

Colchester Institute Corporation

*Minutes of a Virtual Meeting of the Resources Committee
held on 14th May 2020*

Present:

Richard Wainwright, *in the Chair*
Alison Andreas
Steve Blake
Peter Cook

Patrick Giddings
Jasmin Patel
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

1. Chair's opening remarks

Steve Blake was welcomed to his first meeting of the Resources Committee.

On behalf of the Board, the Committee Chair thanked the Principal and staff for all their work in keeping the College operational and the learners in learning through the COVID-19 pandemic.

2. Apologies for absence

There were no apologies for absence.

3. Declaration of any conflicts of interest

None

4. Minutes

The Minutes of the meeting held on 23rd January 2020 (CIC/RC/20/2/1), were received and confirmed.

5. Matters Arising from the Minutes

5.1. Update on Lennartz Appeal

It was reported that HMRC had requested that the decision of the Tribunal remains embargoed whilst they consider a compromise deal with the College. If a compromise deal were agreed, it would avoid a further court hearing to consider the alternative argument. It is hoped that some form of settlement can be reached before the end of July 2020. A settlement would also result in the Brockenhurst claim being paid.

Governors asked how any settlement from HMRC in respect of Lennartz might impact on the College's capacity to deal with the financial risks arising from the COVID-19 pandemic. It was reported that the External Auditors have accepted the position that this is a refund of VAT suffered. As revenue income it would change the current deficit forecast for this year into a surplus. If the College receives this payment it would not be entitled to any support that may be available to colleges due to the impact of COVID-19. The College Executive is discussing how to reduce the cost base to meet lower income next year.

6. Chair's Action

The Chair approved (07.02.20) the award of a new three year contract (extendable to five years by agreement) to Ridge Crest Cleaning Services. The tender evaluation report (CIC/RC/20/2/2) was received and noted.

7. **HR Operational Plan – Update on Progress**

CIC/RC/20/2/3, HR Key Priorities – Update on Progress, was received and presented by the Director of Human Resources.

7.1. **HR and Payroll Systems Replacement**

The College Executive had decided not to go ahead with the iTrent system due to the cost. The Director of Human Resources and Director of Information and Learning Technologies met with senior managers of Select HR (providers of the current system) in early March to discuss upgrades and improvements to enable the College to make better use of the existing system.

The HR Team continues to support the Payroll function, which was moved to Finance with effect from 1st April.

7.2. **HR Service Delivery**

It was reported that the new E-Recruitment system is moving forward.

Governors noted that the Learning and Development Business Partner had resigned. Noting the role was created as part of the new structure, Governors asked what options were being considered, and whether there was a revised HR structure as a result of this resignation. It was reported that given the current situation the role will not be replaced. This is the only role that is no longer in the new structure. The Director of Human Resources has oversight of learning and development, which is being administered by the HR Assistant.

In response to a question the Director of Human Resources reported that the overriding priority in respect of HR was to manage the pay budget and staff structure and keep staff well and safe as they are asked to return to working on campus. The College Executive has been overwhelmed by the commitment and engagement of staff to date. Thoughts are now turning to how to minimise the risks whilst maintaining the quality of delivery, as the Institute moves into a new phase of a likely return to College for a certain number of students and staff during June. There are likely to be some staff that should not return to work because they are shielding or are extremely clinically vulnerable.

7.3. **Single Central Record/Safeguarding**

It was noted that the level of compliance remains very high.

Governors noted that there remained a small number of “right to work checks” outstanding at the time the report was written and asked for further details (length of service; organisational level; number of times/dates followed up; reasons given for failing to comply with the legal requirement; and next actions). The Director of Human Resources reported that there were currently four missing ID documents and four name change documents, and provided the further information requested for each individual. The checks had been put on hold due to the coronavirus emergency but can now recommence following the publication of further guidance on how to carry out ID checks when not in the same room as the individual. Governors were concerned that despite the best efforts of the Line Manager and the Director of Human Resources one check had been outstanding since October, and two since January. The Committee noted the difficulties but felt the College was being too tolerant. The HR Director was asked to forward the names of staff that were not compliant to the College Executive.

7.4. **Management Development and usage of the Apprenticeship Levy**

The current position was noted. Although some apprentices were being furloughed due to the roles being on hold they were all still able to continue on their apprenticeship programme and off the job training.

7.5. **HR Policies**

The schedule for the review of key HR policies was noted.

7.6. **Contracts and Terms and Conditions**

Governors asked for an update on the review of contracts of employment and terms and conditions, in particular what the key changes are, when they would be implemented, and whether they would be issued to all existing staff or only new employees. It was reported that a virtual meeting of the College Executive on 15th May had considered a proposed set of changes, including reducing the probationary period from one year to six months; reducing sick pay for new starters; and reforms to holiday entitlements. This is part of a series of potential measures being considered by the College Executive to mitigate the current income shortfalls. Any changes to terms and conditions for existing staff would involve collective consultation.

Members asked to receive a report documenting the changes once finalised.

8. **Gender Pay Gap Reporting**

CIC/RC/20/2/4, Gender Pay Gap Report 2019, was received and presented by the Director of Human Resources. The report had been uploaded to the Government Portal prior to the COVID-19 outbreak and the removal of the reporting requirement for this year.

Governors noted that the pay gap had widened slightly during the year as a result of a change in the gender mix and an increase in male employees at higher pay points, and asked if this was due to a recruitment issue. It was reported that this was due to males being recruited to roles in skill shortage areas (largely sectors that are traditionally male dominated) which attracted a pay supplement. Governors explored this further and were advised that working practices were a factor. Women traditionally take lower paid part time roles. The current lock down period has shown that staff can work differently and more flexible working practices at all levels may help.

Governors asked whether the College used head-hunters to fill roles. An agency may be used for a really hard to fill role, but head-hunters are not used due to the cost.

A Governor made an observation that organisations in general tend to undervalue part-time roles, regardless of the role filled. It was suggested that considering what the role is, rather than the time commitment, might be a useful starting point.

9. **Wellbeing Annual Report**

CIC/RC/20/2/5, Wellbeing Report, was received and presented by the Director of Human Resources.

The report had been received by the Health and Safety Committee at its meeting on 28th February. Governors noted the work of the Wellbeing Group and the Workplace Health Champions. Wellbeing activities included a staff Health Week (20 - 24 January 2020) and a Staff Health Survey conducted between 14 and 21 January. An internal audit review provided Substantial Assurance on activity to support staff mental health and wellbeing.

The Director of Human Resources updated the Committee on staff wellbeing activities during the period of disruption to the College's activities as a result of the pandemic. These include the circulation of weekly updates to all staff and provision of information on the Staff Portal. Occupational Health appointments continue to be available virtually or by phone, but there has been less demand over the last month. A dedicated HR email address is available for all coronavirus related queries, and the College is working with Occupational Health to look at how it can further support staff.

Governors noted that sickness absence reporting for the period of the campus closure was low compared to the same time last year and questioned this. It was confirmed that staff are

encouraged to carry on reporting in the normal way. Governors asked about absences due to Covid-19 and were advised that 74 days absence were related to Covid, but this was before testing was available. Staff have now been advised how to obtain tests. A few staff have notified the HR Department that they have had a test and the results, which were negative. In preparation for a partial return to work the HR Department will shortly be contacting staff to ascertain their status in relation to Coronavirus vulnerabilities (such as shielding).

Governors asked to what extent the College was being pro-active in checking in on staff and their mental health during this period. It was reported that Managers are being actively encouraged to use different means of communications, such as Zoom and WhatsApp and people are continuing to meet regularly. For example, around 250 Zoom meetings are being held each day. Whilst some of these will be for teaching, many will be for management and staff meetings. The Principal's weekly briefing to staff also encourages people to keep in touch with and support each other.

10. Quarter 2 HR Management Information

CIC/RC/20/2/6, HR Management Information – quarter 2, was received and considered. The Director of Human Resources highlighted the key points.

The College's flexible workforce (hourly paid, casual, volunteers and self-employed) is 30% compared to the sector average of 20%. This is an historical situation and is under review. Employing hourly paid staff gives the College the flexibility it needs.

Governors asked if the split of teaching staff to support staff was in line with the sector average. It was reported that whilst benchmarks suggest other providers have fewer support staff, many colleges outsource a lot of their support areas and might have more extensive non-pay costs as a result. Some of the College's systems and functions are not as streamlined as they need to be and there might be opportunities to work with ILT to develop better processes and systems using technology introduced to support online learning during the current campus closures.

Sickness absence, and the reasons for absence, was discussed. It was noted that stress had moved from first to third place in the reasons for absence compared to the previous quarter. The Committee had previously discussed the range of categories used to record sickness absence, with many potentially associated with stress such as headache, and asked whether the reduction in stress related absence was due to different but related reasons being given for the absence. It was reported that the significant decrease during this period was due to the ending of some long-term stress related sickness absence. Line Managers hold return to work meetings and it is hoped that if these are carried out effectively the real reason for absence will be identified. To help monitor the position, the Committee asked for the future reports to include data for all categories used to record sickness absence rather than just the top three.

11. HR Reporting to Resources Committee

CIC/RC/20/2/7, proposed schedule of reporting to Resources Committee, was received, considered and accepted.

The Director of Human Resources left the meeting.

12. Management Report and Accounts

CIC/RC/20/2/8, Management Report and Accounts March 2020 (Period 3), was received and presented by the Executive Vice Principal: Finance and Corporate Development. The report was the first to reflect the impact of the closure of College campuses as a result of the Coronavirus pandemic. The Committee noted a full year deficit of £826K was predicted due to significant reductions to commercial (restaurants, salons and car parking), full cost and apprenticeship income streams. The College Executive is taking every opportunity to improve this position. Some staff have been moved onto the furlough scheme and an application has been submitted to the post 16 Provider Relief Scheme. Some costs will be recovered as a result of the campuses being closed.

The Executive Vice Principal: Finance and Corporate Development gave an oral update on the latest position. The predicted full year deficit was currently £715k, and work was ongoing to bring this under £0.5m. The ESFA (Education and Skills Funding Agency) have been kept informed, and the College has been encouraged to minimise its losses and demonstrate it is doing as much as it possible to mitigate the reductions.

The Committee noted that the College has continued to support its learners through the period of disruption via remote means and the adoption or further development of technologies such as Zoom, Panopto and Google Classroom, and asked what evidence there was of learner satisfaction/dissatisfaction with regard to the learning experience during this time. It was reported that this was evidenced through feedback from Area Heads, via Course Tutors.

The schedule of debtors/creditors was noted. Members asked what enhanced steps were being taken, given the circumstances, to collect debts, and whether the provision for bad debt would be higher this year. It was reported that no enhanced steps were being taken at this stage and that the bad debt provision may need to be increased at year-end. Oriel, the appointed debt collection service, has advised the College to withhold from pursuing debts via appointed bailiffs at this time and suggested that the situation is reviewed at the end of May. The College has provided mobile phones to the sales ledger team to enable them to continue the telephone chasing activities from home.

Given the uncertainties over income and the limitations on the speed with which the cost base can be altered, the Committee questioned whether the Requires Improvement financial health judgement was overly optimistic. It was reported that deficit forecast in the March Report would move the financial health grade to Inadequate. The College is doing all that it can to retain the Requires Improvement classification despite the impact of Covid-19 and will need to end the year with a deficit no worse than £0.5m in order to achieve this. Under normal circumstances Inadequate financial health would trigger the intervention of the FE Commissioner and ongoing monitoring of a recovery plan until the College returned to Requires Improvement. The ESFA has already indicated that provided the College can demonstrate that prior to the disruption because of the Covid-19 pandemic it was on track to break even at year end and achieve a financial health calculation of Requires Improvement (which was evidenced during the FEC monitoring visit in February), then intervention would hopefully not be considered.

13. Updated Financial Plan 2019-2022

CIC/RC/20/2/9, confidential position paper – Four Year Financial Plan, was received and considered. A separate, confidential minute, records the Committee's detailed and wide ranging discussion of the:

- Pre-Budget Forecast (incorporating an update on the 2019-20 outturn and high level assumptions informing the 2020-21 pre-budget estimate)
- Four year Financial Plan
- Cash flow Statement (ESFA Format)

14. Students' Union Annual Accounts 2018-10

CIC/RC/20/2/10, Colchester Institute Students' Union Financial Statements 31 July 2019, was received and noted. Governors asked why there had been a prior year adjustment, and who the creditors were. The prior year adjustment was a mechanism to support the Union through what would have been an insolvent year in the prior year. The creditor was in respect of the fee payable to the Independent Examiner.

15. Local Government Pension Scheme

Following consideration of a position paper on the Local Government Pension Scheme at its meeting on 19th February 2020, the Board had asked the Executive Vice Principal: Finance and Corporate

Development to enter into negotiations with the fund representatives over their request for increased deficiency payments. It was reported that at the point of the lockdown in March the fund representatives had offer to reduce the deficiency payment from £308k pa to £113k pa if security is offered. There has been no further communications since March but monthly deficiency payments are being deducted at the lower rate.

16. **Resourcing for Teaching, Learning and Assessment**

It was reported that over the last two months investment in teaching, learning and assessment was almost entirely on hardware and software licences to support students and staff to work effectively from home. This included Panopto (video sharing), Zoom licences, and Google Classroom. Links are also being sent out weekly to online webinars and CPD activities to improve teaching, learning and assessment. The engagement from staff has been overwhelming.

17. **UCC Fee Policy 2020-21**

The UCC Fee Policy (CIC/RC/20/2/11) had been approved by written resolution prior to the meeting.

18. **Property Issues**

The Executive Vice Principal: Finance and Corporate updated the Committee on property issues.

18.1. **Braintree Campus Masterplan including LGF Project 'STEM Innovation Campus'**

The final payment for the land sale was due on or before 31 July 2020.

18.2. **Colchester Campus LGF Project 'Centre for Health and Development**

The extension to South Wing was now complete and snagging dealt with. The furniture has been delayed by the current lock down, and the IT has still to be installed.

18.3. **Other Campus Updates**

Preparations for the new academic year include the removal of T Block (temporary building) and relocation of the examination facilities at the Colchester campus.

19. **Proposed amendment to Committee title and Terms of Reference**

CIC/RC/20/2/12, Proposed amendment to Committee title and terms of reference, was received, considered and accepted for recommendation to the Board.

20. **Date of next Meeting**

Wednesday, 14th July 2020 at 4.30pm.

21. **Any Other Urgent Business**

There were no item.