

COLCHESTER INSTITUTE CORPORATION**Minutes of the
FINANCE AND RESOURCES COMMITTEE
held on Thursday 28 November 2024
4.30pm, at the Colchester Campus****Present:**

Richard Block – Chair
Alison Andreas – Principal/CEO
Stephanie Bettinson – Governor
Steve Blake – Co-opted Governor
Chris Donovan - Governor
Kevin Prince - Governor

In attendance:

Gary Horne – Deputy Chief Executive
Emma Richens – Director of Finance

Part I**1. Apologies for Absence**

Apologies were received and accepted from Sally Conner and Kate Hancock.

2. Declaration of any conflicts of interest

None

3. Minutes of meeting held on 1 October 2024

CICFRC/24/5/1, The minutes of the meeting held on 1 October 2024 were approved as a true and accurate record.

4. Action Sheet and Matters Arising from the Minutes not covered elsewhere on the Agenda

CIC/FRC/24/5/2, Finance and Resources Committee action sheet, was received and noted.

4.1 CICFRC24511 item 14.2 – P&C Director to provide a response on whether the Bradford Factor has been considered for use in the Sickness Management procedures. The Director of People & Culture believes that it is best for the College not to use the Bradford factor as by using its own set of triggers and discretion it can avoid unintended consequences (for instance penalising those with a disability). Allowing for individual direction is seen to be a fairer approach. Governors commented that the use of discretion could lead to perceptions of unfair treatment among staff, whereas using the Bradford Factor removes the need for discretion, thereby reducing the potential for unfairness. After discussion, the committee agreed that it is appropriate for the College to implement its own triggers within the sickness management procedure.

4.2 CICFRC2434 item 7 – Update to be provided on room utilisation. It was explained that the room utilisation process is carried out in support of the Estates strategy and college leaders are aware that there are actions to take forward in this area following the Internal Audit. A review is scheduled for 2025 to ensure optimal use of rooms, however utilisation is expected to be higher than in previous years due to the 10% increase in learner numbers. It was agreed that this will be revisited when the Estates strategy is presented to the committee at the March meeting.

5. Report and Financial Statements 31 July 2024

- CICFRC/24/5/3, Report and Financial Statements Year Ended 31 July 2024 and CIC/FR/23/5/4, Letter of Representation, was received and presented by the Director of Finance. It was reported that:

- There has been a significant turnaround, mainly driven by an increase in income due to the additional allocation EFSA funding grant received in-year
- The adult education budget exceeded expectations, with an additional £243,000 income.
- Work-based learning enrolments increased by £900,000 compared to the previous year.
- Staff costs, despite the 5% increase, was held in line with previous years due to vacant posts.
- Cash reserves had increased on the previous year.

The Committee agreed that this was a positive position despite the investment that has taken place through the year and recognised that it was a year of consolidation following a difficult previous year driven by high inflation and energy costs. Governors **ASKED** about investment income which they noted had increased significantly. It was explained that this relates to the Local Government Pension Scheme.

Governors **ASKED** about the reserves policy and how frequently it is reviewed. The Deputy Chief Executive replied that the policy is reviewed 3 yearly. This was a new policy approved by the Committee at the October meeting, and it is envisaged that going forward, as the College builds financial strength, reserve levels can be reviewed. Discussion took place around the minimum reserves figure detailed in the policy. It was explained that in the future there will be a need to support new buildings investment. The Committee agreed that the Reserves Policy would be changed to a yearly review cycle.

ACTION: Reserves policy to be changed to a yearly review cycle.

Governors **ASKED** whether the improved operating surplus affects the college financial health grade. The Director of finance replied that the College still sits just outside of the 'good' financial health category.

Governors' attention was brought to the favourable surplus position compared to the July report. This was due to ILR additional adult income of £293,000 which was not known at the last meeting due to there additional income related to higher achievement payments, additional enrolments, and the end of year earnings boost received for STEM subjects.

Governors **ASKED** about the timing of the signing of the accounts and whether there will be a further announcement regarding the Level 3 defunding ahead of the signing date. It was explained that it is still expected that there will be an outcome of the pause and review process in December however the DFE have said that it is more likely to be January 2025. As a result of the pause no further qualifications have been added to the September 2025 defunding list. Having re-reviewed the latest list of those courses to be defunded in September 2025 there are alternative qualifications for these subjects, meaning the risk element is much lower than initially anticipated.

Governors **ASKED** whether the Crown Guarantee would be known between now and signing of the accounts. They were advised that a definitive position was not likely until the Essex Pension Fund tri-annual review next year.

Governors thanked all staff involved for work carried out to prepare the accounts.

The Committee unanimously **AGREED** to recommend the Annual Report and Financial Statements and Letter of Representation to the Board for approval.

1.1. CICFRC/24/5/4, Letter of Representation
Not received ahead of the committee meeting

5.1. CICFRC/24/5/5, External Auditor's Report to the Audit and Risk Committee was received for information.

6. **Management Report and Accounts P2 - September 2024**

CICFRC/24/5/6, Monthly Management Report and Accounts September 2024 (P2) and October 2024 (P3), was received and presented by the Director of Finance. It was reported that:

- P2 showed a YTD surplus ahead of target of £681,000
- YTD Income was ahead of target by £408,000 as grant income was ahead of profile at that point.

- Apprenticeship income was short at that point but had made an improvement during the month due to the sign-up times for apprenticeships – this had corrected in P3.
- Pay, underspent by £318,000 with 25 vacancies at end of Sept.
- Estates, underspent by £34,000 due to energy costs.
- Transport, overspent by £80,000 which is offset by income.
- End of P2 still the financial health position remains at 'High Requires Improvement'.

Governors agreed that this was a positive start to the year and **ASKED** if there is anything that can be done to improve the cash position. The Deputy Chief Executive said that the College is servicing the additional 300 students without an increase in resource currently. Growth funding is expected in January and this will improve the cash position, but until this is received we will not include in forecasts (as there is no guarantee at this point). The College Executive continue to look at ways to improve the efficiency of the organisation. The Principal added that the appointment of an additional member of the college executive team, who will have responsibility for efficiency and improvement of systems, will further drive financial performance.

- YTD income remains ahead of plan by £135k and YTD operating surplus is £573k ahead.
- The continued strength of apprenticeship programmes as well as the re-structure of the Higher Education programme has really supported improved performance.
- Grant income has been reprofiled to show a positive variance on the year-to-date figure.
- Apprenticeships remain ahead of the enrolment target for Q1.
- There is an underspend on staff pay of £476k .
- Estates, £78k underspent YTD, supported by energy efficiencies.
- The full year forecast has improved to a projected surplus of £310,000 for the year.

Financial Health points moved to 'Good' in October. This is prior to the additional growth funding which is expected to be received. A 2% pay award has been built into the budget and this will be discussed in due course.

Governors **ASKED** whether any of the 31 vacant posts are deemed 'critical' and are therefore causing operational issues. The Principal replied that all the vacancies are deemed needed, however there are some in Electrical and Engineering which are more necessary. Governors **ASKED** if there is a method of acknowledging those staff who are going above and beyond in areas that are running with critical vacancies. The Principal replied that this has happened in the past and could be looked at going forward.

7. **LGPS Guarantee**

CICFRC/24/5/7, LGPS Guarantee November 2024 was received and noted.

8. **College Financial Forecasting Return 2022 to 2024 (Still awaited from DfE – to follow at next meeting)**

ACTION: College Financial Forecasting Return 2022-2024 to be brought to the March 2025 meeting

9. **Property Matters**

The Deputy Chief Executive gave a verbal update on property matters. It was reported that the recent budget suggested the College will receive a further round of CIF funding. There is concern around capacity to support student demand and leaders are revisiting the 2030 masterplan as well as other short-term measures. Further report to be provided to the committee with additional information at a future meeting.

Building Q1 has been condemned due to a failure of concrete. Quotes are being received to develop a new workshop building on the site of the old nursery. Expected that further detail on the proposal will be provided to the next committee meeting. By necessity off-site facilities are being sought in the interim. Governors **ASKED** whether planned defunding goes ahead, would this impact what the master plan would look like. The reply was that it might do in terms of curriculum offer, but due to the increase in student numbers it is still likely that further facilities will be needed and some buildings are past end of life.

Governors **ASKED** how the Braintree site fits within the plans. It was explained that Braintree numbers have increased, and college leaders continue to look at how to develop the curriculum there.

10. **Future Net Zero Strategy – Annual Update**

CICFRC/24/5/8, future Net Zero Strategy – Annual Update was received and noted.

Governors **ASKED** how the reduction in carbon emissions is being captured. The Deputy Chief Executive said that Trident Utilities have been commissioned to help prepare the carbon reporting requirement. Reporting currently only estimates scope 3 emissions however there are plans to develop this aspect. Governors **ASKED** whether, in terms of initiatives outlined for 2024-25, there is a forecast of what the reductions these initiatives will generate. Monitoring is planned to take place to inform future investment.

11. **HR Key Priorities**

CICFRC/24/5/9, Position Paper - HR Key Priorities, was received and presented by the Deputy Chief Executive. It was reported that:

- Positive position to report in terms of safeguarding processes following the Ofsted Inspection.
- Sickness absence workshops, looking at how sickness is managed, have concluded.
- Sickness absence reasons are being looked at across departments.
- Learning and Development programme continues.
- Development days take place at regular intervals during the academic year.

In relation to the table detailing Reasons for leaving Governors **ASKED** about the approach to succession planning and careers development. Recent management programme, leading for success, saw people selected to take part as they are seen to be future successors in a variety of roles. One off CPD also takes place, however this has to be balanced with finance in mind and work within budgets. It was noted that the main reason for leaving continues to be pay and this needs to form part of the retention strategy. Governors commented that they are comfortable with the direction of travel as there has been a reduction in leavers but continues to be concern around vacancies.

12. **HR Dashboard Report**

CICFRC/24/5/10, HR Management Dashboard, was received and presented by the Deputy Chief Executive.

13. **Statement on Modern Slavery and Human Trafficking for year end 31 July 2024**

CICFRC/24/5/11, Modern Slavery and Human Trafficking Statement - year ending 31 July 2024 was received, considered, and **APPROVED**.

14. Policy Approval

The committee received, considered and **APPROVED**.

14.1. Sickness Absence Management Policy

14.2 UCC Student Contract 2025/26

14.3 Adoption Leave Policy and Procedure

14.4 Annual Leave and Special Leave Policy and procedure

14.5 Paternity Leave Policy

14.6 Shared Paternity Leave Policy

15. Review of Meeting

The Committee reviewed the effectiveness of the meeting.

Items to be reported to the Board:

- Report and Financial Statements
- Management Report & Accounts
- Signal current property issues, and the future plan for the college.
- HR discussions
- Approval of policies & standard documents

16. Date of Next Meeting

Wednesday 26 March 2025

Tuesday 20 May 2025

Tuesday 15 July 2025

All meetings to start at 4:30pm

17. Any Other Urgent Business

18. PART II – CONFIDENTIAL

Level 3 Defunding report