

COLCHESTER INSTITUTE CORPORATION

**Meeting of the
FINANCE AND RESOURCES COMMITTEE
on 22nd May 2024, 4.30pm
at the Colchester campus**

MINUTES

Present:

Richard Block, Chair

Alison Andreas

Stephanie Bettinson

Steve Blake (co-opted) - remote

Sally Conner (co-opted)

Chris Donovan

Kevin Prince

In attendance:

Kate Hancock Director of Human Resources

Gary Horne Deputy Chief Executive

Alison Bennett Head of Governance

Part I

1. **Apologies for Absence**
All committee members were present.
- * 2. **Declaration of any conflicts of interest**
No committee members or staff declared any conflicts of interest relating to any item on the agenda.
- * 3. **Agreement to Starred Agenda Items**
Committee members were asked to indicate any item which they wish to star for discussion or question, including Matters Arising and Any Other Urgent Business. It was acknowledged that only starred items would be discussed at the meeting and all other items would be deemed noted and/or approved by the Committee as appropriate.
- * 4. **Minutes of meeting held on 20th March 2024**
The Minutes of the meeting held on 20 March 2024 (CIC/24/2/1) were received and **APPROVED** as a true and accurate record of the meeting.
5. **Action Sheet and Matters Arising from the Minutes** (not covered elsewhere on the Agenda)
Governors **RECEIVED** and **NOTED** the Corporation Board Action Sheet from the meeting of the 20 March 2024 (CIC/24/2/2)
- * 6. **Monthly Management Reports**
 - 6.1 March 2024 (CIC/24/2/3) Provided for information only.
 - 6.2 April 2024 (CIC/24/2/3). The Deputy CEO said that the College has maintained a steady financial performance with the year to date (YTD), and despite underperformance in the month, the operating surplus remained broadly in line with the budgeted position, translating into a full year forecast position similarly aligned to the original budget surplus. Management focus is now on next year in terms of the budgeting process.

Key Performance Indicators (KPIs) have been included on page 3 of the report. It was explained that there is an extended pack which provides more information on the detail of the business by area that is available to the College Executive. Financial health remains in Requires Improvement (RI) at this time although a further £160k improvement in surplus could achieve a Good rating at year end.

Governors **COMMENTED** that the March budget showed being £36k away from the planned surplus in March which then worsened in April and **ASKED** if the College Executive (CE) are still comfortable that it will hit the year end predictions. The Deputy CEO explained that nature of the business means that income and expenditure budget profiling can be challenging month to month, but trends are identified in-year, with a focus on the year end outturn. Management is confident that a breakeven position will be achieved this year.

Governors **QUESTIONED** whether if the College did not have the long term loan with Barclays would it be in better financial health. It was confirmed that the budget would be improved by £600k per annum equating to a 2% pay rise for staff, or a significant improvement in financial health rating, close on outstanding. Cash would improve by around £1.1m per year allowing for healthy investment in resources for students.

Governors **QUESTIONED** whether the Barclays loan deal is locked in or whether it may be tradable. The Deputy CEO confirmed that it is fixed until 2036 and at the last point of asking there was a break cost of £4m against the remaining loan value. Previous attempts to negotiate the interest rate downward have been unsuccessful.

Governors **ASKED** if there are any revenue implications of not spending the capital at the rate predicted. The Deputy CEO replied that the timing of the works has to be considered to enable access to the buildings around students. This has, by default, meant the money has remained in the bank longer. Capital works are due to be completed in November 2024 after which at this moment there is no further funding opportunities in sight.

* 7. **Progress Update on Corporate Budget 2024/25**

The first consolidation of the budget has been completed which is showing a deficit of 1.8m and at present does not include the cost-of-living increase which needs to be added. Governors were told that the CE have discussed how the deficit can be decreased through the re-shaping of what has been proposed by area leads. Governors were assured that the CE are aware that there is no appetite for a deficit budget, and so this will need to be addressed prior to being presented for approval.

Governors **ASKED** whether the issue around defunding has impacted the budget for the coming year. The CE replied that there has been some impact for the academic year starting in September 2024, but it is taking appropriate actions to mitigate against this.

Governors **ASKED** what assumptions have been included in the budget for apprentice numbers and 16-19 growth. It was explained that the 16-19 allocation is already known for 2024/25 and there will be 1 extra apprentice on the target number of 603. On the back of a steep increase in participation in the current year, work based learning is predicted to bring an additional £400,000 income for next year.

In relation to the current £1.8m deficit, Governors **ASKED** how confident the CE are that this can be reduced. The CE replied that they are confident that this can and will be reduced over the course of the next month, but recognised that this has to be a realistic approach.

Governors **ASKED** whether there are certain departments which have more pressures on them financially. The CE said that it is spread quite evenly, and they look at the numbers of students and course types in relation to their requests and cost pressures.

It was **ASKED** whether a formula-based approach is used in relation to allocating funding. The Deputy CEO replied that it is looked at more holistically.

ACTION: Date to be arranged prior to final budget being presented for committee chair to review budget with college staff in detail before presentation to the next meeting.

* 8. **ESFA Correspondence**

The following documents had been circulated and were noted as received by the Committee.

7.1. Colchester Institute Financial Statements Review 2022 to 2023 (CIC/24/2/4)

7.2. Financial Dashboard Information April 2024 (CIC/24/2/5). Discussion took place around the cash days and whether the 25 days is considered realistic.

* 8. **Property Matters – Updates if anything to report**

The College continues to deliver on the Capital Transformation Fund projects supporting condition improvement. Works are continuing in blocks B, H and C at present whilst the two LSIF funded capital projects are also underway (Net Zero Centre and Electric Vehicle Training Centre)

9. **Update on Strategic Plan One Year Action Plan 2024**

Document (CIC/24/2/6) was provided ahead of the meeting. There were no questions from the Committee.

* 10. **Fee Policies 2024-25**

1.1. FE Fee Policy 2024-25 (CIC/24/2/7) – annual updates highlighted reflecting changes to the rules around adult funding and changes to the Colleges approach to refunds. It was Noted that the changes provide the College with the opportunity to promote the courses with funding in a different way. Governors agreed that the refund related changes are a sound way to protect the college.

Governors **ASKED** whether bad debt is followed up. The CE confirmed that it is, and debt collectors are used when necessary, as a last resort.

1.2. Employer Co-investment Policy (CIC/24/2/8) – Changes made to reflect rules and regulations.

1.3. Subcontractor Policy 2024-25 (CIC/24/2/9). The CE provided the meeting with context around the types and reasons subcontracting would be used.

DECISION: The committee **APPROVED** the policies as listed above

* 11. **HR Key Priorities –Update on Progress**

The committee received the HR Key Priorities report (CIC/24/2/10) in advance and received an update on progress from the HR Director. It was noted that the style of the report had been changed to provide an overview of priorities going forward. It was explained that there are a number of well-intended practices in the department however there are also areas where further intervention/ support is required. A focus plan has been drafted and aligns people to projects. Themes of the focus plan had been included in the report provided.

Learning and Development – an identified framework will be implemented.

Employment contracts & policies – working to ensure contracts of employment are fit for purpose.

Quality assurance is currently taking place around job descriptions.

Governors **COMMENTED** on the positive honest report that had been provided.

Governors **ASKED** for further information on the learning and development programme for managers. The HR director said that they are actively developing a new training programme for all managers. Going forward all managers will join an in-house training cohort on appointment. This will compliment other modules such as EDI Training and the soon to be launched Mental Health Awareness training for managers. The Aspiring Leaders Programme is also under development for

September that will include a mentoring aspect. Mindful of timing and to not over burden staff, therefore all training must add value to the organisation.

Recognised that there is a challenge for the HR department in balancing of the day-to-day reactive work along with the new initiatives.

Governors **ASKED** if the new HR system had gone to procurement. The Deputy CEO replied that this is still in the investigation stage to ensure due diligence is fully carried out prior to committing to a system.

Governors **COMMENTED** that the priorities are very comprehensive and recognised that having a good HR function has a positive effect on how a workforce feels within an organisation. Governors **THANKED** the HR team for the work that has been and continues to be carried out.

* 12. **HR Dashboard Report**

The committee received the HR Dashboard (CIC/24/2/11) report which had been circulated in advance. Governors were assured that the dashboard indicates that College HR is very compliant however there is still work to be done to ensure the Department is Ofsted ready.

13. **Gender Pay Gap Reporting Statement 2023**

The committee received the Gender Pay Gap Reporting Statement 2023 report (CIC/24/2/12) which had been circulated in advance. The meeting was made aware that there is little movement from the previous year. The HR Director explained that there is a need to be realistic about the male domination in roles versus female dominated roles. Actions listed in the report will be put into action to try to reduce the gap. Governors **ASKED** about the mention of skills supplements and whether there has been any consideration of the differential. HR Director replied that work to gather information is ongoing in this area. The CE stated that any payment of skills supplements must meet a strict set of criteria within policy to qualify. The set of criteria is regularly reviewed. Governors felt that there is a strong link between the HR work that is being undertaken and the gaps identified in the report. It was highlighted that there is nothing identified within the document that creates a risk to the organisation.

Governors requested that the graph from the EDI report put into the gender pay gap report. It was suggested that the gender pay gap document be used to support recruitment.

* 14. **Equity, Diversity and Inclusion Annual Report 2022/23**

The report (CIC/24/2/13) had been provided to the committee ahead of the meeting which provided an outline of the Colleges position at the close of the academic year 2022/23 in relation to student and staff profiles, policies and special provision.

During 2022/23, progress was made against the previous action plan, and continued to accelerate during 2023/24 although this is not captured in the report.

There remains more work to do to ensure a broad and firmly embedded culture of equity, diversity and inclusion and it was noted that a comprehensive action plan could be found in the final section of the report. In line with the Public Sector Equality Duty, once approved, this report will be published on the College's website.

* **Policy Review**

14.1. Safer Recruitment Policy. Governors noted that it is now a requirement for safer recruitment training to be undertaken on the first day of employment.

14.2. Vetting Checks and Single Central Register Policy

14.3. Flexible Working Policy

DECISION: The committee **APPROVED** the policies as listed above.

* 15. **Review of Meeting**

The Committee was asked to:

- Agree the items/papers to be reported to the next Board meeting.
 - Committee agreed to meet prior to next meeting to review proposed budget in detail
 - Discussion took place around the priorities of the HR review
 - Discussion took place around the gender pay gap
 - Discussion took place around EDI
 - Approval of policies
- Consider whether any matters discussed should be treated confidentially.

Part II papers had been provided ahead of the meeting

- Review effectiveness of meeting and potential areas for improvement

16. **Date of Next Meeting**

Thursday, 11th July 2024 at 4.30pm at the Colchester Campus

17. **Any Other Urgent Business**

- Proposed increased Tender Limits

Report was provided which proposed that the tender limits are increased from £25,000 to £100,000. It was explained that for goods and services where the contract value is below £100,000, the change will result in improved supplier interest, increased numbers of quotes being received and therefore increased value for money being achieved. .

Governors **ASKED** if there was a reason that the limit was previously reduced to £25,000. The Deputy CEO said that this was done initially to try and develop more efficiencies by going to tender more frequently; however this has not worked in practice and therefore it was proposed to defer back to the original tender limit of £100,000 .

DECISION: Governors **AGREED** to the proposed changes as an interim position and would be revisited in the Autumn term when changes to the procurement rules come into force.