



**SOUTH EASTERN REGIONAL COLLEGE**

**Minutes of a meeting of**

**the Finance & General Purposes Committee (the "Committee") of the Governing Body**

**held on Tuesday, 7<sup>th</sup> April 2020 via Skype Teleconference**

**1.**

**Chair's Business**

**a) Attendance and Apologies:**

**Present:** Mrs B Larkin, Mr A Corbett, Mrs H Reid, Mr G Hetherington (Temporary Chair of the Governing Body), Mr K Webb (the Principal), Professor A Woodside, Mrs K Fraser

**In Attendance:** Mr T Martin (Chief Finance Officer (the "CFO")), Mr P. Smyth (Chief Human Resources Officer (the "CHRO")), Ms S Woods (Temporary Secretary to the Governing Body)

**In the Chair:** Mrs B Larkin

**b) Conflicts of Interest:**

The Chair asked if any members wished to declare any known or perceived conflicts of interest in respect of any item on the agenda. There were no declarations of conflicts of interest.

**c) Minutes of the meeting held on 21<sup>st</sup> January 2020**

The Chair asked members to review the minutes from the meeting held on 21<sup>st</sup> January 2020. Members agreed the presented minutes were a true and accurate record of the meeting.

**Agreed:** Following due consideration it was agreed that the minutes be accepted and tabled for approval at the meeting of the Governing Body to be held on 27<sup>th</sup> April 2020.

**Proposed by:** Karen Fraser

**Seconded by:** Andrew Corbett

**d) FGP Action Points and Key Decisions from the meeting held on 21<sup>st</sup> January 2020**

The Chair asked the CFO if the attendance schedule in the Annual Report had been amended. The CFO replied that following discussion with both internal and external auditors, the schedule had not been amended as it was felt that it reflected accurate information.

	<p>It was noted that all other Action Points had been completed or would be addressed during the course of the meeting.</p>
<p><b>2.</b></p>	<p><b>Correspondence</b></p> <p>It was noted that there were no items of correspondence to bring to the Committee’s attention.</p>
<p><b>3.</b></p>	<p><b>Finance Items for Information:</b></p> <p><b>a) Financial Governance Report</b></p> <p>At the Chair’s invitation, the CFO presented the Financial Governance Report to the Committee. He commenced by noting that the report aimed to set out the forecasted financial position as at both 31<sup>st</sup> March 2020 (DfE year-end) and 31<sup>st</sup> July 2020 (SERC year-end). He highlighted that the forecast was on target for both the March and July year-ends.</p> <p>The CFO reported that income had increased, primarily due to receipt of £195K in backdated payments related to travel, contracting, payroll and other expenses which had arisen in the TfS project due to timing differences, in addition to an uplift in TfS fees. With respect to 31<sup>st</sup> July 2020, he noted that the original target figure of £34,445K remained unchanged as at Period 7. However, this assumed business would continue to operate as normal and did not yet include pandemic-related issues which would be factored in over the coming weeks. He observed that the DfE had asked the colleges to submit their cash requirement forecasts for a three-month period, with a view to providing the colleges with three months’ cash “up-front”. He noted that following submission the DfE had needed to redirect short-term cashflow and had reverted to making monthly payments to the colleges.</p> <p>The Chair asked the CFO if it was anticipated there would be any issues in relation to obtaining cash from the DfE during the coming months. The CFO replied that the College’s monthly cash requirements ordinarily remain relatively static and that DfE should not be surprised by the amounts being requested. He indicated that his chief concerns related to non-Grant-in-Aid income. He emphasized that the submitted cash forecasts (both one month and three months) had been very prudent and had assumed such non-grant sources of income would dwindle.</p> <p><b>b) NDPB Budgeting and Forecasting Submission</b></p> <p>The CFO informed the Committee that the latest return, which covered the period from April 2019 to March 2020, had been submitted on 17<sup>th</sup> March 2020. He noted that the return reflected:</p>

1. Actual performance as per SERC's 2018/2019 Financial Statements for the period April to July 2019;
2. Actual performance as per SERC's 2019/2020 Period 7 Management Accounts for the months August to February 2020; and
3. Forecast performance as per SERC's 2019/2020 Period 6 Management Accounts for the period March 2020.

The CFO observed that the return detailed an expected Departmental Expenditure Limit (DEL) Resource Requirement of £34,912K for April 2019 to March 2020, and that this was in line with SERC's Approved Resource Allocation for 2019/2020 as confirmed in DfE's correspondence dated 1<sup>st</sup> August 2019; adjusted by DfE on 6<sup>th</sup> March 2020 to approve the additional £60K of staff costs relating to STS Project backfill.

### **c) Debt Report**

Turning to the Debt Report, the CFO advised the Committee that, overall, the level of debt had reduced by £300K in comparison with the same point in 2019. He indicated that £541K payable by the Student Loans Company was scheduled to be paid in May 2020. He remarked that there were some outstanding amounts in relation to business engagement. He remarked that the amounts were not very substantial, but that work was underway to collect these debts, with a debt collector to be engaged in due course if required. He noted that the next large amount was related to training debt, which was outstanding due to departmental turnaround times.

In relation to invoices with school links, the CFO informed the meeting that £340K in invoices to schools had been issued later than usual in 2020 but no issues were expected in relation to payment in due course. He concluded his report by noting that, overall, the debt position looked good, and he invited questions or comment from the Committee. Mrs Reid asked if there had been any instruction or guidance from the DfE in relation to approaching debt during the current pandemic and lockdown. The CFO replied that no direction had been given by the DfE in relation to debt matters.

### **d) Update on Monitoring Loss of Commercial Income due to Delays in establishing Republic of Ireland ("RoI") Companies**

The CFO informed the meeting that loss of income in relation to delays in establishing a legal presence in RoI was still sitting at approximately £200K. He noted that the College was continuing

to work on its plan to establish a legal entity in RoI and that an updated business case was due to be submitted to the DfE within the next two weeks.

Concluding his report, he indicated that the overall financial forecast still reflected the anticipation that the College would have lost out on £200K in commercial income to 31<sup>st</sup> July 2020. The Chair asked if it was anticipated the issue would continue into the next academic year. The CFO opined that it was likely. He noted that work had just begun on the budget for 2020/2021 and it was hoped the RoI company would be up and running by September 2020. The Temporary Chair remarked that, with the pandemic, it might not be a priority matter for the DfE. He asked if there was any reason why the proposal might not be approved by the department. The CFO indicated that he could not see any reason why it would not be approved. The Temporary Chair remarked that it might be beneficial for a conversation to take place with the DfE FE Director. He asked that the Principal notify him when the business case was submitted to DfE.

**Action Point:** The Principal to notify the Temporary Chair when the business case regarding the RoI legal entity has been submitted to the DfE.

#### **e) Estates & Capital Expenditure Report**

The CFO noted that all College campuses had been closed with effect from 24<sup>th</sup> March and that agreements had been put in place with facilities partners to pay the contracted rates, provided the companies ensured that all staff who worked on SERC campus sites were not furloughed and were paid their full salaries on time. He commented that maintenance, post collection and cleaning work was continuing to be carried out at the campuses on a limited basis.

Turning to capital funding for the current academic year, the CFO reported that the DfE had confirmed a figure of £840K and that the College had pushed to get more funding agreed. He indicated that £300K had been spent on education assets for schools and delivery of provision and that £150K had been spent on the NI Film and TV School, which was an area of growth and success.

The CFO noted that the money allocated for works which were not delivered by PSD had been redirected to LED schemes across a number of the campuses and that the College had requested an initial amount of £2,000K from the DfE for the new year, for critical/urgent works. With respect to the project to replace PSD, the CFO noted that a sectoral procurement specialist had been

appointed and would begin to set up a new delivery model. He commented that PSD had indicated, due to the pandemic, they were only focusing on pandemic-related works at present.

The CFO reported that work on the Newcastle creche facility was completed. He noted that the target date was still September/October 2020 but that the facility required review and sign-off before it could be opened.

The Chair remarked that it was positive that the College had been able to re-allocate monies set aside for PSD works to other areas. She queried if the additional IT equipment provided to students had been included in the capital expenditure. The CFO replied that the DfE did not allow computer equipment to be capitalised. He informed the meeting that a large-scale order for a further 150 laptops had been placed, and that the College had also purchased peripherals such as headsets and dongles. The CFO remarked that the DfE had contacted the colleges to ask if they required additional funding to meet the cost of moving students online and that SERC had submitted a request for approximately £125K to cover this expenditure. He concluded his report by noting that approximately £330K of capital investment in non-Estates areas had been completed, which related primarily to IT hardware, media equipment and vehicles.

#### **f) Procurement Update Report**

The CFO commenced his report by noting that contracts during the period under review had related to the College spending money on capital investments such as hybrid cars, film and TV equipment and diagnostic equipment. He reported that sectoral procurement was proceeding as normal but that CPD was only working on pandemic-related priorities at present and that the College would be entering into some further contracts on its own. The Temporary Chair asked if it would be possible for the sector to obtain a dispensation to work independently. The CFO indicated that he would raise the matter with the DfE.

#### **g) Potential Impact of Coronavirus on College Finances**

The CFO informed the Committee that there was increased risk to the College's finances between March and July of up to £4,750K, with uncertainty in relation to TfS payments of approximately £2,750K and the likelihood of a loss of anticipated commercial income of £900K.

The CFO noted that the College was completing two supplier payment-runs each week to ensure that suppliers continued to receive income. The Temporary Chair noted the fluidity of the current

situation and observed that it could change rapidly. He asked that the Committee be updated at by the end of April if something significant happened which could impact on the College receiving the requested funds.

Professor Woodside asked if exam fees were being paid or waived and if students were expecting to pay fees. The CFO indicated that the vast majority of fees had already been paid but that there was a lack of clarity on whether these fees would be reimbursable.

**Action Point:** The CFO to advise the Committee by the end of April if there are any significant negative developments likely to impact on availability of requested funds.

4.

#### **Staffing Items for Information**

##### **a) HR Priorities 19/20 plan and status updates/HR Key Metrics Report**

At the Chair's invitation, the CHRO presented an overview of the HR Priorities and the current status of each. He advised that there was only one significant change to report for the period; Priority A 'Transforming Service Delivery' Objective 1 'for which the status had changed to red. He noted that this was due to a delay in receiving the DfE's decision as to whether the TfS contract would be extended for a further year. He advised that Transforming Service Delivery would continue to appear in the strategic priorities for the 2020/2021 academic year.

The Chair asked if the scheduled meeting with the Trades Unions would be put on hold due to the lockdown. The CHRO confirmed this to be the case.

Turning to Leadership and Management Development, the CHRO indicated that the evaluation of the programme was on target for completion by 30<sup>th</sup> June 2020. He indicated that all projects in this area were continuing. The Chair asked the CHRO to provide the Committee with an update on the matter prior to the next Committee meeting.

**Action Point:** The CHRO to provide an update to the Committee on the evaluation of the Leadership and Management Development programme prior to the next Committee meeting.

With respect to the KPI Metrics report the CHRO informed the meeting that headcount was slightly above target at 5.6%. He noted that the impact had been in relation to support staff, with the remaining staff groupings in line with the budget build.

Turning to Long-term Absences, the CHRO opined that it had hit its peak, as would be expected for the time of year. He noted that year-on-year there had been an increase from 3% to 3.8% and that significant reduction was required but that the expected final figure for the year would be 3.4% or 3.5% if the current trend continued. He remarked that there were no concentrations per department and that mental health issues accounted for 60% of these absences. He clarified that the mental health issues were primarily related to outside factors and not the work environment.

The Chair noted that the budget for staff was to cover a headcount of 677 and that there were currently 712 staff, with a further 30 vacant posts. The CHRO stated that these posts would not be filled before the College's financial year-end and were not included in the current headcount figures. The Chair asked for clarity in relation to absences due to Covid-19. The CHRO advised that individuals who were self-isolating or who contracted the virus would not be included in the sickness absence figures. He indicated that it was possible to record these figures separately and that these absences would not be used for calculation of trigger points or monitoring sick absence.

#### **b) Employee Relations Update**

The CHRO presented an overview of the latest report to the Committee. He commenced by noting that there had been an increase in the number of investigations for the year to date, primarily in relation to grievance and disciplinary matters. He noted that there had been some issues in relation to progressing the investigations related to harassment complaints, which were running beyond the target timeframe for completion and that it was very challenging to try to resolve these issues within a 12 to 16-week timeframe.

With reference to industrial tribunals, the CHRO indicated that all cases had now been postponed until after 30<sup>th</sup> June 2020 and he opined that it was likely to be 2021 before the case related to the College was listed for hearing.

#### **c) Staff Survey**

The CHRO informed the meeting that the format of the survey was as unchanged as possible, to facilitate more coherent trend analysis. He noted that the questions asked were similar to previous

years and covered matters such as experience of working for SERC, enjoyment of the role, morale and similar matters. He observed that there were more focused questions related to the participant's perception of society's views on their professional standing as well as further questions on training, equal opportunities and treatment over the past 12 months. He noted that the section related to health and wellbeing had been changed to reflect the changes to the mental health scheme. The CHRO stated that the survey was anonymous, and that no individual could be identified but that it was important that the College be able to ascertain if there were issues affecting certain groups or in certain areas of the College.

Mrs Reid asked if question 5, regarding motivation, was a standard question. The CHRO replied that he was aware that some staff were concerned it would be used to identify them. The Chair remarked that there was scope for making changes to ensure this would not be a concern for staff. The CHRO indicated that he would arrange for the wording to be reviewed.

**Action Point:** The CHRO to review and identify appropriate wording for Question 5 of the Staff Survey.

In relation to question 50, Mr Corbett observed that it was not the role of the Staff Governors to give feedback to staff and he queried if it would be more appropriate to remove this question. Following due consideration, it was agreed that question 50 be removed from future staff surveys.

**Agreed:** That Question 50 be removed from future Staff Surveys.

**Proposed by:** Heather Reid

**Seconded by:** Alan Woodside

**Action Point:** The CHRO to remove Question 50 from future Staff Surveys.

With respect to questions 11 and 12, concerning perception, a query was raised as to whether there was scope to add other responses, as the range of responses provided might not cover all possible responses. The CHRO replied that, on the basis of responses received in previous years most people completed this section and selected the option which stated that unfortunately, society had a lower perception of their role than similar roles in Higher Education. He remarked that very few staff felt they had equal standing to staff in the university sector. Mrs Reid indicated



that she was happy for question 12 to remain unchanged but she believed it would be beneficial to add a 'none of the above' option to question 11.

**Action Point:** The CHRO to amend the responses to Question 11 to provide a 'none of the above' option.

#### **d) Case Management Review**

With respect to the Case Management Review, the CHRO observed that the presentation covered the financial year to date and that there had been a small increase in the number of cases, from 17 to 23. He remarked that the pattern remained the same, with the majority of issues relating to harassment, grievances, and disciplinary matters. He observed that the issues arose across a number of departments and schools, and that there was no single specific area of concern.

The CHRO noted that, of the 23 cases, 15 had been raised by curriculum support staff, 7 by academic staff and 1 by a member of support staff. He indicated that the disciplinary cases were being completed in a reasonable timeframe but that the harassment cases were taking significantly longer, which was an ongoing issue. He noted that the outcomes of the cases were mixed; some with formal action being taken, some with no action being taken and 50% still to complete.

Turning to the summary section of the report, the CHRO noted approximately 56% of incidents related to alleged harassment. He observed that 8 investigations during the period under review related to 2 staff members, which amounted to 35% of the cases during the preceding 12 months. He remarked that 70% of the cases related to non-teaching staff, and that over the period the harassment cases had become more complex; requiring longer to work through. As a result, efforts were underway to bring in an additional temporary resource to assist with the caseload. He commented that the bi-weekly case management meetings were continuing, and a report was being provided to the CMT.

Mrs Fraser queried if similar records were maintained in relation to student complaints against staff. The CHRO replied that student complaints regarding staff were reported in the tabled figures. Mrs Fraser asked if there was any correlation between issues raised by students and those raised by staff. The CHRO indicated that he believed there was one instance. Professor Woodside asked if the figures represented only issues between the same category of staff. The CHRO replied that it

was a combination, but that harassment would normally occur within a team and between a member of staff and a manager.

The CHRO noted that the non-teaching unions had indicated they were happy to continue working on the issues remotely. He remarked that it would not be possible to hold face-to-face meetings for the foreseeable future but that the College was being as flexible as possible with staff, particularly with regard to appeals. He indicated that the College wanted people to get a result as soon as possible and was facilitating progress via Skype meetings and/or written submissions.

*At this juncture Mrs Fraser left the meeting. (19:08)*

#### **e) Review of NIFE Voluntary Exit Scheme**

The CHRO observed that the review of the NIFE Voluntary Exit Scheme was very much an interim report. He informed the meeting that the sector had been running the scheme for four years and that it had been subject to a wide range of reviews by Internal Audit and the Department of Finance, as well as further evaluation by DfE with the support of SIB. He indicated that the purpose of the report was to understand the change in numbers, savings and the reason for any re-growth in staff numbers. He noted that only initial findings had been received from SIB, pending issue of a final report which would include the sectoral figures as well as the College's.

The CHRO reported that the draft indicated the College had 52 more full-time employees at 31<sup>st</sup> March 2019 than on 1<sup>st</sup> April 2015 and he provided the Committee with an overview of where these roles were and why they had been needed. The CFO observed that there had been pay awards during the period which had not previously existed and a significant increase in pension contributions for academic staff, which had contributed to the increased costs. Furthermore, additional staff had been recruited to develop commercial income opportunities and to work on TfS and other programmes. He commented that staff costs had increased by £2.5 million but that the commercial income generated had increased by £2.75 million. The Chair commented that for all figures reported it had been possible to provide an explanation and rationale. Mrs Reid remarked that she believed the College had behaved appropriately in relation to the Voluntary Exit Scheme. The CFO stated that SERC stood over the scheme as handled within the College and that it had given SERC the opportunity to move in different directions while staying within budget.

#### **f) Potential Impact of Coronavirus on Staffing**

The CHRO reported that there were no issues relating to the effect of the Coronavirus pandemic on staff which had not already been addressed. He observed that, for staff, there had been significant challenges across a range of issues including environment, equipment, wellbeing, mental health, CPD and trying to upskill, as well as for managers who were having to manage teams working remotely. He remarked that there was a significant amount for staff to adapt to and that, almost without exception, the challenges had been met with determination and enthusiasm – particularly with regard to supporting students – and that the staff was a credit to the College in terms of approach and commitment. The Chair remarked that sterling work had been undertaken. She asked that the item remain on the agenda for future meetings of the Committee for both Finance and Staffing updates.

**Action Point:** Potential Impact of Coronavirus on Staffing to remain a rolling agenda item for the foreseeable future for both Finance and Staffing updates

**5. Update on Applications and Enrolments**

At the Chair's invitation, the Principal presented the report on Applications and Enrolments. He noted that HE applications were down 20 from the target figure but that other applications were on target. He remarked on the lack of clarity in relation to the future of TfS and Traineeships and he indicated that the College would have a prospectus for TfS ready at the end of the week, which would be released once the Minister announced the continuation of the TfS programme for the next academic year, which appeared to be the only feasible option.

The Principal informed the meeting that engagement with pupils in schools had not been possible since the lockdown and that the College's focus had been on moving staff and students online. However, work was underway to increase engagement via social media and the College website. He observed that student interviews would take place online after the Easter break and preparation for this was currently underway. He noted the importance of contingency planning to address matters such as the possibility of holding fully online open days, whereby prospective students would be able to engage with various teams. He explained that there was significant preparation required in relation to identifying things the College could improve upon, in connection with operating online.

6.	<p><b>Collaboration Programme; and Systems Technology Services Project</b></p> <p>Turning to the STS project, the Principal indicated that part of the system was due to be complete in September 2020 but that the full system would not be operational until January 2021 at the earliest. He noted that this did not increase the College’s risk profile as SERC had its own system and it would give the College more time to work on developments to allow the systems to integrate more seamlessly with EDS.</p>
7.	<p><b>Policy Review</b></p> <p>It was noted that there were no policies for review at the current time. The Chair indicated that the Data Protection Policy was to be included on the Agenda for the Committee meeting to be held on 16<sup>th</sup> June 2020.</p> <div data-bbox="207 824 1492 936" style="border: 1px solid black; padding: 5px;"> <p><b>Action Point:</b> The Data Protection Policy to be included on the Agenda for the Committee meeting to be held on 16<sup>th</sup> June 2020.</p> </div>
8.	<p><b>Any other business</b></p> <p><b>a) Audit Committee Membership</b></p> <p>The Chair noted that Mr Neil Bodger had stepped down from the role of Chair of the Audit Committee and would move to the FGP Committee. She asked for expressions of interest from current members of the FGP Committee to move to the Audit Committee.</p> <div data-bbox="207 1317 1492 1429" style="border: 1px solid black; padding: 5px;"> <p><b>Action Point:</b> The Temporary Secretary to follow up with Governors to identify an individual who wishes to move to the Audit Committee.</p> </div> <p><b>b) College Development Plan</b></p> <p>The Principal noted that there was no requirement to submit the College Development Plan to the DfE until 30<sup>th</sup> June 2020. He indicated that there was no budget at present as it was predicated on the fact that the sector was to be running on budgets provided to DfE, which were to take account of un-baselined funding and staff costs.</p> <p>No other business was discussed.</p> <p><i>At this juncture Mr Corbett left the meeting. (19:43)</i></p>
9.	<p><b>Confidential Business</b></p> <p>A separate note was taken for this item.</p>

	<p><b>Date of next meeting</b></p> <p>It was noted that the next meeting of the Committee was scheduled to take place on Tuesday, 16<sup>th</sup> June 2020, via Skype Teleconference.</p>
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**The meeting concluded at 19:50**