

COLCHESTER INSTITUTE CORPORATION

**Meeting of the
FINANCE AND RESOURCES COMMITTEE**

Held on
Tuesday 20 May 2025, 4.30pm
at the Colchester Campus

Committee Membership:

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

In attendance:

Alison Bennett – Head of Governance
Ali Davies – Deputy Principal
Mark Emerson – Vice Principal
Gary Horne – Deputy Chief Executive
Martin Gwillim – Director of People & Culture
Emma Richens – Director of Finance

1. Apologies for Absence

Apologies for absence were received and **APPROVED** from Lisa Blake and Sally Conner due to work commitments.

2. Any other Urgent Business

The Deputy Chief Executive requested that the priority approval of a number of capital applications identified during the budget process, to be discussed at item 7. It was explained that this was being requested ahead of the July budget meeting to support mobilisation periods of trades, and with equipment lead times in mind, to ensure that the work can start, and projects can be completed ahead of the new academic year. The committee agreed the item would be taken at item 7.

3. Declaration of any conflicts of interest

No member of the committee declared any financial or other interest in the business to be discussed.

4. Minutes of meeting held on 26 March 2025

CIC/FR/25/2/1, Minutes of the meeting held on 26 March 2025, were **APPROVED** as a true and accurate record.

5. Action Sheet and Matters Arising from the Minutes

CIC/FR/25/2/2, FRC Action Sheet 2024-25, was received.

CIC/FR/25/1/6 College Estates and Accommodation Strategy, the committee **NOTED** that, as per the action, this was presented to the 30 April meeting of the Board for approval following changes requested at the 26 March Finance and Resources committee meeting.

CIC/FR/25/1/3, Item 5 - Potential year-end holiday pay accrual. The Director of Finance made the committee aware that a new system may not necessarily be able to forecast the annual leave

accrual accurately. The College is moving towards a new process of ensuring staff book all leave by October half term which will provide for easier tracking.

CIC/FR/25/1/4, Item 3 - Annual Course Contribution Report. A Governor commented that action stated in the minutes was for the Annual Course Contribution Action Plan to be presented to the full board for oversight, but the paper that went to the full board was only the course contribution statement. It was **ASKED** if there is going to be an action plan produced that comes to a future Finances and Resources Committee (FRC) or Board that includes specific information on actions that are being taken in the areas where course contribution could be improved. The Vice Principal replied that a balanced score card will be worked up and presented to the board for Governors to look at.

ACTION: Balanced Score Card to be presented, by the College Executive, to the Board at the 22 July meeting

6. **Monthly Management Report**

CIC/FR/25/2/3, Monthly Management Report for March 2025, was presented by the Director of Finance and **NOTED**. The following points were highlighted:

- There was a £18k improvement against budget in the month.
- Within the month there were positive income variances on EFSA funding, bursaries and grant income.
- Full cost income continues to be behind budget profile with attention being drawn to the negative income figures which were due to having previously recognised some contract funding in advance of providing the course. It was explained that this course has been delayed again by the customer and therefore the income won't be received this year which has now been recognised.
- Expenditure was overspent in the month, largely due to hourly pay costs supporting higher High Needs Students (support costs fully funded by ECC).
- Cash is £337k ahead of forecast in the month, due to a reduction against capital spending forecast.
- The Year End cash forecast is set at £6m following news on the receipt of the Further Education College Condition Allocation (£1.95m) for improvement works to be delivered over the next two years.
- The College remains in 'Good' financial health with 180 points predicted
- Cash days in hand at year-end are estimated to be 56 days.

Governors **ASKED** what will happen with the loan principal at the end of the term. The Deputy Chief Executive explained that the College is currently repaying around £500k per year on the balance of the loan which runs to July 2036, when the balance will dwindle to £0. The loan terms are constantly revisited with every option being explored in an attempt to improve the interest rate. Governors **ASKED** whether within the loan agreement there an option is to overpay the interest. The Deputy Chief Executive advised that there is currently very limited scope to change the loan arrangements with our provider.

Governors **ASKED** for further detail on the line for other creditors and accruals in the balance sheet forecast. The Director of Finance explained that income in advance has not been separated out and was not known at the time the budget was produced. It was also explained that the current forecast does not include the Post 16 grant that will be received and reflected in the April accounts for the full year forecast.

Governors **ASKED** for more information on the delays to the full cost contract and the effect that has had on the forecast. It was explained that contract was negotiated in 2024 and having been agreed, our customer wished to revisit the programme offer. Since that time there has been a change in the management of the training division of the customer, which has resulted in a

postponement to the training. This provision will be a 7-day block course that engineers from across the country would attend to learn common construction practices.

The committee **ASKED** about the mention of the creation of a gym at Braintree and an ILT project that was unbudgeted last year. The gym is in the 2025-26 capital budget proposal and will be supported through the conversion of a beauty salon. . The ILT project was included in the current year's capital budget, however it proved to be revenue expenditure.

Governors **ASKED** about the line for the HR and Payroll system which shows a full year forecast of £0. It was explained that, although initial scoping took place, this did not get to the full tender stage and the focus switched to a new finance system. A new HR and Payroll system line has been proposed in the 2025-26 budget.

7. **Corporate Budget 2025/26**

The meeting received a verbal progress update on the Corporate Budget for 2025/26. It was reported that a good start has been made to the budget preparation. A first draft of the consolidated budget has been produced but will be subject to change.

Governors **ASKED** whether it is possible to be provided with a capital plan, showing multiple years rather than just the year ahead. It was felt that this could be possible. The Deputy Chief Executive replied that there has been £6.4m of capital bids submitted for the year, a significant increase on the usual position. It was **QUESTIONED** whether departmental bids are linked to course contribution whether it could relate to the budget to create a target, and expectations for tracking against actuals. It was explained that the requests being received are generally for necessities, to support curriculum delivery or expansion. In relation to the accommodation strategy, the College is waiting to understand the outcomes of the Comprehensive Spending Review in June that will potentially allow for a three-year spending horizon.

The committee **ASKED** what the College Executive are aiming for in terms of an operating surplus for 2025-26. It was reported that there remains a number of uncertainties on funding this year, such that even at the point of delivering the budget the College could still be waiting for final allocations. Therefore, predicting a budget surplus at this early stage was difficult but it is hoped that the figure will be closer to £500k this year. That said, the College still needs to address pay issues at various levels, and that is illustrated by the Recruitment and Retention risks being scored so highly on the Corporate Risk Register currently. The committee commented that the College regularly runs below the staffing target and **QUESTIONED** the sustainability of this. The Deputy Chief Executive said that the vacancy drift is in part due to not being able to recruit and due to timing of some vacancies in the academic year. The newly appointed People Operations Manager has a new approach to recruitment, which has already seen an increase in the number of applications and candidates being selected for interview. There has been a noticeable change to the recruitment environment.

The Deputy Chief Executive presented the committee with a request to approve £50,000 in respect of initial buildings designs and surveys to be carried out on a new principal building at the Colchester Campus, ahead of the competitive bidding window which will open later in the year. The committee agreed that this would enable the College to be in the right place when the bidding process eventually opens.

DECISION: The committee **APPROVED** the requested £50,000.

8. **Property Matters**

The meeting received a verbal update on the College property matters. The College remains in a holding position ahead of work to be undertaken over the summer on a number of projects awaiting go-ahead. A third ecology survey has now taken place on the site of the old nursery.

This requires a further survey to take place in August to check for the presence of invertebrates, resulting in further delays to the motor vehicle workshop plans for September.
The College continues to develop facilities for all learners.

9. **People and Culture**

9.1 CIC/FR/25/2/4, Key Priorities position paper May 2025, was received and **NOTED**.

The People and Operations Manager has made a strong start. There has been collaboration with the Marketing Department to deliver a bespoke campaign to support the recruitment of new engineering and electrical staff. As a result, 30 applications, across 6 roles, were secured and interviews are ongoing.

Mental Health and Wellbeing continues to be the number 1 driver for absence. The Deputy Principal is completing the Senior Mental Health training qualification and is leading on wellbeing consultation sessions, across both Colchester and Braintree campuses, which will encourage staff to have a voice. All views, positive and negative, will be collated and an action plan put together. Any quick wins that can be implemented before the end of the academic year will be. The Vice Principal is leading on the preparation of a new digital strategy, which will include solutions which can bring about efficiencies, not just financial but also workload and wellbeing related. Discussion took place around the need for the digital strategy to be included on the committee programme of work for the forthcoming year.

ACTION: Head of Governance to include the Digital Strategy in the 2025-26 Finance and Resources Committee work plan

The committee recognised the positive reduction in the number of sickness days but commented that the trend for the previous two years was a decrease around February- April, however at this financial year it appears to be increasing and **QUESTIONED** if there is any reason why this may be the case. The Principal said that this could be taken away and looked at but there has been a tightening up of sickness of absence reporting which may be a contributing factor.

ACTION: Director of People and Culture to look into the spike of absence in March and April and report back to the committee at the 15 July meeting.

Governors **ASKED** about the appraisal and performance objectives rate. The Principal explained that the College is working hard on this following the introduction of a new system, introduced during the academic year. Those staff with no objectives on new system are staff who have not had objectives set in previous 12 months or have joined since the introduction of the new system and not yet had objectives set. Between June and September all staff will have their objectives refreshed. The Principal said she is pleased with the progress that has been made in this area, however this will continue to be tracked closely.

9.2 CIC/FR/25/2/5, P&C Management Dashboard May 2025 was received and **NOTED**.

9.3 CIC/FR/25/2/6, Gender Pay Gap annual report 2024/25 was received and **NOTED**. Committee commented that the report shows a good direction of travel.

10. **Policy Review**

The following policies were presented for approval:

- 10.1. CIC/FR/25/2/ Safer Recruitment Policy.
- 10.2. CIC/FR/25/2/ Vetting Checks and Single Central Register Policy
- 10.3. CIC/FR/25/2/ Flexible Working Policy
- 10.4. CIC/FR/25/2/ Conflict of Interest Policy
- 10.5. CI Pensions Discretion
- 10.5. CIC/FR/25/2/ UCC Student Protection Plan

Safer Recruitment Policy. This policy relates to the recruitment of staff, not the selection process for Governors.

Vetting Checks and Single Central Register Policy. It agreed that duplicitous section 1.3 should be removed.

Flexible Working Policy. It was agreed that Section 3 would be reviewed.

DECISION: The committee **APPROVED** all policies subject to the discussed changes being incorporated in revisions.

11. **Date of Next Meeting**

The forthcoming meeting dates were noted as:

15 July 2025, 4.30pm at the Colchester Campus