

COLCHESTER INSTITUTE CORPORATION

***Minutes of a virtual meeting of the
FINANCE AND RESOURCES COMMITTEE
held on 29th September 2021***

Present

Richard Wainwright, in the Chair	Patrick Giddings
Alison Andreas	Kevin Prince
Steve Blake	

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

There were no apologies for absence.

2. Declaration of any conflicts of interest

None.

3. Agreement to Starred Agenda Items

Members were invited to indicate any item which they wished to star for discussion or question. Items that were not starred were noted and/or approved by the Committee without discussion.

4. Minutes

The minutes of the meeting held on 14th July 2021 (CIC/FR/21/5/1) were received and approved as an accurate record.

5. Matters Arising from the Minutes

There were no matters arising that were not covered elsewhere on the agenda.

6. HR Operational Plan

CIC/FR/21/5/2, HR Key Priorities – Update on Progress, was received and presented by the Director of Human Resources. It was reported that:

- Some HR system improvement projects had been delayed due to the cyber-attack, problems with the test system and the need for data coding repair which was still underway.
- The new Learning and Development Manager was due to start on 4th October. A new full time HR Business Partner had been recruited, and the role of HR apprentice was currently being advertised.
- Compliance in terms of staff safeguarding and the Single Central Records remains high. Work was currently underway to ensure that contractor compliance was up to date. New mandatory training for staff had been launched at the staff development day on 3rd September. A report on compliance would be received at the next meeting of this Committee. As discussed at the recent Board planning day, Governors would be receiving the same information and asked to complete the same training as staff. **ACTION:** the Clerk to circulate to the Board the links to the mandatory training and to Keeping Children Safe in Education.

- Good progress had made in updating key HR policies. It was noted that 23 policies had been published, three were in draft, and three were outstanding.
- It had been a busy time for recruitment with 54 new appointments since 1st August 2021. The College had been successful in recruiting to 11 hard to fill roles but was still struggling to recruit in a few areas.

Governors:

- Asked the drivers behind the success in recruiting to hard to fill roles. It was reports that a different approach had been taken, particularly in maths, and people with subject experience but who have not got experience teaching have been appointed. The decision to increase staff pay might also have been a factor.
- Asked if any progress had been made in shortening the timeframe between advertising a role to making an appointment. It was reported that this had not been progressed because of the volume of vacancies being dealt with and the need to prioritise the hard to fill roles.

7. **Workforce Development Plan**

CIC/FR/21/5/3, Workforce Development Plan, was received and noted.

8. **Policy Review**

CIC/FR/21/5/4, Vetting Checks and Single Central Register Policy, was received and considered. It was reported that the policy had been updated in line with the statutory guidance Keeping Children Safe in Education. One of the most significant changes was in respects of contractors and sub-contractors.

Governors noted that failure to comply with the mandatory requirement to provide an annual self-declaration (section 2.4) may result in disciplinary action being taken and questioned whether this should say will result in. It was reported that there may be good reasons for not complying, such as being on maternity leave.

The Committee **AGREED to recommend the Vetting Checks and Single Central Register Policy to the Board for approval.**

The Director of Human Resources left the meeting.

9. **Monthly Management Report**

CIC/21/5/5, Management Report and Accounts July 2021 [Period 12], was received and considered. The Executive Vice Principal: Finance and Corporate Development reported that the College's financial health at Period 12 was the best it has been over the last thirteen years. After a challenging year as a result of Covid and the cyber-attack, the College had achieved a surplus £578k higher than budget and £105k higher than forecast. The improvements in the outturn income and expenditure had lifted the financial health points to 200, well within the Good financial health category. It was reported that some ESFA grants received in year would be recovered during 2021-22. This, together with the investment in the Salix project, will deteriorate the cash position, but cash in the bank in July 2022 would still be higher than predicted in last year's three-year plan.

Governors asked how the closure of CIE Limited, which ceased trading on 31/07/2021, was progressing. It was reported that Scrutton Bland was working with the College on winding down the business. There had been some balance sheet transactions and there may be an impairment on investment in CIE Ltd in the group accounts.

Governors questioned the AEB clawback to the ESFA. It was reported that the College Executive had discussed whether to take forward a business case around the impact of the cyber incident on

delivery over the course of the year. Because of the uncertainty over whether the claim would even be eligible at this stage, no allowance had been made in the Period 12 accounts.

The Committee Chair reminded Members that he now meets with the Executive Vice Principal: Finance and Corporate Development on a monthly basis and circulates a summary of the main issues discussed to Board member. As reported in his update of 09/09/2021, and discussed at the recent planning day, 2022/23 may be a more challenging year.

Now that the College has returned to Good financial health, the Committee discussed negotiating with the bank over the interest rate payable on the long-term loan. **ACTION:** It was agreed to return to this once the Report and Accounts have been signed off in the December. The Committee Chair asked to be involved in the discussions at an early stage.

10. **Essex Pension Fund FRS102 Report for Colchester Institute**

CIC/FR/21/5/6, Essex Pension Fund pension accounting disclosure as at 31 July 2021 prepared in accordance with FRS201, was received and considered. The Committee noted that the net liability had reduced by £4.5m compared to the prior year but was still £10m worse than the position at 31/07/2019. This valuation will leave the balance sheet still in an overall negative reserves position.

The Committee asked if there had been any further requests from the Pension Fund for security for the deficit or increased contributions. It was reported that this had been covered by the increase in the primary rate of contributions from 15.6% to 20.2% in 2019. The next triennial valuation takes place in the summer 2022, which will inform contribution rates from 2023.

11. **Apprenticeships Monitoring Report September 2021**

The Executive Vice Principal: Curriculum, Planning and Quality reported that the demand for apprenticeships was buoyant and employers were keen to take on apprentices this year. The College had enrolled 188 apprentices in August to September (about 70 short of target) and will continue to enrol over the next few weeks.

It was reported that:

- there had been a big increase in numbers in certain sectors. In Electrical the targets groups had been filled and there was an additional group of twenty learners on a waiting list. The College does not have sufficient electrical lecturers to resources this group but was hopeful this could be remedied through a new appointment.
- Numbers in engineering were down by about twenty, but were up at the higher levels.
- There were three areas where resourcing was a problem and recruitment was on hold.
- An area of great demand which the College was struggling to staff was Groundworks (45 learners of which 30 were new starts). A new lecturer from industry was due to start but was persuaded to stay in their industry.
- Around 100 students who had been budgeted to achieve last year have had to roll over this year. There were various reasons for this, for example the End Point Assessment may have been delayed.

Governors asked the financial impact of being unable to resource the demand in electrical and groundwork. It was reported that the funding for each groundwork apprentice was £5k and for electrical was £7k, however the End Point Assessment costs are quite high. The contribution of apprentices is less than on a Study Programme. Governors asked for an indicative value of a person on an apprenticeship and were advised that there are too many variables. There are different schedules depending on the amount of support each apprentice needs and the individual action plan that they sign up to at the start of the course. Costs can also increase if the learners are scattered across a number of employers rather than just with one employer.

12. **Subcontracting 2021-22 – Contract Contingency Arrangement**

The Committee received, considered and **APPROVED** CIC/FR/21/5/7, Subcontractor Contingency Arrangements. Governors were reminded that under ESFA regulations, once approved by Governors the contract contingency arrangements have to be published. Governors asked if the contingency providers were aware that they were going to be named in a published document. **ACTION:** The Executive Vice Principal: Curriculum, Planning and Quality to confirm that approval has been sought before the document is published.

13. **Resourcing for Teaching, Learning and Assessment Annual Report**

CIC/FR/21/5/8, Resourcing for Teaching, Learning and Assessment Annual Report, was received and noted.

14. **Student Enrolments 2021/22**

The Principal updated the Committee on student enrolments 2021/22. It was reported that:

- As the end of the previous week, HE was ten full time students below target and that gap was expected to close completely over the coming days.
- Part time HE student numbers were 16 below target, and the target may not be achieved.
- Close to 3700 FT FE students had been enrolled against a target of 3872. The ESFA target had been based on much higher recruitment in the previous year (3917). Enrolments were 200 short of the previous year and 170 below the funded target. The College normally loses about 30 students between this point in the year and the final funded number at the end of the year. Under the lagged learner funding methodology, the College could potentially receive £1m less funding next year. There was also a small risk that the ESFA may wish to clawback funding in year. The College might have lost some students to another provider which it could have recruited had it had more space for them. Discussions have started on the need to change some of the floor space to create more workshops for construction and engineering.
- It was too early to report on adult numbers as the College recruits through the year.
- There had been a strong start to ESOL programmes, and this was expected to continue. Access programmes had not recruited as well. Nationally, more universities are offering foundation programmes, removing the need for students to do an Access programme.
- It was too early to say whether the Learning Shops, which were in the process of making significant changes to their curriculum offer, would reach its targets.

15. **Property Matters**

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

15.1. **Public Sector Decarbonisation Scheme (Salix)**

It was reported that:

- Salix had now given formal written approval for the extension to the project programme. The project was originally due to complete in November but due to delays starting on site because of the asbestos methodology development will now extend into March 2022.
- Hairdressing was likely to move to the ground floor of Block R, which was not being used due to the ongoing reduction in student numbers in hospitality.
- The September Salix funding claim had just been submitted (£544k) and should be paid within three weeks.
- The risks to the project remain around supply chain. There is currently a three-week delay to the supply of the air source heat pump that is in transit from Czechoslovakia.
- Work on the ground and fourth floor of B Block was completed and returned for the start of term. Floor three was due to be returned on 30/09/21 but floor two will take longer than the

others because of extra asbestos encapsulation works. Work would start on floor one within the next few weeks, and the scaffolding of D Block would start within two weeks.

- Some additional costs are likely on external masonry repairs, but the project was still within the contingency allowance.
- Classroom accommodation and staff offices had been relocated into other spaces without the need for additional temporary accommodation at this stage. In some cases, the IT in these spaces had not been to the level available in the previous base room. Some classes had to move on a number of occasions to support this work. Noise levels had also had an impact, but this should improve over the next two weeks as teaching spaces come back into use.
- Phase 3 of the Public Sector Decarbonisation Scheme would open in early October. The College had been successful in obtaining some funding (£20k) towards the cost of developing an application for round 3 or round 4 of the scheme. A second project could potentially start towards the middle of next year to replace gas boilers in Block C and H. Unfortunately, the Government is looking for more matched funding. Rather than two-thirds, one-third funding might be available to support new technologies. The College Executive was looking at what level of cash could be afforded to support improvement work.

The Committee Chair reported that he had inspected the work with the Executive Vice Principal and the Director of Estates two weeks previously. The Committee Chair had noted a very close collaboration with Cadman and had been pleased to see how closely the situation was being monitored.

15.2. **Other Property Issues**

It was reported that:

- A meeting to discuss the construction of the permanent phone mast at the Braintree campus behind the STEM Building was scheduled for the following week.
- Scrutton Bland were content with the provision that had been made in the year end accounts for the dilapidation works at the Minories.

16. **UCC Fees Policies 2021-22**

The Committee received, considered and **AGREED to recommend to the Board for approval** CIC/FR/21/5/9, UCC Fee Proposals 2022/23. In respect of the proposal to raise the fee for HN programmes for new entrants it was reported that the programmes would still be competitively priced, and the increase would not impact on students, who can take out a student loan. These programmes are expensive to run compared to validated provision.

It was reported that the fees have to be uploaded to the OfS (Office for Students) before the next Board meeting but could be changed if exceptionally the Board chose not to accept the recommendation of this Committee to approve the fee proposals.

17. **Venue Hire Rates 2021-22**

The Committee received, considered and **APPROVED** CIC/FR/21/5/10, Venue and Facilities Hire Rates 2021-22.

18. **Financial Regulations 2021-22**

The Committee received and considered CIC/FR/21/5/11, Financial Regulations. The Financial Regulations had been completely rewritten and were much shorter, making it easier for staff and budget holders to navigate. The procedural elements had been removed to standalone documents referenced in the Financial Regulations. It was confirmed that there were no changes in terms of delegation levels and the general rules.

The Committee noted that:

- there was no reference to separation of duties in the Regulations. **ACTION:** The Executive Vice Principal: Finance and Corporate Development agreed to get this written into the regulations.
- In the Authority Required table there were instances where only one person was named, for example the Principal for single contract values between £10,001 and £75,000. It was reported that this has always been the case. The Committee **AGREED** that the Principal could delegate to another senior post holder during periods of absence.

Subject to the above, the Committee **APPROVED** the Financial Regulations.

19. **Review of Meeting**

The Committee considered:

- Items/papers to be reported to the Board: four points were agreed: positive recruitment of staff; financial statements for the year end; Student enrolment; Salix project.
- Items to be treated confidentially: - none
- Effectiveness of meeting and potential areas for improvement: agreed it was an effective meeting
- Feedback on papers: executive summaries were succinct

20. **Date of Next Meeting**

Wednesday, 24th November 2021 at 4.30pm at the Sheepen Road campus.

21. **Any Other Urgent Business**

21.1. **Braintree Campus Refectory**

It was reported that staff in the refectory at the Braintree campus had recently transferred under TUPE to Colchester Institute following the closure of the subsidiary company CIE Limited. The College was finding it hard to recruit to replace staff who had left over the summer, and the remaining two members of staff had both been absent. The College had been able to keep the facility open by using a qualified member of staff from the reprographics department, but he was running the service single-handed, and his deployment was having a knock-on effect on the reprographics service. Three candidates shortlisted for interview had failed attend. The College was now in dialogue with Aramark, which provides the catering service at the Colchester campus, about taking on the Braintree operation. Aramark has a large staffing base and could cover short term absences. If the College wishes to proceed with Aramark a formal proposal will be brought forward for approval.