

Colchester Institute Corporation

**Minutes of a Meeting of the Corporation Board
held on 26th July 2023
at the Colchester Campus**

Present:

Kevin Prince, *in the Chair*
Alison Andreas
Stephanie Bettinson
Lisa Blake
Richard Block
Peter Cook

Mark Davies
Irene Kettle
Jasmin Patel
Richard Wainwright
Caroline Williams

In Attendance:

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

Observers:

Chris Donovan
Thomas Empson

Pre Board Briefing

The meeting was preceded with a contextual update (the imperative; the challenges; and the priorities and opportunities) from the Principal. It was reported that:

- A recent publication estimated that nationally, total adult Skills Funding in 2024/25 would be 22% below 2009/10 levels. As a direct result of the down turn in adult activity following Covid, Colchester Institute's own Adult Education Budget allocation has been confirmed as reduced by 9% for next year. The College was very close to achieving 110% of its AEB funding in 2022-23 but it is still unknown whether it will qualify for a growth case in the Autumn Term.
- HE numbers continue to fall. Locally, there is increased competition as universities offer provision previously delivered in FE colleges, eg more vocational programmes, including apprenticeships and foundation years (which impact on Access courses).
- Apprenticeship numbers have proved difficult to recover post Covid. Employers are choosing to spend their levy on professional development of existing staff rather than take on entry level apprentices. There are also disincentives for engaging with or completing an apprenticeship. Families who have a 16-18 year old on a full time programmes can continue to draw down family tax credits, but this is not the case if the learner joins an apprenticeship. Currently for apprenticeships that have an accredited standalone qualification as part of the apprenticeship, many apprentices opt not to complete the End Point Assessment and apprenticeship (which carries a minimum of 20% of the funding) once they have achieved their desired qualification. This has quite an impact on the financial viability of some programmes as well as the achievement rate.
- 16-18 funding is 5% below 2010 levels in real terms, despite small increases in recent years.
- Energy prices had risen significantly (x2.5), and inflation was impacting every spending line. Some Awarding Organisations had increased their fees by 16% for some qualifications, including GCSEs.
- As a result of the financial challenges, there were staffing challenges. Many departments had long term vacancies over the last year, and there had been eight departures in IT and HR in the last three months. In Engineering and Construction, people were moving back into industry, going to other

colleges, or retiring earlier than anticipated. In Business Support areas, evidence suggests staff are moving to schools and universities or to other sectors.

- If the College does not accept the national and local pay claim of 15.4% it will be in a formal pay dispute with UCU (University and College Union).
- Post Covid, schools are reporting high levels of persistent absence, and there are increasing reports of mental ill health, depression and anxiety among young people. The experience at Colchester Institute is lower attendance (85% in 2022/23 compared to 87% in 2021/22) and students not engaging. Far more students had been summarily excluded for unacceptable conduct (35) than in a normal year pre-Covid (around four students per annum). About one third of the exclusions were for drug related offences. Other reasons included unacceptable conduct in relation to staff; racism; misogyny; homophobia; and incidents of a serious nature outside the College which involved the police. The level and degree of challenge from parents was higher than normal and, in some cases, was threatening and abusive.
- 300 students had Education Health and Care plans compared to 250 in the previous year.
- Curriculum delivery challenges included the uncertainty around Level 3 qualifications which may be halted or adjusted if there is a change of Government. A recent report from Ofsted on T Levels confirms some of the concerns expressed by other Colleges and anticipated by Colchester Institute.
- Priorities for the next 12 months included quality improvement priorities; developing future mainstream curriculum; new and developing employer relationships; HR priorities; priorities for national lobbying; business transformation; and special projects.
- There had been some good news on FE funding in the last two weeks. A letter from the Secretary of State for Education dated 13/07/23 announced that an additional £185m had been put into FE funding for the period 01/08/23 to 31/03/24, and a further £285m for the following financial year. It was thought that the College would receive around a additional c£0.75m funding next year which it was not aware of when setting the budget.

Governors questioned the number of special projects and the College's capacity to deliver them in addition to its core functions. The Principal accepted that there were a lot of special projects and reported that it might be necessary to grow the team of two that were taking forward a number of them. It was confirmed that the CE is selective about which projects it will take on. Normal processes look at outcomes, how the project links to the Mission and Strategic Goals, and the level of risk.

A Governor asked about opportunities for joint appointments for Health and Wellbeing and EDI. The Principal agreed to explore this further.

The support that the Board could give the College Executive, including mentoring, suggesting how to do things or do things differently, and promoting what the College is doing through their networks, was discussed.

The Principal was thanked for her update.

Chris Donovan and Thomas Empson were welcomed to the meeting as observers.

1. **Apologies for absence**

Apologies for absence were received from Debbie Davis, Brenda Rich, Terry Smyth and Dawn Swainson.

2. **Declaration of any conflicts of interest**

None.

3. **Agreement to Starred Agenda Items**

Governors were invited to indicate any items which they wished to star for discussion or question. Items that had not been starred were noted and/or approved without discussion.

4. **Minutes**

The Minutes of the meeting held on 26th April 2023 (CIC/23/4/1) were received and approved as an accurate record. The Chairman signed the minute book.

5. **Matters arising from the minutes**

CIC/23/4/2, Corporation Board Action Sheet, was received and noted. With reference to the annual strategic conversation, Governors asked if there was an update on the undertaking that was given by the FE Territorial Team relating to the long term loan. It was reported that the DfE were still investigating.

6. **Chair's Action/Announcement**

It was reported that the Principal had required the approval of the Board to endorse the skills priorities and projects in a collaborative LSIF (Local Skills Improvement Fund) application, led by Harlow College, of which Colchester Institute is a part. Approval was given by Chair's action on 07/06/23. This was supported by the Board.

7. **Targets 2023/24**

CIC/23/4/3, Academic Targets 2023/24, was received and presented by the Principal. It was reported that:

- the targets were similar to those presented to the Curriculum and Quality Committee in June, but following the discussion at the Committee, a small number had been revised.
- all targets were ahead of the College's predicted outturns for the current year and exceeded the most recent College performance.
- Since the meeting of the Curriculum and Quality Committee, the targets for 16-19 Joint Achievement and GCSE maths and English had been increased by 1%. The Apprenticeship Achievement rate had been increased to 67% in line with the ESFA performance measure and, where available, HE targets had been brought in line with OfS performance targets.

Governors asked if the targets were for internal use only and were advised that a selection of targets are reported on in the Report and Financial Statements at the end of the year, and where in line with national targets, performance will be published. Selected targets would also be published on posters around the College and monitored by Governors.

Where a target was below the national average Governors asked if there was scope to look at resources or change priorities to bring them up to the average. It was reported that the targets needed to be considered in the context of the curriculum offer. Nationally, there are many adult providers that do a lot of small adult learning aims with high achievement rates. At Colchester Institute the Board has always supported the decision of the Executive to offer an adult curriculum that meets the needs of the local community (eg Functional Skills, ESOL and AAT), but which brings the average down because of the choice of offer. For example, the College's achievement rates for accountancy are between 60% and 64%, 20% below the overall target, although the latest national average for accountancy courses is 53%. It was reported that ESOL had performed very well this year. The College had run more than twice the number of courses than in the curriculum plan and achievement rates were expected to be above 85%.

The Board APPROVED the Targets 2023/24.

8. **Strategic Plan – One Year Action Plan 2023**

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

CIC/23/4/4, Update on Strategic Plan Goals – June 2023, was received and noted.

8.2. **Special Focus on Goal 7 (Human Resources)**

CIC/23/4/5, Update on Progress – Strategic Goal 7, was received and presented by the Deputy Chief Executive. It was reported that:

- Progress against three of the five three year success indicators was good. Work on the remaining two (staff satisfaction and staff turnover and sickness absence) would be picked up next year.
- A new performance appraisal framework was being rolled out. Objectives would be set for CLMG Managers by the end of July, ahead of all staff, that would have objectives in place and reviewed at Christmas, and at the end of the year.
- 20 CLMG Managers had signed up to a three month intensive management development programme 'Leading from the Middle', a programme partly sponsored by the DfE
- All 107 Managers, many of whom are new to their role and have never undertaken management training, will receive at least one full day of management training during the autumn term in addition to a new manager induction programme.
- 14 staff members were currently on an apprenticeship programme. This does not quite meet the levy target. In response to a question on the gap between the number of apprentices and the levy target it was reported that the College was about five short of achieving 100% levy usage. However, five staff would be completing this summer, so about ten apprentices would need to be engaged over the next six months.
- The targets for mandatory and essential training, mostly delivered on line, were being met.
- A review of the HR Business Partner approach was underway looking at ways to better support managers and deliver improved services.
- There had been an upgrade to the BlueOcto recruitment tool to allow applicants and new staff to undertake on-boarding processes electronically. The College has also engaged with BlueOcto on a managed campaign programme to recruit to some hard to recruit posts.
- HR process and systems improvement was an ongoing challenge.
- The focus over the next 12 months would be on staff training, staff satisfaction and wellbeing, and staff turnover.

Governors asked about practical outcomes from the Leading from the Middle programme. It was reported that a requirement for joining the course was to undertake a focussed college related learning activity and present at the final conference day. Governors would be welcome to join the conference day on 12th December.

Governors noted that a lot of activity was taking place but were not clear how the activities contributed to the achievement of the goal. It was reported that the building blocks were being put in place to enable the College to be more innovative in the way it communicates with potential recruits, and make the procedure easier for, applicants.

Governors discussed what differentiates the College and makes it an employer of choice and agreed that culture is everything. Governors put forward a number of suggestions for an ambassadorial recruitment approach (every touch point being about what the College gives you) including a video which shows people the culture at the College; and a consistent message in everything that the College puts out that references the culture.

9. **Safeguarding**

CIC/23/4/6, Safeguarding Report, was received and noted. Governors asked if Student Services had the resources needed to cope with the increase in cases. It was reported that the College was resourcing as much as it could, and an unbudgeted post approved by the College Executive last year to join the Safeguarding Team had been retained. It was reported that the College has record numbers of students on suicide watch plans; receiving counselling, and joining with Education, Health and Care Plans. In response to a question, it was confirmed that the College is meeting its statutory requirements.

10. Reports from Committees

10.1. Curriculum and Quality Committee

10.1.1. Report from Chair of Committee

The Chair of the Curriculum and Quality Committee presented his written report (CIC/23/4/7). The Board's attention was drawn to the following key points:

- GCSE attendance was good.
- The Committee had discussed 'stakeholder informed curriculum' and the concept of Curriculum Advisory Boards. To give Governors a better understanding, this may be the subject of a future Board briefing.

10.1.2. Curriculum and Quality Update Report

CIC/23/4/8, Curriculum and Quality Update Report – Summer 2023, was received and noted.

10.1.3. UCC Students' Union

CIC/23/4/9, UCC Student Union, was received and considered. The Board APPROVED the closure of the Student's Union.

10.2. Audit and Risk Committee

10.2.1. Report from Chair of Committee

The Chair of the Audit and Risk Committee gave an oral report on the key points arising from the Committee meeting on 6th July. It was reported that:

- There had been a lot of discussion around the Internal Audit Plan 2023/24 and whether it should include a review to measure the quality of teaching and learning. It had been agreed that the College Executive would talk to the Internal Auditor about how such a review could be included in 2023/24 or early 2024/25
- The new External Auditor had presented their audit plan for 2023/24. There had been some discussion around the auditors' perception of risk in the sector including going concern, which the Auditors were treating as a significant audit risk.
- Training had been discussed. The Internal Auditor was able to provide training for members of the Audit and Risk Committee, and also refresher training on governance and ethics, and the responsibilities of Board members, which might be of interest for the whole Board, possibly as a Board briefing. The Clerk had been asked to find out more about the content of the training, for consideration by the Board.

In response to a question, it was reported that going concern had not been a particularly high risk reported by External Auditors last year; other risks were similar to last year. It was standard procedure for the External Auditor to put going concern in as a risk for a first time audit. The Deputy Chief Executive reported that the External Auditors were currently reviewing the framework for the going concern report produced in the previous two years, which had been shared with them following the Audit and Risk Committee meeting.

10.2.2. Internal Audit Plan 2023/24

CIC/23/4/11, Indicative Audit Strategy 2023/26 and Audit Plan 2023/24, was received and considered.

A Member questioned the reference in the Internal Audit Plan to climate change and its connection to any risk to the organisation. It was reported that this was in the context of the College's responsibilities under the ESG (Environmental, Social and Governance) framework and also the potential impact of environmental factors on the financial position.

It was noted that the focus of the Effectiveness of College Marketing Audit was to look at the effectiveness of the marketing strategy in attracting students to the courses offered by the College. In order to get some assurance from Internal Audit that the College has the people to be able to deliver organisational objectives, a Member suggested reviewing the brief for this Audit to include staff. It was reported that an Internal Audit Report on Recruitment and Training had been received during the current year. The key findings from the review, which received a partial assurance opinion, were around safer recruitment. The concerns identified in the audit had been resolved and a follow up report would be received at the next meeting of the Audit and Risk Committee.

Subject to the consideration of an additional audit focussing on the quality of teaching learning the Board APPROVED the Internal Audit Plan 2023/24.

10.2.3. Assurance Dashboard 2022/23

CIC/23/4/12, Assurance dashboard 2022/23, was received and noted.

10.2.4. Health and Safety Policy

CIC/23/4/13, Health and Safety Policy, was received, considered and APPROVED.

10.3. Finance and Resources Committee

10.3.1. Report from Chair of Committee

The Chair of the Finance and Resources Committee presented his written report (CIC/23/4/14). The Committee had received the Period 10 (May) Management Report and Accounts. It was reported that the forecast loss for the year was £590k against the original budget of £95k surplus. The operational loss was largely due to increased energy costs and HE income not meeting expectations. It was reported that there was the potential for a further £150k deterioration, depending on the timing of End Point Assessments, which need to be completed by 31 July for the funding to be received in the current year.

10.3.2. Management Report and Accounts

CIC/23/4/15, Monthly Management Report and Accounts June 2023 [Period 11], was received and presented by the Deputy Chief Executive. It was reported that the College was trying to process as many End Point Assessments as it could by 31st July. The latest estimate was a £142k deterioration to a post exceptional loss of £732k and £606k operating loss before exceptional restructuring costs. It was reported that wave two of the collective consultation was now complete and £351k savings on salaries would be realised next year. It was noted that the cash position was still satisfactory.

10.3.3. College Governing Body Finance Dashboard

CIC/23/4/16, College Governing Body Finance Dashboard April 2023, was received and noted.

10.3.4. Corporate Budget 2023/24

CIC/23/4/17, Corporate Budget 2023/24, was received and presented by the Committee Chair. It was reported that:

- There was uncertainty over funding and costs, and risks on recruitment on staffing.
- The Committee had questioned the expected income growth on the Full Cost, FE, and Work Based Learning Lines. The biggest risk to achieving these budget lines was staffing.
- The increases in non pay expenditure reflected higher IT costs and general inflation (5%).
- Expenditure on pay had reduced as a consequence of the restructuring.
- The forecast operating profit was £96k.
- There was no provision in the Budget for a pay increase for staff, other than provision for an increase in the National Minimum Wage. The recent announcement of additional monies should provide scope for a pay award.

- The Finance and Resources Committee was recommending that the Budget is accepted as proposed, subject to a review in the autumn term when there is certainty over recruitment, and the College has received confirmation of the revised funding allocation (expected in September 2023).

In response to a question on the announcement of additional funding, it was confirmed that this was a change to base rate funding and whilst it may not be increased going forward, it would not be reduced.

The College Executive were thanked for managing to present a balanced budget in challenging circumstances.

In response to questions on the potential for industrial action, it was reported that historically the impact of staff striking at Colchester Institute had been minimal but it could be that more staff would be willing to strike in the future. The Unions were talking of balloting members in September with the potential for action in October.

The consequences and benefits to learners of declaring a negative budget were discussed. It was acknowledged that the College was forecasting a loss for the current year and was not in a position to make a loss for a second year, as this would affect balance sheet stability.

The Board APPROVED the Corporate Budget 2023/24, subject to review in the autumn term.

10.3.5. **College Financial Forecasting Return**

CIC/23/4/18, College Financial Forecasting Return, was received, considered and APPROVED.

10.3.6. **Update on Property Issues**

There was nothing to report.

10.4. **Governance, Remuneration and Search Committee**

10.4.1. **Report from Committee Chair**

The Chair of the Governance, Remuneration and Search Committee presented his written report (CIC/23/4/19). It was reported that no suitable candidates had been identified for the role of Corporation Chair following an external search. FE Associated had suggested a break before a further search.

10.4.2. **Policies and Procedures for Approval**

The Board received, considered, and on the recommendation of the Governance, Remuneration and Search Committee, APPROVED:

- CIC/23/4/20, Standing Orders
- CIC/23/4/21, Senior Post Holder Remuneration Policy

10.4.3. **External Review of Governance**

CIC/23/4/22, External Review of Governance, was received and noted.

11. **Managing Public Money Framework**

CIC/23/4/23, Managing Public Money Framework, was received and noted.

12. **Election of Corporation Vice Chair**

The Chair reported that one nomination had been received before the meeting for the role of Corporation Vice Chair, and invited further nominations from the Independent Members.

The Board unanimously approved the appointment of Lisa Blake as Corporation Vice Chair with effect from 04/10/2023, to hold office until the end of her current term of office as a Governor.

13. **Review of Effectiveness of Meeting**

Governors reviewed the effectiveness of the meeting.

14. **Date of Next Meeting**

Thursday, 5th October 2023 at 4.30pm at the Colchester campus. The meeting will be preceded with a Board briefing at 4.00pm.

CIC/23/4/24, Board Meeting Schedule 2023-24, was received and noted.

15. **Any Other Urgent Business**

There were no items.

Chris Donovan, Thomas Empson and Kevin Prince left the meeting. Richard Wainwright took the Chair.

16. **Membership Matters**

16.1. The Board received and noted CIC/23/4/25 and CIC/23/4/26, CV's of prospective new Members. On the recommendation of the Governance, Remuneration and Search Committee the Board APPROVED the appointments of Chris Donovan and Thomas Empson as Independent Governors for a four year term of office with effect from 01 August 2023.

16.2. In the context that no suitable candidates had been identified following an external search, the advice that there would need to be a suitable gap before a further external search, and in particular given the challenges the College would face over the next 12 months, the Governance, Remuneration and Search Committee recommended the reappointment of Kevin Prince for a 12 month term. A view on a further recruitment campaign would be taken in early 2024 if a candidate does not emerge from the current membership. The Board APPROVED the reappointment of Kevin Prince as an Independent Member and Corporation Chair for a one year term of office with effect from 01 January 2024.

Chris Donovan, Thomas Empson and Kevin Prince rejoined the meeting. Kevin Prince took the Chair.

Part II

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

17. **Part II Minutes**

The Part II Minutes of the Corporation Board meeting held on 26th April 2023 (CIC/23/4/27) were received and approved as an accurate record. The Chairman signed the minute book.