is the biggest risk to the Financial Plan.

### 12.2. **Curriculum and Quality Committee**

The minutes of the Curriculum and Quality Committee held on 25<sup>th</sup> June 2019 (CIC/19/3/26) were received and presented by the Committee Chair, David Gask.

#### 12.2.1. **Access and Participation Plan**

It was reported that the Access and Participation Plan was nearing completion for submission to the Office for Students.

#### 12.2.2. **Update on Study Programme Achievement 2018/19**

CIC/19/3/27, Achievement on Study Programmes, 2018-29, was received and presented by the Vice Principal: Curriculum Delivery and Performance. It was reported that a significant improvement was expected in the overall all ages Study Programmes outcomes (above 85% compared to 81% last year). While all results were yet to be confirmed, it was reported that a number of areas had now completed and were declaring higher results. There were now less than 30 students who were still active.

The biggest risk will be the results for GCSEs. The average GCSE profile of the 2018-19 cohort on entry was reported as: Braintree – 3.11; Clacton 2.67; Colchester – 3.59; and Colchester Institute as a whole – 3.49. When the Government moved to a numbered grading system (0-9) a good grade C was set as 5. Governors asked about the availability of national benchmark data. The average grade this year in schools will be available in late August, but there is no data on the average grade profile in colleges.

#### 12.2.3. **CISU Annual Report 2018-19**

CIC/19/3/28, Colchester Institute Students' Union (CISU) Annual Report 2018-19, was received and considered. It was noted that the level of student engagement last year was low and that the Students' Union needs reenergising.

#### 12.2.4. **Overview of Progress against PIAP**

CIC/19/3/29, Overview of Progress against the Post Inspection Action Plan (PIAP), was received and noted. The plan is on track but needs time to implement. Progress checks appear to have been embedded and are working well.

### 12.3. **Resources Committee**

The Committee Chair, Richard Wainwright, gave an oral report on the meeting of the Resources Committee held on 23<sup>rd</sup> July 2019. The minutes will be received for information at the next meeting.

#### 12.3.1. **Management Report and Accounts**

CIC/19/3/31, Management Report and Accounts May 2019 [Period 10], and CIC/19/3/31a, Management Report and Accounts June 2019 (Period 11) were received and presented by the Executive Vice Principal: Finance and Corporate Development. It was reported that the surplus outturn dropped from May to June and the decision was taken to reduce the year end surplus to £103k. This was agreed as a prudent approach by the Resources Committee.

It was noted that all Lennartz liabilities will be repaid by the end of July 2019.

#### 12.3.2. **Update on Property Issues**

The Executive Vice Principal: Finance and Corporate Development updated the Board on property matters.

At the Braintree campus:

- Work on the new Learning and Technology Centre is moving forward and is on target for completion at the end of October, within programme and within the project budget.
- The College is looking at opportunities to sell B Block once the move into the new building is complete.
- Work is underway to move out of A Block

At the Sheepen Road campus:

- Good progress is being made on the construction of an additional floor on South Wing.
- Seven other minor projects are being carried out over the summer period to make new spaces and improved facilities available for teaching and learning in September. Work includes moving English and maths out of the temporary demountable building into classrooms on the third floor of K Block; the reconfiguration of C Block and the Student Zone; the construction of a new gaming lab in the UCC Centre; and the reconfiguration of J Block to improve facilities for UCC Music and Performing Arts.

It was reported that the College is considering engaging architects to work on a new masterplan for the Sheepen Road campus.

#### 12.3.3. HR Plan and Priorities

CIC/19/3/2, HR Plan and Priorities, was received and noted.

#### 12.4. Remuneration and Search Committee

The Committee Chair, Kevin Prince, gave an oral report on the meeting of the Remuneration and Search Committee held on 23<sup>rd</sup> July 2019. The minutes will be received for information at the next meeting. The Committee had agreed the format of the Board self-assessment questionnaire 2019, and accepted in principle the need to establish and monitor a Board risk register, similar to the departmental risk registers held across the College.

Governors discussed the arrangements for Board updates and briefings. There was support for getting a wider perspective on what is happening within the College than is available through the reports from the College Executive. It was suggested that Area Heads could be invited to attend meetings to give a presentation on their curriculum areas.

#### 13. Feedback from Governors on Link Visits

It was reported that Terry Smyth and Kevin Prince had visited a number of times during the year.

#### 14. Dates of Future Meetings

14.1. The next meeting of the Corporation Board is on Tuesday, 22<sup>nd</sup> October 2019 at 4.30pm. The meeting will be preceded with a Board briefing at 4.00pm.

14.2. It was proposed that the December Board meeting is held at the Braintree Campus. This will enable Governors to see the new building and provide an opportunity to formally thank the three Braintree based Governors who will be standing down when their current terms of office end on 31st December. The Remuneration and Search Committee would welcome nominations for potential new Board members from the Braintree area.

14.3. CIC/19/3/34, schedule of Board and Committee meetings 2019-20, was received and noted

#### 15. Any Other Urgent Business

The Board thanked Martin Fordham for his contribution as a Staff Governor over the last two years and wished him well in the future.