

SOUTH EASTERN REGIONAL COLLEGE

**Minutes of a meeting of
the Finance & General Purposes Committee (the “Committee”) of the Governing Body
held on Tuesday, 10th November 2020, at 17:30, via Microsoft Teams Videoconference**

<p>1.</p>	<p>Chair’s Business:</p> <p>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), Prof A Woodside, Mr N Bodger</p> <p>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), Mrs P Philpott (Head of Learning Academy (the “Head of LA”))(Item 5d only)</p> <p>Apologies: It was noted that all members of the Committee were present.</p> <p>In the Chair: Mrs B Larkin</p> <p>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. The Temporary Chair noted that his wife was the Director of Finance for the DfE. There were no further declarations of conflicts of interest.</p> <p>c) Appointment of Vice-Chair of the F&GP Committee: The Chair noted that Mr Bodger had indicated his interest in acting as Vice-Chair of the Committee. Following due consideration, the Committee members agreed that Mr Bodger be appointed Vice-Chair of the Committee, with immediate effect.</p> <div data-bbox="207 1563 1508 1691" style="border: 1px solid black; padding: 5px;"><p>Agreed: That Mr Bodger be appointed Vice-Chair of the Committee with immediate effect. Proposed by: Alan Woodside Seconded by: Barbara Larkin</p></div> <p>d) Minutes of the F&GP Committee meeting held on 15th September 2020: The Chair asked members to review the minutes from the meeting held on 15th September 2020. The members agreed that the minutes were a true and accurate record of the meeting.</p> <div data-bbox="207 1892 1492 2020" style="border: 1px solid black; padding: 5px;"><p>Agreed: Following due consideration it was agreed that the minutes of the meeting held on 15th September 2020 be accepted and tabled for approval at the meeting of the Governing Body to be held on 16th November 2020.</p></div>
-----------	--

Proposed by: Heather Reid
Seconded by: Andrew Corbett

e) FGP Action Points and Key Decisions from the meeting held on 16th June 2020:

It was noted that there was one Action Point, regarding the appointment of the Vice-Chair to the Committee, which had been completed.

2.

Correspondence:

a) DfE Confirmation of Covid-19 Resource Allocation:

The CFO informed the meeting that the correspondence related to confirmation of the funding allocated to the College regarding its £1,150k spend with respect to Covid, to the end of July 2020. He noted that this was a positive outcome for the College and that further funding of £439k had also been confirmed for HE and Skills Focus.

b) SIB Review of VES:

The CFO observed that a number of reviews had been carried out on the VES and that this correspondence related to the review by the Strategic Investment Board. He noted that this correspondence related to a third-party review and that the outcome had been largely positive for the College.

c) CEF Circular 2020.01 – Non-Teaching Staff Pay Rates from 1st April 2020:

The CHRO remarked that the circular related to pay rates for non-teaching staff, which had been implemented and backdated to 1st April 2020, in the amount of 2.75%. He observed that the rate had been negotiated at a national level.

3.

Finance Items for Information:

a) Financial Governance Report:

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 2021 (DfE year-end) and the actual position for the 31st July 2021 (SERC year-end). He noted that the position as at 31st March 2021 had been discussed at previous meeting, and that the College was deemed to have been on target for the Departmental year.

The CFO indicated that the College had been given an additional resource allocation of £439k on 23rd October, which increased the target for the financial year ending 31st July 2021 to £38,080k. He observed that there were pressures of approximately £463k for the DfE's financial year-end of 31st March 2021 and that the Committee would be receiving a detailed paper on the matter at its next meeting. He remarked that this pressure included both staff and non-staff costs and was exclusively due to Covid. He noted that his original estimate of the additional pressure had been £750k for 2019/2020 and the same figure for 2020/2021 but this figure had been revised upwards for a total of approximately £1,600k over both years. He informed the meeting that he had submitted these figures to the DfE on 23rd October.

The CFO commented that in addition to extra costs arising due to the pandemic and lockdown, there had also been a reduction in fees income and commercial income, including sales from catering and the

College's hair and beauty outlets. He observed that there had been an increase in relation to income from TfS, FE and school links but these positives had been slightly outweighed. He remarked that SERC appeared to be in a better position than the other colleges which were anticipating larger pressures and that the College had controlled the situation quite well and had maintained constant communication with the DfE.

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 26th October 2020. He noted that the return reflected:

1. Actual performance as per SERC's 2019/20 (Draft) Financial Statements for April to July 2020.
2. Actual performance as per SERC's 2020/21 Period 2 Management Accounts for August and September 2020.
3. Forecast performance as per SERC's 2020/21 Period 2 Management Accounts for the period October 2020 to March 2021.

The CFO remarked that the return detailed an expected Departmental Expenditure Limit (DEL) Resource Requirement of £38,482k for the year April 2020 to March 2021, which included Covid-related expenditure. He observed that this amount was £463k higher than the College's updated Resource Allocation of £38,019k for 2020/2021, which had been confirmed by the DfE via email on 23rd October. He explained that the negative variance related to the impact of the pandemic and that the College was continuing to discuss the matter with the DfE with a view to obtaining the required additional funding.

c) Debt Report:

The CFO informed the meeting that the Debt Report appeared very positive, with a relatively low level of debt. He explained that due to issues with the STS system and its inability to interface with the existing systems in the colleges, it had not been possible to process student fees as yet. He noted that the students were enrolled and had signed liability forms and had agreed to pay the fees but that the process to create invoices and bill the students was slow and required significant manual intervention at the present time. He observed that it was likely to be a number of weeks before resolution was achieved.

The Temporary Chair asked if there was a risk that the delay would lead to a larger level of debt than usual. The CFO replied that the risk was no higher than would generally be the case and that the largest part of the issue was in relation to HE fees which were tied to the Student Loans Company. He reiterated that students were aware that the fee invoices would be issued and that the fees were payable, and they had signed the liability forms.

d) Estates and Capital Expenditure Report:

The CFO reported that there had been no significant changes since the previous Committee meeting. He noted that on-campus delivery was operating successfully overall. He observed that SERC had secured an additional £600k of capital funding: and he noted that the project to replace PSD was going well. He remarked that the target date of the end of March 2021, for appointing PSD's replacement, still appeared to be very achievable. In conclusion, he commented that the Newcastle creche facility was now up and running.

e) Estates Strategy:

The CFO observed that the Estates Strategy had been approved by the Governing Body in 2018. He noted that the Estates Strategy was to be approved by the Governing Body once every five years, and to be tabled for noting in the interim years. He remarked that the next Governing Body approval would take place during 2023 and that the Estates Strategy was reviewed, updated and approved by the CMT each intervening year. He provided the Committee with an overview of the current status of the strategy, noting that the majority of the year-1 urgent Health and Safety related works had been completed and only required a small investment over the remaining years of the strategy. He commented that the works plans would be refreshed when PSD's replacement was appointed. He indicated that E-SERC had been highlighted as a primary focus.

f) Procurement Update Report:

The CFO indicated that four contracts had been awarded since the previous meeting and he noted that PPE was high on the procurement priority list at present.

g) Potential Impact of Coronavirus on College Finances:

The CFO informed the meeting that details of the expected £463k of pressure related to Covid, had been submitted to DfE on 26th October. He observed that the submission included a potential £214k in commercial income for 2020/2021, which related to the proposed establishment of a legal entity in Ireland. He remarked that Covid had impacted on the changes to Irish legislation which would have created the immediate demand for commercial gas training, and that the proposed changes had been deferred for another two years. However, he had discussed the matter with the DfE Director of FE, who had indicated this item should probably be included in the Covid pressure figures by the College. He noted that this would increase the pressure to £677k. He observed that the postponing of the Irish legislative changes was disappointing, as were the delays in obtaining approval of the Business Case by DfE and obtaining QQI approvals, but that the College would continue to try to progress these matters.

4.

Finance Items for Approval:

a) Annual Report and Audited Financial Statements for the year ended 31st July 2020:

The CFO noted that the College expected to meet its target for the 31st March 2021 DfE financial year end and that there was no further update to this item from the previous Committee meeting. He provided the Committee with an overview of the Annual Report and Audited Financial Statements for the year ended 31st July 2020.

The CFO observed that Section 8 contained some outstanding items but that the information had now been received and would be included in the version that would be tabled at the Governing Body meeting on 16th November. He reported that the audit had been completed and that there were no significant issues identified during the process itself, however, one item had been notified to the College which needed to be brought to the Committee's attention. He informed the meeting that a potential liability for backdated holiday pay, accrued over the preceding 22 years on overtime, had previously been shown as a contingent disclosure in the accounts. He reported that NIAO was now taking the stance that this item should be shown as a provision. He noted that there was a court case in relation to this matter which had been taken against the PSNI, with an appeal against the ruling currently delayed due to Covid. He believed that it was not possible to assign an accurate figure at present but that NIAO was adamant that a figure must be included as a provision, rather than a contingent liability and that the estimate must cover the full 22-year period. He

noted that it was not just the College and the sector that was affected, and that it was affecting all public bodies.

The CFO stated that in his professional opinion he disagreed with the requirement to reflect this item as a provision rather than a contingent liability, as he believed the figures shown would not be accurate and could be as much as £1,500k for the College. However, he would follow the requirements of NIAO. He noted that the version of the accounts which would be tabled at the meeting of the Governing Body would be updated to reflect the provision, and that he would explain the situation fully to the Governing Body. The Principal, in his capacity as Accounting Officer, concurred with the CFO's opinion that the NIAO-required approach was incorrect but that the College would comply with this requirement.

Agreed: That the Annual Report and Audited Financial Statements for the financial year to 31st July 2020 be approved and recommended for approval at the Governing Body meeting to be held on 16th November 2020, subject to incorporation of the amendments as discussed.

Proposed by: Neil Bodger

Seconded by: Andrew Corbett

5.

Staffing Items for Information:

a) HR Priorities 2020/2021 Plan and Status Updates/HR Key Metrics Report:

The CHRO informed the meeting that there was no change to the report from the previous meeting in relation to Objective 1 and that work on this matter would begin in earnest in the new year. With respect to Objective 2, he indicated that there was a proposal in place to schedule a meeting with Trade Union Side to discuss how to get negotiations back on track. He observed that this matter would be discussed in greater detail under Agenda item 10.

Turning to Objective 3, he reported that work had commenced with respect to staff Health and Wellbeing and that work on Objective 4 was continuing and on target for completion, with the first action already complete.

The CHRO indicated that there were two months covered in the Key Metrics Report and that all items were currently green, including staff absences. He noted that there was nothing of importance in the report to bring to the Committee's attention, and that all items were on target.

b) Employee Relations Update:

The CHRO observed that there were currently 8 cases outstanding, which was a reduction from the previous report. He indicated that progress was being made on appeals, especially those regarding harassment, and he noted that any delays were due to staff and Trade Unions not engaging during the lockdown period. He noted that the number of open cases should reduce even further before the end of 2020 and that, although not moving as quickly as the College would hope, progress was still being made.

c) Annual Report on Staff Sickness Absence 2019/2020:

The CHRO informed the Committee that, from a sectoral perspective, SERC had the second-lowest absence figures of all the colleges for the second year running. He noted that long-term absences were up slightly

but that short term absences had decreased. He noted that mental health issues constituted the majority of long-term absence cases but that these issues were not work-related.

At this juncture the Head of LA joined the meeting. [18:48]

d) Annual Report on Staff Training and Development 2019/2020:

At the Chair's request, the Head of LA presented her report to the Committee. She commenced by noting that the Learning Academy had run a significant number of programmes during the 2019/2020 academic year, and that it was strengthening its wider provision and encouraging staff to make the most of the available training. She noted that 64 staff had participated in the mentoring programme and that during the early stages of lockdown 77 training events had been held, which had been attended by 850 trainees.

The Head of LA indicated that additional staff induction and first aid training had been introduced and that participants were observed for the first 3 months of their employment. She observed that the Team Sites supported the classroom sessions, with lecturers opening classrooms online. She noted that additional work had been done in relation to provision of webinars and the further development of Moodle, Microsoft Teams and Classbook, to provide a collaborative online environment. She remarked that Leadership and Management courses at Levels 4, 5 and 6 had been offered to staff and provided them with a professional qualification.

Turning to collaboration and international partnerships, the Head of LA informed the meeting that the College was working with the Edge foundation with respect to project-based learning and enterprise and entrepreneurship. She noted that the Ask Me Anything sessions were being well-received by staff and that there had been seven such sessions between June and September. She observed that training needs analysis were being carried out and were also being informed by the results of the staff survey.

At this juncture the Head of LA left the meeting. [19:25]

e) Potential Impact of Coronavirus on Staffing:

The CHRO informed the Committee that the Covid figures and statistics were circulated to staff and students on a weekly basis and were also forwarded to the members of the Governing Body. He indicated that the figures were low among staff, with 11 positive cases in total in the year to date, and others who were self-isolating or who had been in contact with someone who tested positive. He noted that a cautious approach to Covid was being taken with respect to students and staff, and that only essential staff were or would be on-site for the foreseeable future. He reported that both staff and students had been positive in their comments on the actions and measures the College had put in place for their protection and that, overall the position was as positive as it could be in the circumstances.

6. Update on Applications and Enrolments:

At the Chair's invitation, the Principal presented the report on Applications and Enrolments. He informed the meeting that the College had 4,510 full-time enrolments and that this figure was expected to grow as apprentices joined throughout the year. He indicated that SERC's TfS numbers were the largest in the sector, as were its apprenticeship numbers. He commented that, although apprentices were currently down 33 from the previous year, the number of apprentices would increase throughout the year. He remarked that figures were significantly lower in the majority of the other colleges. He observed that the College was now at capacity, given social distancing requirements, which could be an issue in the short to medium term.

7.	<p>Update on Collaboration Programme: Systems Technology Services Project:</p> <p>a) STS Project Update: The Principal noted that the CFO had provided an update earlier in the meeting and that there was no further information to bring to the Committee’s attention.</p>
8.	<p>Policy Review:</p> <p>a) New and Expectant Mothers Policy: The CHRO observed that there was only one minor change to the policy to provide explicit guidance on managers undertaking risk assessments of new and expectant mothers. Following due consideration, it was agreed that the New and Expectant Mothers Policy be approved and recommended for approval at the next meeting of the Governing Body.</p> <div style="border: 1px solid black; padding: 5px;"> <p>Agreed: That the New and Expectant Mothers Policy be approved and recommended for approval at the meeting of the Governing Body on 16th November 2020. Proposed by: Andrew Corbett Seconded by: Alan Woodside</p> </div> <p>b) Intellectual Property Policy: The CFO indicated that the College had not previously had a formal Intellectual Property Policy but that that the increase in activity of student company enterprises had made it necessary. Following due consideration, it was agreed that the Intellectual Property Policy be approved and recommended for approval at the next meeting of the Governing Body.</p> <div style="border: 1px solid black; padding: 5px;"> <p>Agreed: That the Intellectual Property Policy be approved and recommended for approval at the meeting of the Governing Body on 16th November 2020. Proposed by: Heather Reid Seconded by: Barbara Larkin</p> </div>
9.	<p>Any Other Business:</p> <p>No further items of business were raised.</p> <p><i>At this juncture Messrs Corbett and Martin left the meeting. [19:36]</i></p>
10.	<p>Confidential Business</p> <p>A separate note was taken for this item.</p>
	<p>Date of next meeting:</p> <p>It was noted that the next meeting of the Committee was scheduled to take place on Tuesday, 19th January 2021, at 17:30 and that it would likely take place via Microsoft Teams.</p>

The meeting concluded at 19:50