

SOUTH EASTERN REGIONAL COLLEGE

Governing Body – Finance and General Purposes Committee

Minutes of the meeting of the Governing Body Finance and General Purposes Committee,
held on Tuesday 15th January 2019, 5pm, Lisburn Campus

1.	<p>Chair's Business</p> <p>a) Attendance and Apologies:</p> <p>Present: Mrs B. Larkin, Professor A. Woodside, Mr A. Corbett, Mrs K. Fraser (Items 2-9 only), Mrs H. Reid (Item 3A-9 only), Mr K. Webb (Principal)</p> <p>In attendance: Mr T. Martin (Chief Finance Officer), Mr P. Smyth (Chief Human Resources Officer) Mr G. Hetherington (Vice Chair of the Governing Body), Mrs C. Williamson (Secretary to Governing Body), Mr John Gault (Head of Health and Safety) Items 1 and 2 only</p> <p>Apologies: None</p> <p>In the Chair: Mrs B. Larkin</p> <p>b) Conflicts of Interest:</p> <p>The Chair asked if any members wished to declare an interest in respect of any item on the agenda. There were no declarations of conflicts of interest.</p> <p>c) Minutes of the meeting held on 13th November 2018</p> <p>The Chair asked members to review the minutes from the previous meeting on 13th November 2018. Members agreed the presented minutes were a true and accurate record of the meeting.</p> <p>Proposer: Andrew Corbett</p> <p>Seconder: Barbara Larkin</p> <p>d) Staffing Committee Minutes 24th May 2018</p> <p>The Chair presented the minutes from the Staffing Committee on 24th May for approval, she advised that none of the members present at the meeting in November were present during the meeting on 24th May and therefore they were being represented now.</p>
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	<p>Proposer: Ken Webb</p> <p>Seconder: Heather Reid</p> <p>e) FGP Action Points and Key Decisions from meeting on 13th November 2018:</p> <p>The Chair advised that most action points were addressed on the agenda and highlighted that the action point relating to campus utilisation in which the Chair agreed to explore Community Hubs with Mrs Kerr could now be marked as completed. The Chair advised that she had spoken to Mrs Kerr and confirmed that this action point was in relation to the work Catalyst Enc are conducting with Danske Bank on the development of an innovation centre in Belfast. Members of CMT have visited this centre to discuss learning outcomes and best practice ahead of the planned innovation centre at the Lisburn Campus.</p>
<p>2.</p> <p>Presentati on</p>	<p>Annual Health and Safety Presentation</p> <p>The Head of Health and Safety, John Gault, attended the meeting to present the Annual Health and Safety Report to the committee. A brief discussion took place and the following points were noted:</p> <ul style="list-style-type: none"> • In response to questions from members the Head of Health and Safety confirmed that all apprentices (as well as Construction staff in the College) are provided with a CSR card ahead of any placements they undertake through the College. • In response to a question on insurance claims the Chief Finance Officer confirmed that the information presented is solely from the College’s insurance broker and any claims that are submitted to the PPP partner are handled separately. • The Chair thanked the Head of H&S for the detailed presentation and asked if the committee could be provided with the number of incidents as per a percentage of the student population in each campus to provide more meaning to the data.
<p>3.</p> <p>Correspon dence</p>	<p>a) SERC - Updated Dec Monitoring Resource Budget Letter</p> <p>The CFO asked members to note the correspondence provided from DfE that confirmed the slight increase to the College’s Resource Budget (of £91k) as agreed at the December Monitoring round. The CFO asked members to note that an extra £1m had been secured for the sector but the College would not receive any of this additional funding which is detailed in the letter.</p>

	<p>b) CEF Circular 2019/01</p> <p>The Chief Human Resources Officer asked the committee to note the correspondence from the College Employer’s Forum confirming the pay award for non-teaching staff. The CHRO advised that staff would receive back dated pay in their January salaries and most staff would receive a 2% increase, with staff at lower grades receiving significantly more which feeds into the government’s commitment to the National Living Wage.</p>
<p>4.</p>	<p>Items for Information:</p> <p>a) Equality Annual Progress Report</p> <p>The CHRO asked members to note the enclosed report for information which had been submitted to the Equality Commission to cover the period April 2017 to March 2018. He advised members that the report is in a prescribed format and it aims to demonstrate the College has fulfilled its obligations specified within the Equality Scheme. The CHRO confirmed that the College is on track in terms of the achievement of the obligations set out in the report. In response to questions from members the CHRO advised the committee the number of actions completed, ongoing and to commence with regard to the Equality action plans/measures are part of a rolling programme and the scheme is reviewed every 5 years. Members enquired why assessments had not been conducted on the screened policies, the CHRO advised that none of the policies screened had been assessed as having an adverse impact on the equality nine categories and so therefore it is not necessary to undertake a full equality impact assessment.</p> <p>b) Financial Governance Report</p> <p>The CFO presented the Financial Governance Report to the committee which sets out the forecasted financial position as at both 31 March 2019 (DfE year-end) and 31 July 2019 (SERC year-end). The CFO highlighted that the report shows that the College is in line with its allocated Resource Budget. The CFO advised members that on 12th December, following December Monitoring, DfE increased SERC’s approved Resource Budget for the period April 2018 to March 2019 by a further £91k to £32,389k. At £32,389k, the College’s forecasted NDPB resource outturn is therefore on target.</p>

c) NDPB Budgeting and Forecasting Submission

The CFO asked the committee to note the presented NDPB Budgeting and Forecasting Submission for information that had been submitted to DfE in December 2018. He highlighted that the report shows the College's NDPB forecasted outcome is on target and provides further detail on the £91k increase approved by DfE in the December monitoring round.

d) Debt Report

The CFO asked members to note the live debt report of 8th January 2019. The CFO informed members that the level of debt has increased from the same period last year, from £1.86m to £2.67m. Members were advised that the majority of this increase was a result of the timing of invoices, with School Links and Training invoices being raised earlier this year than last. He further highlighted that this level of debt is acceptable and consistent when the mitigating factors have been considered. The Temporary Chair of the Governing Body asked the CFO if he was concerned that over £1m of this debt in student fees is over 90 days. The CFO advised that there was no concern over this debt as it is in keeping with the normal annual "cycle" of student debt which takes time to be paid via the Student Loan Company. He added that there is a robust credit control system in place to assist in the recovery of the more difficult debt.

e) Bank Report

The CFO asked members to note the Bank report which sets out the current Cash & Cash Equivalent position of the College as of 30th December 2018. The CFO highlighted that this report will largely become redundant in March 2019 with the introduction by DfE of the new cash draw down procedure designed to ensure colleges carry c. 10% of prior year turnover. He advised that he intends to present one further report to the committee at their next meeting to provide an update of the current situation.

f) Estates & Capital Expenditure Report

The CFO directed members to the Estates report and provided an overview of the executive summary. The following points were highlighted during discussions:

- The CFO highlighted that the original PPP contracts were set to a certain specification and that any changes to this specification require a change in contract that may have financial implications in terms of the unitary charge and the annual contract. Therefore on an

annual basis SERC and its PPP partner formally review all changes (both positive and negative) and agree the offset to ensure the unitary charge remains static. The CFO advised the committee that they are provided with an annual summary of this agreement for information and assurance that the overall contractual cost is being managed appropriately.

- The Chair of the Education Committee, Mrs Reid noted that it would be beneficial for the committee to be aware of changes that have been specifically made due to a change in curriculum.
- The CFO informed members that Properties Division remains a risk due to the high costs and timing issues that have been previously discussed in depth across the Governing Body. The sector business case (to seek an alternative delivery model) is now with DfE for consideration however the CFO advised he was unable to provide a definite timeframe regarding when a response could be presented to the committee.
- A wide-ranging audit has been carried out in the Estates function, the draft report confirmed a 'Satisfactory' level of assurance with no priority 1 or 2 recommendations noted.

Action Point: The Education Committee will be kept informed of any curriculum changes that requires a change to premises

g) Procurement Update Report

The CFO presented the procurement report to the committee and asked them to note that there are 63 active contracts which includes 32 in SERC, however it is expected that the SERC specific contracts will decrease as work on collaboration grows within the sector. In response to questions from the committee the CFO advised that procurement work can be very complex, however savings are being realised from this work.

5. Update on Applications and Enrolments

The Principal directed members to the update on applications and enrolments and highlighted the following points:

- The enrolment numbers will continue to grow until the end of the year through part time courses, apprentices and business services.

	<ul style="list-style-type: none"> The Principal highlighted that the enrolment figures for Higher Education are the most concerning; this is an issue across the sector and has been previously reported to the Education Committee and the Audit committee.
6.	<p>Collaboration Programme; and Systems Technology Services Project</p> <p>The Principal provided the committee with a verbal update on the Tribal report that was recently commissioned by DfE to benchmark a number of areas across the Sector, the following points were noted in discussion:</p> <ul style="list-style-type: none"> The Temporary Chair of the Governing Body advised members that he and the Principal had met with DfE in early January to discuss the report, he advised the Department have not shared the report broadly but are content that the Governing Body have sight of the executive summary and the section that directly relates to SERC. The Department have indicated that there will be sectoral plans from the report, but each College has been asked to identify three actions and submit this plan by 27th January. The Temporary Chair advised that he is keen for Governors to have input in to the action plans and as the turn around time for the individual action plans is very tight, the wider Governing Body can provide input into any subsequent actions. The committee were asked to note that the three areas identified as part of the individual action plans are improving essential skills, improvement on TFS and Higher Education. The committee briefly discussed the action plan and the Principal provided a further explanation on the action plan and advised that the introduction of end testing in Essential Skill is a sectoral issue, 3,000 individuals did not obtain their qualification last year as a direct result of this. In terms of TFS the retention rate is not as good as FE and therefore it is something the College would like to work to improve. As HE numbers have declined this year the College intends to review what the offer is for HE and ensure that we can offer a unique product that also meets the demands of industry. <p>The committee were asked to note that the STS project is progressing and the delay (as reported at the last committee meeting) to the enrolment system. The Principal highlighted that SERC have mitigated this risk since the College has its own internal online enrolment system to fall back on as a contingency.</p>
7.	<p>Policy Review</p>

	<p>a) Special Leave Policy</p> <p>The committee noted the policy had been reviewed and approved the changes highlighted.</p> <p>Proposer: Karen Fraser</p> <p>Secunder: Alan Woodside</p> <p>b) Estates Policies and SOPs Annual Review</p> <p>The committee noted the Estates policies and SOPs had been reviewed and no significant changes had been made that required approval.</p> <p>c) Financial Governance Policy</p> <p>The committee noted the policy had been reviewed and approved the changes highlighted. The CFO advised the committee that a review of the policy was conducted in response to the updated version of the Management Statement & Financial Memorandum between the Further Education Colleges and the Department that was issued in October 2018. The review highlighted three specific changes around delegation limits. The committee briefly discussed the proposed change around the operational need to delegate Accounting Officer “sign-off” authority for short periods. The CFO highlighted that it would be operationally inefficient in some instances where prompt payment is required to delay authorisation when the Accounting Officer is absent.</p> <p>Proposer: Andrew Corbett</p> <p>Secunder: Karen Fraser</p>
<p>8.</p>	<p>Staffing Items for Discussion</p> <p>a) HR Priorities 18/19 plan and status update</p> <p>The CHRO presented the report and advised that since the committee last reviewed the status update in November there has not been a significant change to the report. The Chair highlighted that the report demonstrates the level of good work that is ongoing in the human resources department. She enquired if the CHRO could provide further information on the CPD events planned for the Sector that are set out in report. The CHRO explained that as the current Chair of the HR Group for the Sector he is leading on these events and encouraging each College to showcase the work they are doing.</p> <p>b) KPI Report 2018/19</p>

The CHRO presented the report and provided a brief overview of the key issues set out in the executive summary. Members were advised that while there has been a slight increase in the numbers for sickness absence it is significantly lower than the same period last year, the CHRO advised that this progress can be attributed to the wellness scheme and he would hope that the figure remains around 2%.

c) Review of agreed KPI's

The Chair asked members to advise if there were any other key issues they should review in terms of the KPI's as part of the committee's scope as set out in the terms of reference. Members agreed that it was appropriate for the committee to have strategic overview as part of their governance role and advised they were content with the level of detail the CHRO was providing at each meeting in the KPI report.

d) Healthcare Scheme evaluation Report

In presenting the report to the committee the CHRO advised that when the Healthcare Scheme was first introduced the key absence theme was around musco skeletal and whilst this had changed by the end of the pilot period, the pilot scheme has achieved what it was intended to do which was to reduce the number of days lost and provide staff with an opportunity to claim back on other medical treatments.

The new scheme is focussed much more on mental health and wellbeing, the aim is to try a more preventative and holistic approach in this area so services like CBT have been included in what staff can access through the scheme. The CHRO advised that it is hoped that this approach will reduce the absence figure for this area as it now the main reason for staff absence.

The Chair noted this was an extremely positive result, the College had acted where it was required, and the desired outcome and financial savings have been realised.

In response to feedback from members on the focus of the scheme the CHRO confirmed that there are elements of this support in place for students, the same provider for the counselling service for example is available for students.

Action Point: The CHRO advised an evaluation report will be conducted on the new healthcare scheme after the first year

e) Staff Survey Questions

	Members noted the questions presented to that will be used in the staff survey, the CHRO advised that the questions have largely remained the same in order to draw comparisons from previous years and act on any developing trends. In response to a question from the committee about reviewing and updating the questions, the CHRO responded that additional questions have been included for example on the Healthcare scheme to ensure that the survey is relevant to staff and the collated data is meaningful.
9.	<p>Any other business</p> <p>The Principal informed the committee of the success SERC Students had achieved at the recent BT Young Scientist Awards and confirmed he would be writing to each of them to congratulate them. The Chair commended the achievements of the students and asked that congratulations was passed on to them on behalf of the Governing Body.</p>
10.	<p>Confidential Business</p> <p>A separate note was taken for this item.</p>
	<p>Date of next meeting</p> <p>The next meeting date was confirmed for Tuesday 30th April 2019, 5pm, Lisburn Campus</p>

The meeting concluded at 7.10pm