

COLCHESTER INSTITUTE CORPORATION

***Minutes of a virtual meeting of the
FINANCE AND RESOURCES COMMITTEE
held on 2 February 2022***

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 Committee received and approved as an accurate record:

- CIC/FR/22/1/1, minutes of the meeting held on 8 December 2021
- CIC/FR/22/1/2, minutes of the joint meeting of the Audit and Risk and Finance and Resources Committees held on 10 December 2021.

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 noted that the Committee Chair had approved (15/12/2021) PC Replacement Programme (Phase 1) – procurement of 500 new desktop PCs and monitors to provide a step change in IT resources in January 2022. It was reported that this was the first of a series of purchases that the College would be making over the next 18 months, with the second wave in the summer in the new financial year. It was reported that the replacement PCs would make a significant difference to the accessibility to learning. It was reported that the initial plan had been to put the first wave of new PCs into B Block but other areas, such as digital media and HE Engineering, and PCs for examinations were subsequently identified as higher priority.

7. HR Operational Plan

CIC/FR/22/1/3, HR Key Priorities – Update on Progress, was received and presented by the Director of Human Resources.

It was reported that the HR system, Select HR, was causing significant problems and delays to projects. The Committee asked about the practical implications and the timescale for these issues to be resolved. It was reported that service users were not able to input absences properly and the College had not been able to move forward with key projects such as the automation of time sheets. Due to cost escalation, the decision was taken not to move to a new system but to upgrade the existing system. This decision may need to be revisited. The College was still trying to make better use of the current system, but the improvements had been disappointing and were not delivering what was required. The Committee noted the issues and hoped that a new system would be funded at the first opportunity.

It was reported that:

- progress had been made in terms of HR Service Delivery with the appointment of a Head of Learning and Development, an HR Business Partner and a new HR apprentice.
- Compliance in terms of staff safeguarding and the single central record remained high
- The Head of Learning and Development was moving forward with management development and a new offer for managers would be launched shortly.
- The College had been successful in recruiting to some hard to fill roles, but this was still a challenge and different approaches were being looked at to fill vacant posts.

In response to a question, it was reported that the College was looking at managed campaigns to fill vacancies. This would involve a company that works extensively with colleges sourcing applicants on behalf of the College.

Noting that Microsoft 365 was mentioned in a number of the papers for this meeting, and that the launch of the wider Flexible Working Policy had been delayed until Microsoft 365 was fully up and running, the Committee asked for an update on the current position. It was reported that the transition to 365 had been slowed just before Christmas to enable ILT staff to prioritise the roll out of the new PCs. Staff had largely been migrated across and can access Outlook and OneDrive when working remotely; the delay was in respect of the migration of existing data and documents.

The Committee asked for an update on mental health. It was reported that the action plan had been updated and a new Wellbeing Strategy had been drafted. Further information would be provided at a future meeting.

The Committee's views were sought on the format and presentation of the report. It was agreed that comments on impact and future actions would be useful, as would comment on any areas of concern and the level of current and any future risk.

8. **HR Management Information**

CIC/FR/22/1/4, HR Management Information - Quarter 1 (September 2021 – November 2021), was received and presented by the Director of Human Resources. It was reported that:

- The College's flexible workforce had increased to 30% of its total. This was not an increase in hourly paid staff, but a reflection that the College was starting to use casual workers and volunteers again following the pandemic.
- Sickness absence was increasing and back to pre-pandemic levels. The rolling average at the end of January 2022 was 7.1 days lost per employee. During this quarter Corona Virus featured for the first time in the top three reasons for sickness absence (short term), although numbers were now decreasing.
- The College was dealing with some specific cases of people being absence for a very long time due to mental ill health issues.

The Committee asked what could be done to help the staff absent due to mental ill health. It was reported that more formalised flexible working and manager training might help. The Director of Human Resources reported that a day one absence management system could be a successful tool for bringing down levels of sickness absence. Although the system has a direct cost it can become cost neutral as cases come down.

The Committee questioned the size of the flexible workforce and whether the College had too many flexible workers. It was reported that the College does have a higher proportion of part time hourly paid roles than other colleges. University Centre Colchester use a lot of part time staff to deliver specialist modules such as piano lessons. The figures had also been impacted by the large number of exam invigilators who chose not to come in during the pandemic, and had to be replaced, but wanted to return when the situation improved and remained on the hourly paid payroll. It was reported that the College Executive had recently discussed what the target flexible workforce should be. More benchmark information was required from MEG (mixed economy group) colleges

Governors questioned the arrangements to cover lessons on a day-to-day basis during periods of staff absence. It was reported that for short term absence, cover is provided by another lecturer or the department head. Arrangements for longer term absence include paying overtime or using agency staff.

ACTION: Noting the lack of current benchmark data for sickness absence and workforce profile (core/hourly paid) the Executive Vice Principal: Finance and Corporate Development agreed to seek benchmark data for the other four largest colleges in the East of England and report back to the next meeting.

The Director of Human Resources left the meeting

9. **Principal's Report**

CIC/FR/22/1/5, Principal's Report – January 2022, was received and noted.

10. **Monthly Management Report**

CIC/22/1/6, Management Report and Accounts December 2021 [Period 5], was received and considered. The Executive Vice Principal: Finance and Corporate Development reported that at Period 5 the year-to-date position was ahead of budget and the full year forecast had been increased. The surplus needed to stay above £260k in order to retain Good financial health.

It was reported that delivery to adults was coming under increasing pressure as a result of the favourable employment conditions, and the College would struggle to reach its target allocation this year. This would be reflected in the Period 6 accounts. It was reported that the Senior Leadership Team were due to meet the following day to look at mitigating actions. The reduction in income on the adult lines would be partially offset by savings on pay costs of over£100k per month.

It was reported that the College continued to make savings on expenditure in all areas other than Facilities, where the full year forecast was an overspend of £100k.

The Committee noted that the cash position remained strong. The Executive Vice Principal reported anticipated cost strains on capital projects as a result of increased construction costs and rising prices. It had been agreed to move the Hairdressing facility into the ground floor of the CH&SF Building, and the College was currently planning to move the Beauty Salon into the former Hair Salon in D Block, which would require redesign and new equipment.

The schedule of debtors and creditors was noted. It was reported that some of the older debts had been written off.

The Committee asked for an update on apprenticeship numbers. It was reported that the College had lost some learners early in the year when it could not start some groups but was working to recover the position and was on track to get close to the money target.

The Committee noted that under the lagged learner funding methodology for 16-19 learners 2022-23 would be a difficult year. The Executive were asked to what extent the College would see the same recruitment problems in 2022-23 and funding impact in 2023-24. It was reported that looking at the number of students who had applied by the soft cut-off date of 31 January, and taking account of historical conversion rates, the College could potentially enrol between 500 and 600 more students next year than the current year. The College was expecting some growth, particularly in those areas that do not compete with A Levels, but was being cautious. The Executive were planning to maximise on this opportunity by growing physical resources, trying to grow human resources, and capping numbers.

The Committee asked about the level of inflation being built into the budget. It was reported that the pre-budget forecast was currently being established. Funding per head for 16-19 had been inflated by 8%, with potentially 7% additional costs to deliver the requirement to teach an extra 40 hours for every Study Programme student. There would also be additional National Insurance costs from April. Applications suggest between 300 and 400 more students next year, and the potential for an in-year growth case, which will need to be assessed when developing the budget. It was suggested that the Board might ask for two budgets to be prepared, one on the basis of uplift money in year, and one without additional money.

11. Finance Record Return 2020-2021

The Committee received and noted CIC/FR/22/1/7, Finance Record Return 2020-2021.

12. Property Matters

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

12.1. College Estates and Accommodation Strategy

CIC/FR/22/1/8, College Estates and Accommodation Strategy, was received and presented by the Executive Vice Principal: Finance and Corporate Development. It was reported that it was a requirement of the funding regulations that colleges have an updated Estates and Accommodation Strategy. There was also a requirement to regularly assess whether the college estate was effectively meeting the strategic aims of the College and consider financial and estate benchmarks. These had all been addressed within the tabled Strategy. The Executive Vice Principal reported that applications at the Braintree Campus were 100 higher than the previous year and the Colchester Campus was meeting benchmarks in terms of performance and student numbers but below benchmark for the estate. There were a number of the projects in the pipeline to address this, but the College was not always able to take up funding opportunities because of the limited availability of matched funding.

The Committee's attention was drawn to the Action Plan and the wider master plan for the Colchester Campus which requires significant grant funding. It was reported that proposals to expand facilities for September 2022, to include the redevelopment of J Block and the provision of at least two more brick workshops, would be brought to a future meeting of this Committee. This had been discussed at the last Board strategic planning day. The Principal outlined the most recent thoughts and discussions on how space would be released without impacting on the student experience in other subject areas. The Committee questioned the utilisation figures and were advised that 40% was the benchmark position for colleges.

The Committee **APPROVED** the College Estates and Accommodation Strategy.

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

It was reported that there had been a requirement to complete the project by 25 March 2022 but because so many projects were behind schedule because of the countrywide impact of Covid the requirements had been relaxed. Funding could be claimed before the end of March and projects completed during the summer term. The builders had been asked to delay work in D Block until the bid to refurbish part of the space for T Levels had been developed.

The Committee asked how the College was preparing to deliver training for heat pump engineers. The Executive Vice Principal outlined discussions which were taking place with a supplier that was keen to get into the market and was looking at establishing a regional hub with show room facilities and workshop. The Area Head would be meeting with the company after half term with a view to them investing in South Wing. Once the details are in place current lecturers will be offered the opportunity to learn under a train the trainer arrangement.

12.3. **Salix Heat Decarbonisation Plan**

CIC/FR/22/1/9, Heat Decarbonisation Plan – Blocks C and H, was received and presented by the Executive Vice Principal: Finance and Corporate Development. The Committee noted the contents of the report and **APPROVED** the Heat Decarbonisation Plan as a robust plan to take forward for the College's next stage for decarbonisation when funding permits. This will be a key element of the College's net zero strategy following on from the Public Sector Decarbonisation Scheme (Round 1) project that is nearing completion. Any future Salix bid would be dependent on the terms and conditions of the applications process.

12.4. **T Level Capital Fund Application**

CIC/FR/22/1/10, T Level Capital Fund (TLCF) Application, was received and considered. The Executive Vice Principal: Finance and Corporate Development outlined the proposal to develop a bid to support Early Years and Child Care, an area of growth in recent years. The bid would build on the current activity in D Block, and use funds previously set aside to support the Salix project as the matched funding element. The bid would support the relocation of Early Years provision from disparate locations around the College to a dedicated area in a refurbished suite of rooms within the first floor of Block D. It was reported that Ingleton Wood had been instructed to develop a condition report, a floor plan and a cost plan. It was reported that the bid had to be submitted by 11 March. The decision would be confirmed by the end of July, works should commence in August and would need to be completed by September 2023.

The Committee questioned the financial benefits/disadvantages of the project and the impact on College cashflows. It was reported that there was a danger the College could lose students if it does not offer T Levels. The College was also required by the HSE to undertake a range of improvements each year, so some of this money would be spent in year in any event.

The Committee noted the content of the report and gave **in-principle APPROVAL** for a bid to be submitted.

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

CIC/FR/22/1/11, Update on Strategic Plan Goals, was received and noted.

14. **Review of Meeting**

The Committee reviewed the meeting and agreed:

- Items/papers to be reported to the Board: IT legacy issues, migration to Microsoft 365, update on Salix decarbonisation project, T Fund capital bid
 - Items to be treated confidentially: - None
- Effectiveness of meeting: the starring of items for discussion could be improved

15. **Next Meeting**

30 March 2022 at 4.30pm via Zoom.

16. **Any Other Urgent Business**

There were no items

PART II – CONFIDENTIAL

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

17. **Part II Minutes**

The Committee received and approved as an accurate record:

- CIC/FR/22/1/12, Part II minutes of the meeting held on 8 December 2021
- CIC/FR/22/1/13, Part II minutes of the joint meeting of the Audit and Risk and Finance and Resources Committees held on 10 December 2021.