

COLCHESTER INSTITUTE CORPORATION

***Minutes of a virtual meeting of the
FINANCE AND RESOURCES COMMITTEE
held on 25 May 2022***

Present

Richard Wainwright, in the Chair
Alison Andreas
Stephanie Bettinson

Steve Blake
Richard Block
Kevin Prince

In attendance:

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

Stephanie Bettinson and Richard Block were welcomed to their first meeting of the Finance and Resources Committee.

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 30 March 2022 (CIC/FR/22/3/1) were received and approved as an accurate record.

5. Matters Arising from the Minutes (not covered elsewhere on the agenda)

None.

6. HR Operational Plan

CIC/FR/22/3/2, HR Key Priorities – Update on Progress, was received and presented by the Director of Human Resources. It was reported that three members of the Transactions and Resourcing Team had left during April, impacting on the ability of the HR Department to provide an efficient recruitment service. Two new appointments had been made, but there had been no applications to date for the higher-level role. In response to questions, it was reported that the recruitment market for HR professionals was buoyant, and that recruiting and retaining HR staff was challenging. It was reported that the Executive are considering job evaluation, and whether this could be implemented quickly enough to inform our approach to the annual pay review. A meeting is arranged in late June with an organisation that had been recommended by other colleges.

Governors asked if an action plan was in place to retain staff. People do value the non-pay benefits, such as flexible working where possible, generous holiday entitlements and the defined benefit pension scheme, that the College is able to offer.

Governors noted that a business case had been put forward for revised and additional roles in the HR team and asked if this was likely to be accepted. It was reported that all business cases were on hold pending the completion of the budget process 2022-23 and possibly job-evaluation as noted above.

It was reported that in other priority areas, the start date for the new Groundworks Lecturer had been delayed until the end of June, and the College was looking to fill another two roles to deliver the capacity need. There were also vacancies in other key areas.

Governors asked if the College remained on track for Microsoft 365, which would help with flexible working and recruitment, to be up and running for all staff by September 2022. It was confirmed that this was progressing, with HR and Finance trialling the new technology. The introduction of Microsoft Teams was imminent, and the Portal would be updated to the new SharePoint over the summer. The Cisco telephone system was also due to be upgraded later in the year.

The Committee noted that the pay claim submitted nationally by the Trades' Unions to the AoC was seeking a 10% increase, and that proposed strike action at one college had been called off after agreement was reached over pay. Members asked about the risk of strike action over pay being taken at Colchester Institute. It was reported that industrial action is low down on the College's risk register, but will be reviewed. When industrial action has been taken previously at national or regional level it has had relatively little impact. The AoC were encouraging colleges to engage with their local MPs over the financial pressures and the Principal confirmed that she had written to Will Quince MP and Sir Bernard Jenkin MP asking if they could bring any influence to bear on the Department.

7. **HR Management Information Report**

CIC/FR/22/2/2, HR Management Information – Quarter 2 (December 2021 to February 2022), was received and presented by the Director of Human Resources. It was reported that turnover (calculated on a rolling year) was at 17%, and sickness absence had increased. Covid was the top reason for short term absence during this quarter.

The Committee noted a significant increase in absence rates for support staff supporting teaching compared to the same quarter in the previous year and asked if the data had been analysed. It was reported that the HR Business Partners were currently drilling into the data, and the increase may be due to better reporting of absence data for certain staff.

The Director of Human Resources agreed to bring a paper on sickness absence and the actions that were being taken, to the next meeting. Members asked for the paper to include information on the length of time for some of the longer term absences, and over-arching details on which stage of the sickness absence policy they are at. **ACTION: Director of Human Resources.**

8. **Staff Pension Schemes**

- 8.1. CIC/FR/22/3/4, Options Appraisal – Staff Pension Schemes, was received and considered. The Committee noted that the paper covered a broad range of options but there seemed to be very few options to depart from the existing pension provisioning, partly due to the over-arching legislation that governs both academic (Teachers Pensions) and non-academic staff (Local Government Pensions). One possible alternative to reduce the rising cost of pensions would be to consider outsourcing of administrative departments. Both schemes are due a triennial revaluation next year, and as a result, ongoing costs could go up or down. The Deputy Chief Executive reported that different models would be looked at as part of a future value for money review of back-office services, including shared services. A final decision on the paper was deferred to the next meeting.

- 8.2. CIC/FR/22/3/5, Pension Discretions Policy, was received and presented by the Director of Human Resources. The Committee noted some inconsistencies and instances where the wording was not clear but supported the overall policy decisions. **ACTION: the Director of Human Resources** was asked to review the policy for inconsistencies and language and represent it to the next meeting.

The Director of Human Resources left the meeting

9. **Monthly Management Report**

CIC/FR/22/3/6, Management Report and Accounts April 2022 [Period 9], was received and considered. The Deputy Chief Executive reported that income in the month was below the budget profile as a result of the failure to achieve the Adult Education Budget target and Work Based Learning funding. The overall reduction in income was largely offset by savings on expenditure lines.

The Deputy Chief Executive reported that following a review by the FE Commissioner, budgeting for, or dropping to, Requires Improvement financial health would no longer be an automatic trigger point for intervention. The Committee Chair reported that this reflected a recent AoC briefing which recommended that colleges should be focussing on cash rather financial health grade.

10. **Budget 2022-23**

The Deputy Chief Executive provided an update on the budget 2022/23. It was reported that work had been interrupted by the Ofsted Inspection, but that the information was now being received from the areas. At this point there were still key uncertainties, such as utility costs and loan interest rate costs. It was reported that the College had been alerted to a potential error in its FE 16-19 allocation for disadvantaged funding, and that the allocation for students without GCSE Grade 4, which triggers an additional £400 per qualification, might have been understated by as much as £300k. A business case had been submitted, whilst the Funding and Information team analyse the data.

The Deputy Chief Executive reported that the draft budget currently allows for an anticipated 288 additional students, and suggested that as well as recognising the additional costs associated with the additional students, it should also recognise revenue in terms of an in-year growth case, which would not be certain until after enrolment.

The Committee Chair reported that a recent AoC briefing suggested that because of the uncertainty over inflation and recruitment, colleges should consider reviewing their budgets, which have to be approved and submitted by 31 July, in the Autumn when recruitment numbers are known. This was supported by the Committee.

11. **Impact of T Levels**

For the benefit of new Members, the Principal outlined the difference between BTEC qualifications and T Levels and how the decision to defund large Level 3 qualifications which overlap with T Level content will have a more significant impact on Colchester Institute than it will colleges which also offer A Levels. Arising from the discussion it was confirmed that:

- the College will need to be sure that it can provide the compulsory industry placements before students are enrolled, which will restrict numbers.
- Every Level 3 programme offered by the College has had a RAG rating applied reflecting the anticipated conversion rates. This modelling suggests that the College could enrol over 1000 fewer students once T Levels are fully rolled out.
- The first list of programmes to be defunded had been published, but there was a lot of confusion about which programmes were on list.
- No programmes will be defunded until 2024. The College will continue to model the impact and identify mitigating actions, as more information is released.

12. **Property Issues**

The Deputy Chief Executive updated the Committee on property matters.

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

It was reported that the project was in its final phase. There had been an external technical audit the previous day to verify that the project had been completed in line with the approved specification. The College has provided all requested information and expected to be wholly compliant.

12.2. **Estate Proposals Summer 2022**

CIC/FR/22/3/7, Estates Proposals – Summer 2022, was received and noted. The Deputy Chief Executive summaries the planned changes to accommodate the additional students the College expects to recruit in September. Existing classes will be moved into other areas on site to create two large construction workshops in J Block. The plans were currently being costed with a view to commencing work as soon as summer term ends. The current proposal regarding a new location for examinations was more cost effective than the original plan to use the top of K Block. It was reported funding support was being pursued through two funding opportunities: a Strategic Development Fund bid and a capital request to Essex Country Council.

Governors questioned if the work could be completed, and any external funding received, in time for September. It was reported that the project did not require a huge amount of construction work. There would be additional power and data costs associated with the relocation of the online examination suites to K Block. Expenditure would be incurred from August to October.

Governors asked the estimated cost of the project and were advised that under a value engineered scheme, the works could potentially be completed for c£150k, but in order to provide the best possible student and staff experience, including equipment spend, costs were likely to be higher.

The Committee gave approval in principle to the capital expenditure as part of the emerging 2022/23 budget delivery.

13. **Review of Meeting**

The Committee considered:

- Items/papers to be reported to the Board: staff sickness absence; recruitment and retention; update on Monthly Management Report
- Items to be treated confidentially: -
- Effectiveness of meeting and potential areas for improvement: focussed discussions
- Feedback on papers: some papers would have benefitted from a second review before coming to the Committee

14. **Date of Next Meeting**

Wednesday, 13 July 2022 at 4.30 via Zoom.

15. **Any Other Urgent Business**