



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 18th June 2019, 5pm, Lisburn Campus

1.	<p>Chair's Business</p> <p>a) Attendance and Apologies:</p> <p>Present: Mrs B. Larkin, Professor A. Woodside (Items 8E-10 only), Mr A. Corbett, Mrs K. Fraser, Mrs H. Reid, Mr G Hetherington (Temporary Chair of the Governing Body), Mr K. Webb (Principal)</p> <p>In attendance: Mr T. Martin (Chief Finance Officer), Mr P. Smyth (Chief Human Resources Officer), Mrs C. Williamson (Secretary to Governing Body)</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 30th April 2019</p> <p>The Chair asked members to review the minutes from the previous meeting on 30th April 2019. Members agreed the presented minutes were a true and accurate record of the meeting.</p> <p>Proposer: Karen Fraser</p> <p>Secunder: Andrew Corbett</p> <p>d) FGP Action Points and Key Decisions from meeting on 15th January 2019</p> <p>There are no outstanding actions from the previous meetings. The Chair advised members that she will provide a report to the Governing Body in September on her visit to the Business Services unit.</p>
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<p>2.</p> <p>Correspon dence</p>	<p>a) Letter from B Harrison to Principals re Property Services Division - 3 April</p> <p>b) Letter from B Doran to FE Director re Properties Services Division-29 April</p> <p>c) Letter from FE Director to B Doran re PD 16 May</p> <p>The Chief Finance Officer (CFO) directed members to the correspondence in relation to Properties Division between the Sector and the Director of FE, Beverly Harrison. He highlighted that the sector business case to move away from Properties Division is going to run concurrently with attempts to work with PD to improve service, as the FE Director has asked that time is given to allow new personnel in PD to make an impact on the services. The CFO noted that is not ideal and that the Sector is still very much championing the business case as the solution to the cost, quality and health and safety issues being created by PSD. In response to a query from members the CFO set out the major challenges in using PD including the timeliness of their response to work requests and the additional cost of using the service. He added that the extra element of cost is unnecessary, and he is unsure if new personnel would be able to vastly improve the service to justify the continued use of PD for the Sector. The Temporary Chair highlighted the suggestion from the sector that some pilot projects could be carefully chosen to be given to PSD to measure if there is any improvement in the service.</p> <p>The committee noted the CFO and CEO will meet with PD next week and that the CFO will provide further updates to the committee on the progression of this issue.</p> <p>d) FE Returns Timetable August 2019 to July 2020</p> <p>The CFO asked members to note the FE Returns Timetable for 2019/20 and highlighted some of the key dates, he advised that the Governing Body meeting schedule for 2019/20 is in line with the timetable. In response to a question from the Temporary Chair the CFO confirmed that the OBA monitoring set out in the timetable refers to the College Development Plan report cards.</p>
<p>3.</p>	<p>Items for Approval: Draft Baseline Resource Budget 2019/20</p> <p>The CFO presented the Draft Baseline Resource Budget 2019/20 and advised that this will be revalidated over the Summer and presented to the committee again at their September meeting as a finalized operational budget. The CFO also highlighted that this operational Resource Budget sets out the income and expenditure for the College's 2019/20 financial year and is therefore distinct from the monthly NDPB forecasting process which is focused on the Departmental year.</p>

The operational Resource Budget forms the basis of financial monitoring and control as used in the IMPMS process throughout the year.

The CFO confirmed that SERC's operational budget highlights a Resource Requirement of £35,507k which is in line with the Resource Allocation set out by DfE.

In response to a question from the Temporary Chair the CFO explained that the "statutory accounts" entry regarding pension costs is not a cash item, but is driven by accounting rules. He gave the committee a headline explanation of how pension costs are estimated by an actuary and of how they are recorded in the College statutory accounts. He emphasised that this does not have an impact on the College's Resource Requirement.

Agreed: The Committee recommended the Draft Baseline Resource Budget to the Governing Body for approval

Proposer: Barbara Larkin

Seconder: Gareth Hetherington

4.

Items for Information:

a) Financial Governance Report

In presenting the Financial Governance Report the CFO advised that it aims to set 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 current report shows the College's actual financial performance for the year up to the end of March; and its forecast for the year ending July. The report outlines that financial performance was on target for the march year-end and is on-target to meet the July year end. The CFO gave a brief overview of the narrative within the report and asked the committee to note that the currently forecasted Resource Requirement is significantly higher than the original budget, but that this has been approved by DfE. The most recent amendment to SERC's approved Resource Budget was for the period April 2018 to March 2019 to £32,931k, and the following increases were approved:

- Curriculum Hub Funding - £100k increase
- Lecturers 2015-2017 Pay Award Funding - £298k increase
- Re-allocation of DfE Resource Underspends - £144k increase

b) 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 May 2019. The CFO asked members to note that it showed a significant pressure for the College mainly around pay awards. He highlighted that the position has changed since submission and that DfE have indicatively provided additional resource to cover this - the operational budget has been updated to reflect this increase in “indicative resource allocation”. The CFO emphasized to members that DfE must recognize this as a structural cost that needs to be baselined going forward.

The Principal informed the committee that he had recently met with the Permanent Secretary to discuss this issue and that while he recognized the pressures facing the sector, he was reluctant to permanently reallocate significant resource within DfE.

The committee briefly discussed the impact that driving further efficiencies will have on the quality delivered by the College and noted that there is little scope to continue reductions without impacting on the outputs.

c) Debt Report

The CFO asked members to note the live debt report of 11th June 2019. The committee noted that there is currently £533k of debt of which more than half is current. The CFO advised that he has no concerns over the level of debt and the College’s debt management process is active throughout the year.

d) Estates & Capital Expenditure Report

The CFO directed members to the Estates report which sets out the position as of the end of March and provided an overview of the executive summary. The CFO highlighted that in terms of Capital projects there are two outstanding for 2018/19:

1. Professional Skills Centre (CITB) (PSD/Dorans) – Works in progress. £224,000 including VAT & fees. Completion forecast as June 2019.
2. Hollywood mobile classroom replacement (PSD/Dorans) – Scope of scheme reduced to demolition and infrastructure works. Approx. value £30,000 including VAT & fees. Works virtually complete.

The CFO further advised that a list of proposed 2019/20 capital projects has been submitted to DfE. The estimated value of these projects is £1,410,000 (including VAT & fees) with £620,000

	<p>(including VAT & fees) of that being classified as 'inescapable'. Such projects are based on the College's 10-year strategic plan.</p> <p>In concluding the Estates update the CFO asked members to note that during recent ISO audits only one minor non-conformance was raised in relation to the ISO 45001 system – this relating to the lack of a Service Level Agreement (SLA) with PSD.</p> <p>e) City Deal and ESERC update</p> <p>The Principal gave the committee a brief verbal update on the progress of the ESERC Building at Lisburn and advised that governance arrangements for the City Deal projects are currently being worked on and when this is finalised a business case for the project will be produced by Lisburn Castlereagh Council. Members noted that this is a key project for the Council in terms of the City Deal and now forms part of their Economic Strategy. In response to questions from members the Principal advised that there are no set timelines for the project yet but that it is regarded as a critical project for the Council.</p> <p>f) Procurement Update Report</p> <p>The CFO presented the procurement report to the committee for noting.</p>
5.	<p>Update on Applications and Enrolments</p> <p>The Principal directed members to the update on applications and enrolments.</p>
6.	<p>Collaboration Programme; and Systems Technology Services Project</p> <p>The Principal presented a written report on Behalf of the Director of Curriculum & Information Services. The committee were advised that five applications had been received for the role of Project Director and the outcome of the interviews had not yet been communicated.</p>
7.	<p>Policy Review</p> <p>a) Finance Policy Review</p>

The CFO informed members that a review of financial policies had been completed and any changes that had been made were in direct response to Departmental Guidance and the changes made to the MSFM.

Agreed: The committee recommended the following policies to the Governing Body for approval:

1. Budget Policy
2. Financial Governance Policy
3. Treasury Management Policy

Proposer: Heather Reid

Seconder: Andrew Corbett

b) Information Governance Policy

c) Data Protection Policy

d) FOI Policy

The Principal presented the policies for review and asked the committee to note that there are no changes to the Data Protection Policy, he further advised that a recent audit had been completed in this area and the recommendations would be reviewed by the Audit Committee at their next meeting on 20th June.

Agreed: The Committee recommended the Information Governance Policy and Freedom of Information Policy to the Governing Body for approval

Proposer: Gareth Hetherington

Seconder: Barbara Larkin

8.

Staffing Items for Discussion

a) HR Priorities 18/19 plan and status update

The Chief Human Resources Officer (CHRO) presented the report and advised members that there are two items that will not be achieved this year however both will be picked up next year. In response to queries from members the CHRO advised that the outcome to engage with HR Connect has slipped because of their workload and measure 8 to develop and implement a volunteering or community engagement scheme will be completed prior to the commencement

of the next academic year. The CHRO advised that in terms of HR Connect he was unable to provide a firm timeline.

b) KPI Report 2018/19

The CHRO began his report by advising that the reduction in staff sickness is due to the reduction in long term sickness rates and is currently sitting at 3% which is the first time it has been this low at this point in the year, he added that if this trend continues it is on track to fall below 3% by the end of the year.

Action Point: The Committee Chair will meet with the CHRO before September to agree and discuss the KPI's for 2019/20, members were asked to submit any areas they would like to review to the Secretary ASAP

c) Policy Review Program

The CHRO advised that a review of local policies had been completed. The review concluded that no changes were currently required to the Policies. The Policies are scheduled for review again in June 2020.

d) Annual Monitoring Report

The CHRO presented the Annual Monitoring Report and advised that there is nothing significant to report on any of the categories. He highlighted that there is a slight increase in each because in line with advice from the Equality Commission the residuary method has been rigidly applied.

e) Annual Staff Survey

The CHRO presented the results of the Staff Survey to the committee, a brief discussion took place and the following points were noted:

- The CHRO informed members that the results of the survey were largely positive and there was a significant increase in the number of responses from staff, it was up by 10% on the previous year.
- The results continue to show that a significant proportion of staff did not think any action would be taken from the feedback provided through the survey, however the CHRO advised that the results will be taken back to the JCF with an action plan that will be communicated to all staff in forthcoming staff briefings.

	<ul style="list-style-type: none"> • In response to a query on what the College can offer to employees that is non-monetary to increase the feeling of being valued the CHRO confirmed that the staff benefits booklet details benefits ranging from flexible working through to car parking, childcare vouchers and pension contributions. He added it might be of value relaunching the booklet to ensure all staff are aware of the whole package that they can avail of in SERC as in employee. • The committee noted that focus groups are held to ascertain what else the College can do for employees and acknowledged that a wide offering is needed to appeal to different people. The CHRO advised the College is committed to continuing this engagement with employees. • In a discussion around the role of Staff Governors providing feedback for staff it was noted that the Staff Governors are not staff representatives, and this should be made clear to staff, their role is to bring the staff perspective. <p>Action Point; The Employee Benefits Booklet will be relaunched as an action from the staff survey</p>
9.	<p>Any other business</p> <p>The Chair informed members that in November the agreed Terms of Reference was unfortunately missed from the subsequent Governing Body meeting for final approval, it is being presented instead to the GB on 24th June. In response to a query from a member the Chair confirmed that no member of the Governing Body had raised this.</p> <p>The Chair asked members to review the cycle of business for 2019/20 and advise if they would like to include any other areas of work before September.</p> <p>Action Point: Members were asked to feedback any suggestions for the Cycle of Business to the Secretary before September</p>
9.	<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 17th September 2019, 5.30pm, Lisburn Campus</p>

The meeting concluded at 6.26pm

