

COLCHESTER INSTITUTE CORPORATION

***Minutes of a virtual meeting of the
FINANCE AND RESOURCES COMMITTEE
held on 8 December 2021***

Present

Richard Wainwright, in the Chair	Jasmin Patel
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

Apologies for absence were received from Patrick Giddings.

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 29 September 2021 (CIC/FR/21/6/1) 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. Chair's Action

It was reported that, Aramark having confirmed their intention to proceed with the transfer of the Braintree campus refectory operation, the Committee Chair had approved (13/10/2021) the decision to transfer the two part time staff under TUPE regulation.

7. HR Management Information

The Committee received and noted:

- CIC/FR/21/6/2, HR Management Information Report Quarter 4; and
- CIC/FR/21/6/3, Annual Management Information Report

The Director of Human Resources reported that:

- The fourth quarter report, which covered the period to end of August 2021, coincided with the final easing of covid restriction on 19 July.
- The College's flexible workforce had reduced slightly but was still above the sector average.

- Turnover, calculated on a rolling year, was at 17.65%. Turnover hit its lowest rate of 10.86% in November 2020 and was now steadily increasing. There had been a high number of leavers (162) during the academic year.
- There had been 102 new appointments since 1 August 2021 compared to 29 in 2019 and 20 in 2020.

Governors asked the reasons for the number of leavers. It was reported that this was being seen across all sectors and was referred to by HR professionals as the “great resignation”. After a year of restrictions and the pandemic people have reassessed their life choices. The job market has opened up creating a lot more choice and there continues to be skills shortages. It was expected that there would be further resignations after Christmas.

Governors asked if people were wanting to work from home as a benefit. It was reported that the College is competing with employers in London where people can work from home. Staff in certain roles are allowed to work from home and this is something that the College wants to continue.

The Director of Human Resources updated the Committee on actions to address stress. These include a Wellbeing Committee; wellbeing bulletins and management training. In the New Year the long-term strategy around wellbeing will be relaunched and revitalised to make it more cohesive going forward.

Governors noted that a number of actions in the Strategic Plan one year action plan (goal 7) would fall to the Learning and Development (L&D) Manager. It was reported that the L&D Manager would be instrumental in supporting the College through the transition to Microsoft 365, which was key to staff being able to work flexibly and effectively in the future. The L&D Manager would be presenting to the Senior Leadership Team the following and getting feedback for the Learning and Development Plan.

Governors asked what the College was doing about the nine staff members who had been on long term sickness absence during this quarter. It was reported that a lot of these staff had now returned to work. The College aims to be supportive and help people back to work through a fair process, which includes referrals to occupational health and looking for redeployment opportunities if they are unable to go back to the role they were in.

Governors found the data on the workforce helpful but questioned what conclusions could be drawn. For example, there had been a reduction in the workforce, but was this in line with the plan. The Committee asked for future reports to include commentary on what the data means. **ACTION:** Director of Human Resources.

The Committee asked if the College had the right capabilities to support the business. It was reported that there been some planned reductions in headcount. Much of this was associated with greater efficiency, particularly around curriculum delivery. There was also some recruitment drift. There were currently five vacant positions in Facilities, three of which were on hold. The College needs to drive forward its aspirations to reduce back-office support numbers by improving systems and workloads. This has been made more challenging following the cyber incident and the need to build IT systems to automate some of the manual processes. The College was investing in staff in growth areas to enable income to grow.

Governors asked if student numbers would bounce back next year. It was reported that the two headline income targets to grow were apprentices and the Adult Education Budget. The College had planned for 600 apprenticeship starts compared to 400 in the last two years. It had been anticipated that there would be high unemployment following the pandemic and demand for upskilling, but there are so many low paid jobs that people are taking the opportunity to work. It was believed that over time these people would think about retraining to get high value jobs.

Governors noted that the level of compliance for mandatory training, particularly safeguarding and Prevent, remains very high.

8. **Monthly Management Report**

CIC/21/6/4, Management Report and Accounts October 2021 [Period 3], was received and considered. The Executive Vice Principal: Finance and Corporate Development drew the Committee's attention to the key points:

- The College has not recruited to its 16-19 target. Potentially this was due to teacher assessed grades enabling more students to progress to A level provision. This will be a challenge for next year's funding as a result of the lagged learner funding methodology.
- The College has still to achieve its in year targets for apprenticeships and adults including those on formal programmes, full costs and FE loans. The Senior Leadership Team had met a number of times to discuss how to recover the position in the remaining part of the year.
- The College was trying to maximise use of the National Skills Fund Level 3 entitlement.
- On a year-to-date basis income was £606k lower than budget; expenditure lines were also under budget. The full year forecast was a surplus of £249k against the budget of £129k.
- At the end of October there had been 320 new apprenticeships starts against the budget of 607 starts. The Director of Apprenticeships and Business Solutions anticipates that the 607 budget will be achieved, but the timing is uncertain.

The Committee noted that the cash position remains strong. The cash position has been inflated by capital movements and 2020-21 ESFA grants that will require repayment.

Governors questioned Management on the provision in the annual accounts for clawback for apprenticeship income. It was reported that the Auditors had identified a potential funding risk because the College had not been able to provide evidence for some of the learners in the sample. The College could now provide evidence for over half the outstanding sample and could potentially release it back to the Income and Expenditure account in Period 4, and by the end of the year could release the full sum of £123k back into the budget. The College spends a lot of time reviewing, monitoring, and auditing every aspect of apprenticeship funding to ensure its processes are as robust as they can be. It also used an external consultancy last year to undertake an assurance review. This is a complex area, and the rules change annually and sometimes it is difficult to keep systems and processes up to date. The risk of the full sum being clawed back in the event of a funding audit was considered low.

Noting the potential for more Covid restrictions to be introduced, the Committee questioned Management on the risk to non-achievement of the Adult Education Budget. The Learning Shops had been most impacted by Covid restrictions. The College was mitigating that risk in the longer term by moving provision to an online platform so it is not reliant on people coming into the Learning Shops locations. While the College is in the process of transitioning across to the new platform there would still be a reduction in learner numbers if the Learning Shops were to close.

9. **College Financial Forecasting Return 2021 to 2023**

The Committee received and noted:

- CIC/FR/21/6/5, ESFA Letter – College Financial Forecasting Return 2021 to 2023; and
- CIC/FR/21/6/6, Finance Dashboard October 2021

It was agreed to include the dashboard, which is primarily aimed at Governors, on the agenda for the next Board meeting. At the time the dashboard was issued the College was forecasting 190 Financial Health points (Good), which had been achieved. Around 40% of FE colleges have Good Financial Health. Cash days in hand is now much closer to the FEC benchmark. It was encouraging to see the

continuing improvement in the debt service position. It was noted that staff costs as a percentage of income had risen.

The Executive Vice Principal: Finance and Corporate Development reported that the Finance Dashboard was based on the Period 11 forecast. The actual cash position was better than forecast. Next year would not be as good because of the re-investment of the money from the sale of the Clacton campus into the Salix project. The reducing income affects the majority of the ratios.

10. **Property Matters**

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

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

It was reported that the Salix project was progressing as planned. It was hoped to complete the handover of the final floor of Block B on 15 December. There were some exterior repairs still to be completed (fixing back concrete panels). Work would then move to D Block. Some of the teaching had already been removed from D Block. A new Hair Salon needs to be developed on the ground floor of the CH&FS building.

Work had been impacted by the latest outbreak of Covid and there had been some further drift to the programme. Salix was being kept fully informed. It was reported further drift to the programme was expected, because of the delays in the supply chain and the additional work that was being undertaken in D Block to encapsulate asbestos. The majority of the decarbonisation work will be completed by March.

10.2. **Braintree Campus**

Work to relocate the temporary phone mast to a permanent location was almost complete.

10.3. **The Minorities**

The Landlord had pushed back the date of the final negotiation meeting until January. The official surrender date for the lease was May 2023, but there was still positive talk about an early surrender.

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

CIC/FR/21/6/7, Update on Strategic Plan Goals, was received and noted. The Principal reported on progress against the Goals monitored by this Committee:

- **Goal 6 – Sustainability**

Work on sustainability was progressing well. The College had declared a climate emergency. Subject and support areas were discussing and establishing targets of their own to contribute to the net zero strategy. From 2022 all courses will have some element of carbon reduction and sustainability in them. The Salix carbon reduction work is part of the strategy.

- **Goal 7 – to become an employer of choice**

A number of the key priorities were in the HR plan. A new Flexible Working Policy has been developed and is ready to implement. A workforce development plan aimed at helping to ensure vacancies are filled quickly, particularly in teaching areas, has been implemented. The College has had some success with that. The Learning and Development Management would be consulting the Senior Leadership Team the following day to get feedback on priorities for the coming months.

- **Goal 9 – digital resources**

Good progress was being made against these targets.

It was reported that for the first time the College had calculated its carbon emissions and had disclosed this in the annual report and accounts. A net zero action plan and carbon neutral targets would be published over the course of this year. The College was working toward 50% reduction by 2030 and net zero by 2045. It was hoped that the work with Salix would continue. The College had received £20k to develop its next decarbonisation scheme (air source heat pumps for blocks C and H). The work was being scoped and there was an opportunity to use the energy generated by solar panels to run the air source heat pumps which would mean that the heat source would be completely off grid.

The targets had been set for the 2021 calendar year. The targets would be reviewed and updated for 2022.

12. **Statement on Modern Slavery and Human Trafficking for year end 31 July 2021**

The Committee received, considered and **APPROVED** CIC/FR/21/6/8, Statement on Modern Slavery and Human Trafficking for year end 31 July 2021.

13. **Annual Report to the Board**

The Committee received, considered and **APPROVED** CIC/FR/21/6/9, Finance and Resources Committee Annual Report to the Board 2020-21.

The Committee Chair observed that attendance levels had dipped this year. This may be because the Committee is not meeting at the right time or on the right day.

14. **Review of Meeting**

The Committee reviewed and meeting and agreed:

- Items/papers to be reported to the Board: staff turnover and impact on the operation of the business; finance dashboard
- Items to be treated confidentially: - Lennartz

15. **Future Meetings**

There would be a Joint meeting with the Audit and Risk Committee on 10 December 2021 to consider the Annual Report and Financial Statements.

The next ordinary meeting of the Committee is on Wednesday, 9 February 2022 at 4.30pm via Zoom.

16. **Any Other Urgent Business**

There were no items