

COLCHESTER INSTITUTE CORPORATION

***Minutes of a virtual meeting of the
FINANCE AND RESOURCES COMMITTEE
held on 30 March 2022***

Present

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

In attendance:

Elaine Hart	Director of Human Resources
Gary Horne	Deputy Chief Executive
Hazel Paton	Clerk to the Governors
Jason Peters	Vice Principal: Curriculum Delivery and Performance
Jill Wognum	Executive Vice Principal: Curriculum, Planning and Quality

1. Apologies for Absence

Apologies for absence were received from Steve Blake.

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 9 February 2022 (CIC/FR/22/2/1) 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. Staff Recruitment

- 6.1. CIC/FR/22/2/2, Addressing staff recruitment, was received and presented by the Director of Human Resources. It was reported that the current vacancy rate was close to 6% (52 vacancies). The HR Department was struggling to provide a recruitment service following the resignation of three members of the team within the last two weeks. The reasons for the resignations were partly pay related (two were moving to better paid roles elsewhere) and possibly the continuing high vacancy rate meant it was a very intense role. The Committee was aware from the recent AoC (Association of Colleges) reports that recruitment is a sector wide issue.

The Committee asked if the College had tried using its networks and employer links to recruit staff. It was reported that the College had had some interest in recruiting to part time lecturing roles through its rapidly developing relations with ESNEFT (East Suffolk and North Essex NHS Foundation Trust) and was exploring how to take this further with other organisations. Just before Christmas a video had been produced promoting opportunities to take up part time teaching, training and assessing roles with the College. This had been shared with staff at the Trust via a YouTube link and had resulted in a number of enquiries and applications. Unfortunately, a planned on-campus event to meet with

Area Managers and tour the new Centre for Health and Care Professionals had to be postponed due to Covid. The intention is to roll this out to other employers/employer groups, and staff in Engineering and Constructions (particularly Groundworks) were already looking at opportunities to do something similar with some of their larger employers.

Governors asked if the roll out of MS Office 365 was still a barrier to flexible working. It was reported that the development of Office 365, which had been slowed during the spring term to allow ILT staff to focus on the rollout of new PCs and reducing the number of helpdesk tickets, would be progressed during the summer term ready for September 2022. The Executive want to take forward the agile working project and will be doing further research over the summer term. An example was given of an employer with a number of categories of employee (work anywhere; hybrid; and onsite).

Governors asked if exit interviews were carried out when a member of staff leave. It was reported that a questionnaire is sent out, which may or may not be completed, but the HR Department does not have the capacity to carry out one-to-one interviews. This was an area for review on the Workforce Development Plan.

It was reported that staff recruitment was one of the top risks for the College, and the Executive were focussing on, and thinking creatively around, recruitment, retention, and reward. The information on the careers' microsite was being reviewed to see what the barriers might be to applicants and what might make the roles more attractive. Work was being focussed on those subject areas where the College could be in the unprecedented position of having to turn away large number of students in the autumn term because of too few teachers, creating heightened financial risk. To date the employers had been very patient where there were staffing difficulties, but there was now a concern that the College could lose some large employers that it has worked with for many years, and not be able to satisfy the demand of the local region, putting apprenticeship funding at risk.

The Committee noted the pressures and recommended sharing this information with the local MP.

- 6.2. CIC/FR/22/4/3, Options Appraisal – Staff Pension Schemes, was received and the limited options and associated risks in respect of the staff pension schemes noted. It was agreed to defer discussion of the paper to the next meeting.
7. **Benchmark Data**
It was reported that the local benchmark data requested at the last meeting would be incorporated in the next HR Management Information quarterly report.
8. **Wellbeing Annual Report**
CIC/FR/22/4/4, Wellbeing Report, was received and presented by the Director of Human Resources. It was reported that the wellbeing strategy was currently being finalised, would be considered by the College Executive after Easter, and received at the next meeting of this Committee for information. The Committee questioned the extent to which staff were being kept informed of what was being done. It was reported that the Wellbeing Committee, which includes employee representatives, had been consulted on the Wellbeing Strategy.
9. **Gender Pay Gap Report**
CIC/FR/22/4/5, Gender Pay Gap Report 2021, was received and considered. It was reported that the College's gender pay gap figures were in line with other colleges. The reported reasons for the pay gap included the large number of females in lower paid roles, and the higher rates of pay necessary to fill roles in the skills shortage areas, which tend to be male dominated subject areas.

The Committee questioned the difference between the mean and median gap, which it was felt could not just be explained by women being paid less. It was reported that the figures were skewed by the large group of over one hundred hourly paid LSPs (Learning Support Practitioners) most of whom are female.

It was acknowledged that the solutions to address the recruitment issues in areas such as Groundworks, Plumbing, Electrical and Construction would make it difficult to address the pay gap, but that we should still keep the imperative to try to do so in mind in leadership decision-making

10. Diversity, Equity, and Inclusion Annual Report 2020/21

It was reported that in recent years the annual Diversity, Equity, and Inclusion Report had been split into separate staff and student reports which had been considered by the respective Committee. This year the decision had been taken to produce one over-arching report, which would be received by the Curriculum and Quality Committee at its meeting on 21 April and the Board on 27 April. The Committee asked to be circulated with a copy of the report to review and raise questions ahead of the Board meeting. Action: Clerk to the Governors.

11. Principal's Report

CIC/FR/22/2/6, Principal's Report – March 2022, was received and noted.

The progress against selected High Level Performance Targets was noted. The Committee questioned:

- whether the 97% tolerance on the Adult Education Budget would still be applied this year. It was reported that the AoC were challenging the tolerance, given the increased inflationary costs colleges were facing. The full year forecast reflects the worst-case scenario position.
- whether, given the staffing difficulties, the Work Based Learning income target would be reached. It was reported that the College continued to recruit and would get close to target income. A number of learners would not complete their End Point Assessment by the end of July and would be rolled over into the following year, impacting achievement payments this year.

12. Monthly Management Report

CIC/22/2/7, Management Report and Accounts February 2022 [Period 7], was received and considered. The Deputy Chief Executive reported that the full year forecast surplus had been increased to £250k and that there appeared to be some opportunities to develop this further. Some provisions in the previous year's accounts could potentially be released by the end of the year. It was reported that the biggest area of risk was Work Based Learning.

The aged debtors and creditors analysis was discussed. The Committee questioned the movement of SLC (Student Loan Company) debt and RCP (recurring card payment) plans into 6 months plus. It was reported that students have the option to pay for their degree or FE fee upfront or sign up to a RCP plan over ten months. For students who enrolled in September a percentage of their fees had now moved into the six months period but was not at risk. It was noted that the debt on the full cost ledger had reduced by 64% following internal housekeeping to clear anomalies in the ledgers. Some debt was not recoverable and had been written off.

13. Pre-Budget Forecast 2022-23

CIC/FR/22/2/8, Pre-Budget Forecast, was received and considered. The Deputy Chief Executive summarised the two headline scenarios and underlying assumptions.

Given the staff recruitment difficulties, the Committee questioned the Executives on the risks to the achievement of the Work Based Learning and 16-19 funding lines, and what could be done to mitigate those risks. It was reported that the Work Based Learning line would have a higher carry in

value next year. The College also hoped to expand its offer next year with higher (level 7) professional apprenticeships in areas such as Management and HR where it is not as difficult to recruit professional coaches on a self-employed basis. In recognition of the staffing difficulties, the forecast does not include high numbers of construction apprenticeships. With regard the 16-19 income line, the funding for 2022-23 is already known. Under the lagged learner funding system any under recruitment will impact the funding for 2023-24. There would also be some savings and less expenditure if fewer students are enrolled next year.

The Committee challenged the Executive on the staffing gaps and questioned if they would consider significantly increasing the salary for a role (for example double it) in order to secure an appointment and avoid turning away students and the loss of funding. It was reported that the College already uses initiatives such as golden hellos in a small number of areas whilst being mindful of equal pay issues. In subject areas where it is not hard to recruit, new posts will not be authorised until the students have enrolled in September and there is certainty over numbers. Other options could be employed. If the College were to advertise a role at a significantly higher salary in order to mitigate the loss of income, there would be a ripple effect. In those areas of the College where skills supplements have been implemented, everyone in that area received £3k more than their counterparts in non skills supplement areas. The Executive have also discussed increasing the size of the golden hello and treating it as a recruitment cost.

The Committee questioned if a 5% increase in non-pay costs would be sufficient, given the inflation rate was currently at 6% and the AoC were suggesting it would be 8.7% by the end of the year. It was reported that the OBR (Office for Budget Responsibility) suggests that inflation will be 7% in December and 4% from January 2023 onwards. There are some forward contracts where the prices are already fixed. The College was taking advice on the best time to go to market for its utilities (fixed until the end of September) and was looking at ways to reduce energy consumption. An energy survey is being conducted from 26 April.

The Committee asked if the impact of the Salix project on energy costs was being monitored. It was reported that the savings are being monitored but were not huge. The College was using less gas but required more electricity to run the air source heat pumps. The original calculations suggested a £50k pa saving based on the energy costs at that time. Heating is deployed from October to March only.

The Committee noted the risks and agreed that the assumptions looked sensible. The Deputy Chief Executive was thanked for his work in putting together the pre-budget forecast.

14. UCC Fee Policy

CIC/FR/22/2/9, UCC Fee Policy 2022/23, was received and considered. The Executive Vice Principal: Curriculum, Planning and Quality summarised the proposed changes, which were minor, and outlined the reasons for the change.

The Committee questioned the Executive on the removal of the £200 deposit for 'new' students without approved funding at the point of registration, and whether there was a risk a student could join a course without funding in place, denying a place to another student, but subsequently have to withdraw. It was reported that the College never turns anyone away on HE courses. It was believed that the change would have a positive impact by removing a barrier to registration.

It was AGREED to recommend the UCC Fee Policy 2022/23 to the Board for approval.

15. Property Matters

The Deputy Chief Executive updated the Committee on property matters.

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

It was reported that:

- the extension of the end point of the project to 4 July 2022 had been formally approved by Salix. This was important for the release of £93k grant monies which would otherwise have been returned to the Government if it was not spent before the end of March 2022.
- The scaffold around B Block had been removed and the compound at the front of the building was being reduced. The walkway would shortly be reinstated.
- Work was continuing on D Block, with the fourth floor due to be returned for the summer term timetable. Planning had started for the decant of the second and third floors. This would include adjusting some programmes as no back up beauty salon was available.
- The project was still on course to be completed within the original budget set by this Committee.

15.2. **T Level Capital Bid Extract**

CIC/FR/22/2/10, extract from T-Level Wave 4 Buildings and Facilities Improvement Grant bid, was received and noted.

15.3. **Dovercourt Learning Shop**

It was reported that the lease on the Dovercourt Learning Shop was due to expire on 20 May 2022. The options are to remain in the current facility or move to a smaller building which will require upgrading. The Learning Shop is likely to reopen with a rebrand (e.g. Learning Centre), which better reflects the activities underway. The College was also trying to rejuvenate the referral process with Job Centre Plus and the new Government initiatives.

15.4. **Other Property Updates**

It was reported that the potential early surrender of the Minorities lease, which does not expire until May 2023, was still in the hands of the landlord. The surveyors who looked at the premises do not feel that the College has met the requirements of the lease; a decision which the College believes to be unfair given the refurbished condition of the building.

15.5. **College Estates and Accommodation Strategy Refresh**

CIC/FR/22/2/1, College Estates and Accommodation Strategy 2021-22, was received and noted. It was reported that the Strategy, which includes information that supports the T Level bid, addressed feedback from Members of this Committee.

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

CIC/FR/22/2/12, Update on Strategic Plan Goals, was received and noted.

17. **Review of Meeting**

The Committee reviewed the meeting and agreed:

- Items/papers to be reported to the Board: staff recruitment (current position and potential impact); Monthly Management Report; Pre-Budget Forecast for 2022/23; and risks for 2023/24; pensions review
- Items to be treated confidentially: - Update on Lennartz VAT

18. **Next Meeting**

25 May 2022 at 4.30pm via Zoom.

19. Any Other Urgent Business

- 19.1. It was reported that the Community Renewal Fund project work with ESFNET, due to expire in July 2022, had been approved to continue until potentially December 2023. ESNEFT had also been successful in a bid for follow on funding which will allow Colchester Institute to draw down funding over a three year period to deliver the workforce recruitment project (making employed and unemployment people ready for interviews at the hospital).
- 19.2. It was reported that the risk from defunding of Level 3 Applied General Qualifications had been discussed at the last meeting of the Audit and Risk Committee. The Audit and Risk Committee had referred this matter to the Finance and Resources Committee for financial modelling and impact analysis. The Principal reported that there was still uncertainty, and an announcement on which qualifications would be defunded from September 2024 was expected at the end of April. The College had looked at the implications and the worst-case position would be 1000 fewer students. The College was lobbying to retain these qualifications and two senior officials from the DfE were due to visit the College to hear the concerns. The Committee asked if the College could deliver T level qualifications in the subjects being defunded, and the financial impact. It was reported that some students needs could not be met by T Levels, which are not as broad as the Applied General Qualifications, and it would be difficult to recruit viable group sizes to study narrow subjects (for example in computing there is a T Level in network cabling). It would also be difficult to find industrial placements for large numbers of students; the College has over 200 students studying Level 3 Digital Media.