



SOUTH EASTERN REGIONAL COLLEGE

Minutes of a meeting of

**the Finance & General Purposes Committee (the "Committee") of the Governing Body
held on Tuesday, 16th June 2020, at 17:30, 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), Mr N Bodger

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)

Apologies: It was noted that Professor Woodside was unable to attend the meeting and his apologies were duly conveyed to the Committee.

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) Expressions of Interest for the position of Vice-Chair of the F&GP Committee:

The Chair noted that the former Vice-Chair, Mrs Fraser, had moved to the Audit Committee and that it was necessary for a replacement to be appointed. She invited eligible members of the Committee to consider putting themselves forward for the role. Mr Bodger indicated that he would be happy to assume the role as a temporary measure until either new Governors were appointed or his term of appointment came to an end in January 2021.

Action: Election/Appointment of FGP Committee Vice-Chair to be formalised at next FGP meeting on 15th September 2020.

d) Minutes of the meeting held on 7th April 2020:

The Chair asked members to review the minutes from the meeting held on 7th April 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 29th June 2020.

Proposed by: Heather Reid

Seconded by: Andrew Corbett

	<p>e) FGP Action Points and Key Decisions from the meeting held on 7th April 2020:</p> <p>It was noted that all other Action Points had been completed or would be addressed during the course of the meeting.</p>
2.	<p>Correspondence:</p> <p>a) DfE FE Returns Timetable or the year ended 31st July 2020:</p> <p>The Committee noted the key dates, as indicated on the timetable. The CFO remarked that there were no specific matters that required the Committee’s attention.</p>
3.	<p>Meeting Schedule and Cycle of Business:</p> <p>a) F&GP Committee Cycle of Business for 2020/2021:</p> <p>The Chair noted the proposed Cycle of Business for the next academic year, which had been previously circulated. She invited Governors to contribute any further items for inclusion or amendment. No further items were raised.</p> <p>b) F&GP Committee Meeting Schedule for 2020/2021:</p> <p>The Chair observed that the Meeting Schedule had been previously circulated and reviewed. She invited the Governors to comment if there were any dates that were unsuitable. It was noted that the dates for meetings of the Committee during the 2020/2021 academic year appeared to be in order. The Chair indicated that the Meeting Schedule would be tabled for approval at the next meeting of the Governing Body.</p> <div data-bbox="207 1200 1508 1328" style="border: 1px solid black; padding: 5px;"> <p>Agreed: That the Meeting Schedule for the F&GP Committee is approved. Proposed by: Heather Reid Seconded by: Neil Bodger</p> </div> <p>The Chair asked if it was anticipated that meetings would continue to be held via Skype. The Temporary Chair replied that this would be the case until instructed otherwise.</p>
4.	<p>Finance Items for Information:</p> <p>a) Financial Governance Report:</p> <p>At the Chair’s invitation, the CFO presented the Financial Governance Report to the Committee. He noted that the report aimed to set out the actual financial position as at 31st March 2020 (DfE year-end) and the forecast position as at 31st July 2020 (SERC year-end).</p> <p>The CFO indicated that the actual outcome for the 31st March year-end was £35,093k, which was an increase on the total resource budget allocation from the DfE. He observed that the original Approved Resource Allocation for 2019/2020 had been £34,912K for April 2019 to March 2020, and that an additional £60K of staff costs relating to STS Project backfill had been authorised by the on 6th March 2020. He indicated that there had been a further overspend of £121k, which had been incurred in relation to the pandemic and closing of the College campuses, arising from the reduction in commercial income and</p>

expenditure on IT equipment towards the end of March. He confirmed that the DfE was satisfied with where the colleges' spending had ended up at the 31st March year-end and that the additional overspend was also deemed an "authorised overspend".

Once core funding is adjusted for this £181k authorised overspend in March and a recently indicated £28k reduction to funding for the April to July 2020 period, the College's "budget pressure" up to end of July totals £741k. This pressure reflects the expected impact of the Coronavirus Pandemic until end of July 2020, including an expected shortfall in commercial and project income of approximately £1m being partially offset by an expected underspend in staffing.

b) NDPB Budgeting and Forecasting Submission:

The CFO informed the Committee that the latest return, which covered the period from April 2020 to March 2021, had been submitted on 29th May 2020. He noted that the return reflected:

1. Actual performance as per SERC's 2019/2020 Period 9 Management Accounts for April 2020;
2. Forecast performance as per SERC's Period 9 Management Accounts for May to July 2020; and
3. Forecast performance as per SERC's 2020/2021 draft Baseline Operational Budget for August 2020 to March 2021.

The CFO remarked that the return detailed an anticipated Departmental Expenditure Limit (DEL) Resource Requirement of £37,176k for the year April 2020 to March 2021. He observed that this amount was £750k higher than the College's initial Indicative Resource Allocation of £36,426k for 2020/2021, which had been confirmed in the DfE's correspondence dated 17th April 2020. He explained that the variance was due to the impact of the pandemic and lockdown for the period to the College's financial year-end of 31st July 2020 and that the DfE had been advised of this figure.

The CFO observed that, subsequent to the report, and following detailed review and planning, that figure had been revised downward to approximately £741k. He observed that the anticipated variance had been flagged to the DfE on a number of occasions but that there had been no indication from the DfE as to how the matter would be addressed or resolved. He noted that he would meet with NIFON later that week and that he would raise the issue again, with a view to obtaining clarification on how it was proposed to reduce financial pressures on the colleges. He remarked that the Director of FE in the DfE was aware of the sectoral pressures and had indicated she would work to assist the colleges. The Principal commented that he did not believe the colleges would be expected to make cuts in order to operate within budget and that there was a recognition of the need to upskill and re-train the workforce, which would be essential to economic recovery. He noted that the DfE had been asked to meet with the Permanent Secretary to discuss funding skills development to support economic recovery. The Chair asked that the Principal update the Committee once there was further clarity on the matter.

Action: The Principal to update the Committee with respect to funding for skills development and retraining once further clarity has been provided.

c) Debt Report:

The CFO observed that there were large amounts shown on the report but that these were primarily due to timing factors. He reported that the figures were roughly in line with the same time during the previous year. He noted that there was a need to follow up on the monies due in relation to school links but that

there was nothing of concern to bring to the Committee's attention. He remarked that there was a loss of approximately £23k in relation to fees, which related primarily to part-time leisure courses, where it had not been possible to deliver the courses due to lockdown.

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 and it was expected that there would be further impact into the next financial year. However, the current baseline budget for 2020/2021 assumed that the Dublin entity would be up and running. He observed that, if delays persisted, the college would have to re-plan accordingly.

With respect to the College's work on establishing a presence in the RoI, the CFO reported that the business case had been revisited and updated and had been submitted to the DfE during the first week of June. He noted that work was ongoing in relation to the application to QQI for registration and awarding body status.

The CFO noted the Dublin PSC Assembly Questions paper, which had been included with the meeting papers and he explained that the DfE had received a series of questions from MLA Jim Allister. He remarked that SERC had provided the required information to the Minister. He noted that both the questions raised and the responses provided were reflected in the paper, and would be forwarded by the Minister to Mr Allister.

e) Estates & Capital Expenditure Report:

The CFO noted that all College campuses remained closed and that work was underway with respect to the return-to-campus safety arrangements. He indicated that a maximum headcount audit had been carried out on all campuses and was currently being refined. He informed the Committee that the College was implementing a project to build its own protective screens and that there would therefore be changes to the number of students the College could safely accommodate at any one time.

With respect to the PPP/facilities management partners, the CFO indicated that maintenance and cleaning work was continuing, and that the College could open the campuses when it wished, for essential, authorised visits. He reported that SERC had been given £1 million in capital funding, £300k of which would have to be spent on delayed PSD projects. With respect to the remaining £700k, he informed the meeting that this was primarily for the schools and equipment, with a significant investment into IT hardware such as servers. He noted that good progress was being made in relation to appointment of a replacement for PSD, which appeared to be on target to take place by April 2021. He remarked that all works at the Newcastle creche facility had been completed and only awaited sign-off.

In response to a question raised by Mr Corbett, the CFO indicated that there would be signage created for the College, which would focus on the 2-metre social distancing rule. He observed that some flexibility would be required as the rule could change and that there were some spaces where a 2-metre distance would not be possible, hence the need to produce screens. He cited the example of the Newtownards campus where, implementing both 2-metre distancing and screens, headcount would probably reduce to 50% of the previous year's level – at any one time. He confirmed that the additional costs in relation to PPE and cleaning services would be borne by the colleges, together with a likely increase in staff to control access to the campus buildings. He remarked that this had significant financial implications but that the DfE

appeared to recognise this. The Principal commented that the facilities management providers were flexible and would work with the College to minimise additional costs.

f) Procurement Update Report:

The CFO indicated that the majority of procurement was focused on pandemic-related matters, including acquisition of a multimedia printer which was tied-in to the College's ability to produce social distancing signage internally. He noted that part of the focus was on procurement of PPE and that work on acquiring PPE items was now beginning to move quickly, due in part to the return of the procurement manager from maternity leave, as well as being given access to framework lists by CPD.

g) Potential Impact of Coronavirus on College Finances:

The CFO noted that this matter would be covered in detail during the next item on the Agenda.

h) Resource Budget:

The CFO informed the Committee that there were more assumptions in relation to the coming year than would normally be the case. He observed that the Resource Budget would be revisited during August/September but that the Resource Requirement indicated for the next academic year was £37.6 million, which was in line with the allocation outlined by the DfE. He noted that this factored in an anticipated reduction in income from commercial activities and provisions such as Apprenticeship NI. He remarked that there was a potential for this expected position to change, as it was based on current thinking. He commented that there was an argument that the number of students could increase in some areas, given the need for upskilling and retraining in order to assist economic recovery.

The CFO observed that approximately half of the £1.2m expected increase in staff costs related to unavoidable pay award increases, while the remaining £600k related mainly to development areas including access to education where it was proposed to recruit 7 further full-time lecturers. He commented that there would be further non-teaching support roles and positions to be filled in HR, procurement, and other areas. He noted that the new resource allocation would allow the College to fill some posts which were currently vacant. He reported that non-staffing items had increased by £105k; £50k of which related to PFI contract costs, with the balance accounted for by a substantial increase in rates. He stated that non staff-related costs, such as travel and projects, had been reduced as a result of the pandemic. He commented that the figures could increase by a further £750k for the coming academic year due to Covid-19 mitigations, and that this amount was not reflected in the baseline budget. He concluded his report by observing that the figures could be changed prior to the next meeting of the Committee, in September 2020. He invited questions from the Committee and asked that the budget be approved, if deemed appropriate.

The Temporary Chair asked if planning for 2020/2021 was being done at a sectoral level. The CFO confirmed this to be the case and that the DfE was chairing an oversight group, ensuring that the sector would follow PHA advice. The Principal provided the Committee with a brief overview of the planned, phased, approach to re-opening the College campuses and noted that he would provide a further briefing at the next meeting of the Governing Body.

Agreed: That the Resource Budget, as tabled, be recommended for approval at the Governing Body meeting to be held on 29th June 2020.

5.

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 two objectives had been achieved and two had not. He indicated that the item relating to curriculum reform was being carried into the next academic year. He reported that the terms and conditions for academic staff were going through a conciliation process and that the LRA was continuing to work on developing the process. He observed that the LRA was currently engaged with the Trades Unions and was seeking to engage with management. However, this was not likely to be completed before the end of the current academic year.

b) Employee Relations Update:

The CHRO informed the Committee that there were no substantive changes to report and that the only item which was not within target was sickness absence. He observed that the tabled report covered the period to April 2020 and reflected long-term absence at 3.7%, however, this figure had reduced to 3.5% during May and would continue to decline over the summer months. He noted that figures for Covid-related absences were not included in the figures shown. The Temporary Chair asked if the Committee could see the figures related to Covid. The CHRO confirmed that it would be possible. He observed that the figures were very low, and he did not believe any student or staff member had been confirmed as having Covid. He remarked that most individuals on the list would have been off due to their symptoms, or those of a household member.

Action: A report on Covid absence figures to be provided to the Committee.

Turning to employee relations, the CHRO reported that there was no significant change to the figures compared to previous years. He noted that all grievance complaints had been completed and that there had been no appeal in 3 out of 4 cases. He stated that a significant number of harassment cases remained outstanding and that the College had been unsuccessful in progressing any to the appeals stage. He explained that there had been strong resistance from NIPSA to progressing these cases during the lockdown, via videoconference or in writing. He noted that the number of cases would not diminish and that this would create a significant backlog once lockdown was over, however, these matters could be facilitated once the campuses were re-opened.

c) Potential Impact of Coronavirus on Staffing:

The CHRO observed that it has been a challenging year for staff, who had responded tremendously to the challenges. He indicated that the College had made a significant investment in upskilling staff and that, going forward, it was expected that priorities would centre around staff wellbeing and support. He noted that the College was identifying needs for the next academic year and that this part of the planning was critical. He commented that not all staff would be working online and that there were concerns regarding returning to the College campuses. He remarked that the College was endeavouring to provide reassurance but that it would still be a challenging time for staff.

d) Annual Monitoring Report:

The CHRO noted that the report was required in order to identify the composition of the workforce. He observed that there had not been a significant amount of change regarding gender but there had been

	<p>some change in relation to community background, and that he did not anticipate any issues in relation to equality action.</p> <p>e) Evaluation of Leadership and Management Development Programme: The CHRO indicated that there were two levels of programme available. He explained that the Level 4 provision was targeted at individuals who were not currently in a management role, with a view to creating a pipeline for future managers. He informed the meeting that the initial response to the programme had been positive, and that 3 cohorts had been through the programme during the current year. He noted that the vast majority of the 30 participants had completed the course and that there had been no appreciable impact from the move online, with exception of the presentation to CMT, which had been done online rather than face-to-face. He noted that the Level 5 provision was for staff who were already in a management position who were required to undertake the qualification.</p> <p>f) Staff Survey: The CHRO reported that the 9th staff survey had now been completed and that he was pleased with the response rate, given the timing, albeit the rate was down approximately 10% from the previous year. He noted that the results of the motivation levels question had dropped by 6% and there was an increase of 1% in relation to the question on bullying and harassment, which was coming from colleagues rather than management. He remarked that, overall, the outcome had been positive.</p>
<p>6.</p>	<p>Update on Applications and Enrolments:</p> <p>At the Chair’s invitation, the Principal presented the report on Applications and Enrolments. He informed the meeting that, following an increase in marketing activities and social media engagement, applications had increased and were now slightly ahead of the same time last year. He noted that there was strong interest in TfS and that increased numbers would boost non grant-in-aid income. On the HE side, he reported that there was a television advertisement currently being shown to encourage study in Northern Ireland, in which the College’s logo featured prominently. It was hoped that this would have a positive effect, but he noted the concern that the universities might be aggressive in their approach to recruiting students.</p> <p>The Principal remarked that applications did not necessarily translate to enrolments, but he believed potential students were looking at where there were opportunities and a likelihood of job security in the current economy. He noted that there had been a reduction in applications for hospitality courses but that it had not been significant and that this could be due, at least in part, to the higher-end, more specialised courses the College offered.</p>
<p>7.</p>	<p>Collaboration Programme and Systems Technology Services Project:</p> <p>The Principal informed the meeting that the project was progressing, albeit slowly. He noted that work was underway in relation to getting course payments into the system, which had delayed the launch of the part-time course prospectus. He commented that an update on this matter would be provided by the Director of C&IS at the next meeting of the Governing Body. He observed that the College had its own systems and was not at risk as there were contingencies in place.</p>

<p>8.</p>	<p>Policy Review:</p> <p>a) Data Protection Policy: The Data Protection Policy was duly noted by the Committee and taken as read.</p> <p>b) Freedom of Information Policy: The Freedom of Information Policy was duly noted by the Committee and taken as read.</p> <p>c) Health and Safety Policy: The CHRO provided the Committee with an overview of the amendments to the Health and Safety Policy. The Committee duly noted the changes.</p> <p>d) COSHH Policy: The CHRO provided the Committee with an overview of the amendments to the COSHH Policy. The Committee duly noted the changes.</p> <p>e) Fire Safety Policy: The CHRO provided the Committee with an overview of the amendments to the Fire Safety Policy. The Committee duly noted the changes.</p> <div data-bbox="207 985 1500 1153" style="border: 1px solid black; padding: 5px;"> <p>Agreed: That the Health and Safety Policy, the COSHH Policy and the Fire Safety Policy be approved and tabled for consideration and approval at the Governing Body meeting on 29th June 2020. Proposed by: Neil Bodger Seconded by: Heather Reid</p> </div> <p>f) Budget Policy: The Budget Policy was duly noted by the Committee and taken as read.</p> <p>g) Financial Governance Policy: The CFO provided the Committee with an overview of the amendments to the Financial Governance Policy. The Committee duly noted the changes.</p> <p>h) Treasury Management Policy: The CFO provided the Committee with an overview of the amendments to the Treasury Management Policy. The Committee duly noted the changes.</p> <div data-bbox="207 1646 1500 1803" style="border: 1px solid black; padding: 5px;"> <p>Agreed: That the Financial Governance Policy and the Treasury Management Policy be approved and tabled for consideration and approval at the Governing Body meeting on 29th June 2020. Proposed by: Barbara Larkin Seconded by: Andrew Corbett</p> </div>
<p>9.</p>	<p>Any Other Business:</p> <p>The Principal asked to introduce two items of business, which had been brought to his attention earlier that day. He informed the meeting that the first item related to an article on the BBC News website, concerning</p>

re-opening of the FE colleges in order to carry out essential assessments to allow students to obtain their qualifications. He noted that UCU had raised concerns on the proposed re-opening and he provided the Committee with an overview of the proposed process, precautions that were to be put in place, anticipated timing of the assessments, and the numbers of staff and students involved. He confirmed that there had been meetings of the College's Joint Consultation Forum and the Health and Safety Committees across the campuses.

The Principal noted a further issue in relation to the awarding of qualifications, particularly in light of the fact that the entire staff of City & Guilds in Northern Ireland had been furloughed since the start of lockdown. He observed that the Colleges were not authorised to indicate to students what their grades and outcomes were likely to be, as they would be determined by the awarding bodies. He highlighted that there was no clarity regarding the appeals mechanism. He reported that the colleges were asking their insurers if they would be covered in respect of any appeals and, if that was not the case, the colleges would then approach the DfE for indemnification. He remarked that it appeared the awarding bodies were endeavouring to move the risk to the colleges, although the colleges were not responsible for the grading decisions. Mrs Reid noted that the matter should continue to be monitored by both the F&GP Committee and the Education Committee. The Chair asked that the Principal keep the Governing Body apprised of any updates from the College's insurers.

Action: The F&GP Committee and the Education Committee to continue to monitor the situation in relation to the appeals mechanism and any potential liability accruing to the College.

Action: The Principal to keep the Governing Body apprised of any updates from the College's insurers in relation to student grade appeals.

No other business was discussed.

At this juncture Mr Corbett left the meeting. (19:53)

10.	Confidential Business A separate note was taken for this item.
11.	Date of next meeting: It was noted that the next meeting of the Committee was scheduled to take place on Tuesday, 15 th September 2020, at 17:30. The Chair noted that it was proposed to continue holding meetings via Skype for the foreseeable future and that Governors would be informed if this position changed.

The meeting concluded at 20:00