



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 19th January 2021, 5.30pm, via Microsoft Teams.

<p>1.</p>	<p>Chair's Business</p> <p>a) Attendance and Apologies:</p> <p>Present: Mrs B. Larkin, Mr A. Corbett, Mrs H. Reid, Mr G Hetherington (Temporary Chair of the Governing Body), Mr K. Webb (Principal), Mr N. Bodger, Mr A. McCrum, Dr D. McConnell, Mr D. Wilson</p> <p>In attendance: Mr T. Martin (Chief Finance Officer) 'CFO', Mr P. Smyth (Chief Human Resources Officer) 'CHRO' (not present during items 4B-4F and item 7), Mrs C. Williamson (Secretary to Governing Body), Mr J. Gault (Head of Health and Safety) 'HoH&S' Items 1-3 only</p> <p>Apologies: Professor Woodside</p> <p>In the Chair: Mrs B. Larkin</p> <p>The Chair extended a particular welcome to the new members of the committee and encouraged them to contribute.</p> <p>b) Conflicts of Interest:</p> <p>The Chair asked if any members wished to declare any known or perceived conflict of interests 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 10th November 2020</p> <p>The Chair asked members to review the minutes from the previous meeting on 10th November 2020. The Chair noted that the year-end dates noted in section 3a were incorrect. Members agreed the presented minutes were a true and accurate record of the meeting subject to the agreed amendment being made.</p> <p>Proposer: Andrew Corbett</p> <p>Secunder: Gareth Hetherington</p> <p>d) FGP Action Points and Key Decisions from meeting on 10th November 2020.</p> <p>There are no outstanding actions from the previous meetings.</p>
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<p>2.</p> <p>Correspondence</p>	<p>a) PSSSP Closure Memo 041220</p> <p>The Chief Finance Officer asked members to note the enclosed correspondence and gave a brief overview of the background of the Public Sector Shared Services project. He advised that the public sector wide project had looked at the extension of shared services across the whole of the NI public sector, including consideration of such services within the NIFE sector. He informed the committee that a large data gathering exercise had been conducted in terms of the sector's finance, IT and HR functions. This memo has stated that although there will not be a formal consolidation of such services, the STS project will continue as FE's primary collaboration vehicle.</p> <p>b) CEF Circular 2020/02 – Pay Award for Principals and Deputy Directors from 01 September 2019</p> <p>The Chief Human Resources Officer asked the committee to note the circular confirming the agreed pay uplift for Principals and Deputy Directors of 1% that had been approved by DfE.</p> <p>c) SERC Final Resource Allocation 2020/21</p> <p>The CFO directed members to the correspondence and highlighted that this formally confirms all elements that had been highlighted to the committee in the indicative resource allocation. He highlighted that the committee had previously been advised that there was an approximate £700k shortfall due to pressures around Covid-19 and this correspondence has confirmed that additional funding has been provided to cover these pressures. Specifically, SERC will be utilising some of the additional funding to invest in IT equipment to facilitate home working and to allow blended learning to continue to be delivered seamlessly.</p> <p>In response to a question from the Temporary Chair the CFO advised that the investment in IT equipment is a medium term investment which will assist the College not only now, but post Covid-19. He stressed that the College is investing in more mobile, higher performance equipment and emphasised that blended learning has been a huge success for the College and so elements of that will be retained post pandemic. The Principal further advised that students will benefit from blended learning in being prepared for the world of work online and by improving their digital skills in response to the rapid changing work environment. This will ultimately enable the College to take on more physical students where there is demand as it will free up campus space. In response to a question from Mr McCrum, the Principal confirmed that any future permanent online learning will be discussed at Education committee and a professional judgement will be made for each cohort on what is suitable.</p>
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3.	<p>Annual Health and Safety Presentation</p> <p>The Head of Health & Safety attended the meeting to present the annual Health and Safety Presentation, a brief Q&A session took place after and the following points were noted:</p> <ul style="list-style-type: none"> • The Temporary Chair asked the Head of Health & Safety to what extent there had been any learning or coordination between the Sector on the Covid response. The HoH&S advised that the Principal is part of the Principal’s group and he is also part of the Sector Health and Safety group so there are platforms for sharing, however, he found that SERC were very much leading in the response and at the start of the pandemic there was limited time to meet as a group during this time. The CFO added that in terms of mitigation the College did have to go ahead with their own plans however there are various Sector groups at different levels and so there has been an opportunity to share our approach with the other Colleges. In response to a further question regarding Departmental guidance the HoH&S advised that the management team gave direction and it had worked extremely well. • In response to a query from Mr Wilson the HoH&S gave a more detailed explanation how audits are followed up specifically those that had been flagged as amber. He advised that assurance is rectified by follow up visits and communication with staff who use those particular rooms most. • The Chair informed members that she had attended the Campus following the first lockdown and was very impressed with the level of work and effort that has been undertaken by the staff to ensure the Campuses are a safe space for staff and students. She also commended the HoH&S for the mental health video that he had produced. She advised that it was evident his efforts were very much appreciated and the work this year was a credit to him and the team. The HoH&S reiterated that the staff had very much pulled together in this crisis and he was extremely proud to be part of the SERC team. <p><i>At this juncture the Head of Health and Safety left the meeting.</i></p>
4.	<p>Finance Items for Information:</p> <p>a) Financial Governance Report</p> <p>In presenting the Financial Governance Report the CFO advised that it aims to set out the forecasted financial position as at both 31 March 2021(DfE year-end) and 31 July 2021(SERC year-end). The CFO highlighted that the current report shows the College’s expected 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</p>

is on target for the March year-end (to meet the approved Resource Allocation of £38,811k) and is on-target to meet the July yearend target of £39,531k.

The CFO went on to highlight the variances in actual performance and what had originally been budgeted, he advised that in the year to end March the commercial income target is likely to be missed by £225k due to the direct impact of the pandemic on commercial activity and income.

The CFO highlighted that Covid-19 related expenditure showed a sizeable pressure of £1.35m up to 31 March 2021. The CFO gave some detail on the expenditure which includes security staff on site, temperature control units and, with no footfall on campus, lost income in commercial catering and hairdressing outlets. In summary the CFO stated that up until the year end of March the Resource Requirement was c. £1.2m higher than the amount originally allocated by DfE, but that this has all been covered by additional funding from the Department.

The CFO moved on to provide an overview of the current forecast for the July year end and advised that the variances are not as sizeable around income as with the March year-end since the expected reduction of lock-downs etc. has already been partially factored into the initial budget.

In response to a query from Mrs. Reid the CFO discussed the structure of the commercial catering contracts in place across the estate and how the College has targeted an achievement value for money during the pandemic while at the same time working to support its suppliers where possible.

In concluding this item, the CFO advised that he although he had submitted a business interruption claim to the insurers, the brokers had initially advised it is unlikely to be successful. He advised that he expects to have a communication soon from the brokers advising how the recent Supreme Court decision affects FE. If the claim were to be successful a large portion of the Covid-19 funding from DfE would not be needed and would therefore have to be returned. The CFO will provide an update to the committee when any communication has been issued on this matter.

Action Point: The CFO will update the committee as and when there is communication from the insurers.

At this juncture the CHRO left the meeting. The Chair advised that the agenda would be taken in order of the CFO's items to allow the CHRO time to come back after suffering a power cut at home.

b) NDPB Budgeting and Forecasting Submission

The CFO asked the committee to note the latest return was submitted on 18th December 2020. It covers the period April 2020 – March 2021 and reflects:

1. Actual performance as per SERC's 2019/20 Financial Statements for April to July 2020.
2. Actual performance as per SERC's 2020/21 Period 4 Management Accounts for August to November 2020.
3. Forecast performance as per SERC's 2020/21 Period 4 Management Accounts for the period December 2020 to March 2021.

The return details an expected Departmental Expenditure Limit (DEL) Resource Requirement of £38,811k for the April 2020 to March 2021 year (including Covid-19 related expenditure). This is in line with SERC's Approved Resource Allocation of £38,811k for 2020/21 as confirmed by DfE in its correspondence dated 17th December 2020. The College's forecasted financial performance for the Departmental 20/21 year is therefore on target.

c) Debt Report

The CFO presented the Debt report and advised the committee that as of 18 December the total debt was £2.48m which was the same level as this time last year and did not represent a concern. In response to the Temporary Chair's query he advised that all student invoices have now been issued and direct debits had started being collected in mid-January, he also advised that the school invoices relating to the entitlement framework will be included in period 6. The Principal added that there have been additional incurred costs across the FE sector in delivering the entitlement framework to schools and that DfE had approached the Department of Education for additional funding. Any confirmed funding will be allocated across the FE Sector.

The Chair enquired if the CFO had any concerns about the debt that was over 60 days as although it is small amounts it makes up 3.5% of the ledger. The CFO highlighted that the College have full credit control in place along with a debt collection process through an external partner which works very well. He advised that the College writes off very little debt and can recover around 95% each year.

d) Estates & Capital Expenditure Report

The CFO directed members to the executive summary of the report and highlighted that in response to the pandemic the College are maximizing online delivery. Whilst there is some footfall on site, it is controlled.

He added that sites have been prioritized in terms of evening openings to limit site visits to “essential only” and adhere to the current guidelines.

He advised that the year-end PPP reconciliations have been carried out and gave a brief overview of the process for the benefit of the new committee members, he advised that the process involves constant monitoring to ensure that contract variations do not translate into increased costs.

The CFO highlighted that work in relation to the new delivery model to replace the current PSD arrangement has fallen 2 weeks behind programme. He asked members to note that the slippage is not substantial as it will occur over the Easter break and overall, the project is progressing well.

e) Procurement Update Report

The CFO presented the procurement report to the committee for noting.

f) Financial Impact of Covid-19

The CFO advised the committee there was nothing to add that not had already been discussed. The headline is that the overall impact on the College is currently estimated at £1.9m (£1.2m in College 2019/20 year and £0.7m in 2020/21 year) which has been covered via the securing of additional funding from DfE. However, he stressed that it would still be a challenging year and that the spend on PPE has not tailed off yet.

5.

Staffing Items for approval

At this juncture the CHRO rejoined the meeting

a) Redundancy Compensation Terms

The Chief Human Resources Officer directed members to the paper and advised that is prudent for the College to have agreed redundancy terms in place and this is normally done on an annual basis. However, due to the implementation of a Voluntary Exit Scheme from 2015/16 it had not been necessary, but that scheme has now ceased and so redundancy terms need agreement for 2020/21. He highlighted the proposed terms are a mirror of the NICS terms and asked the committee to approve the following:

Recommendation: The proposed redundancy terms for the Academic Year 2020/21 are:

Voluntary and Compulsory Redundancy

The employee’s actual weekly pay is used to calculate the redundancy payment

Voluntary Redundancy

	<p>Redundancy payment of 1 months' pay for each year of service up to a maximum of 21 months</p> <p>Approved: The committee reviewed and approved the Redundancy compensation terms for 2020/21</p> <p>Proposer: Gareth Hetherington</p> <p>Seconder: Heather Reid</p>
6.	<p>Staffing Items for Information:</p> <p>At this Juncture the CHRO joined the meeting.</p> <p>a) HR Priorities 2020/2021 plan and status updates/HR Key Metrics Report</p> <p>The CHRO gave a brief overview of the HR priorities for the benefit of the new members, he advised that the committee set and agree the priorities at the beginning of each year and the progress of each is then reported back to the committee at each meeting.</p> <p>He asked the committee to note that there was not a huge amount of change in the RAG status of the priorities since the report was reviewed in November, he added that all were still on target to complete and work was progressing reasonably satisfactorily.</p> <p>The CHRO provided a verbal update on the KPI report to members as it was noted it had not uploaded correctly with the other papers, the Secretary agreed to circulate it for review as soon as possible. The CHRO asked members to note that the report status was green and notably the absence rates have improved which may be attributed to the health care scheme. He concluded that there are 9 staff members off on long term sick which is not an increase on last year.</p> <p>Action Point: The Secretary will circulate the KPI report to the committee ASAP</p> <p>b) Employee Relations Update</p> <p>The CHRO advised the committee that the key issue for employee relations was to drive down the time of investigations and clearly this has been impacted by Covid. He advised that after the first lockdown some employees refused to come into campus for meetings and would not agree to online meetings and so this has caused further delays, the trade unions are also working through a back log of cases from the Summer of 2020. He concluded by highlighting that the industrial tribunal case set out in table 6 of the report has been listed for 2 weeks in May and this should be concluded by the Summer of 2021.</p>

c) Annual Review of Employee Health Care Scheme

The CHRO began by giving the committee a brief overview of the scheme starting with the pilot scheme and its focus on musculo-skeletal issues as this had been a key driver of absences at this time. He advised the reason the provider was changed was because of a procurement exercise and the focus was on mental health. He added that the scheme has had a definite positive impact on staff, this is based on feedback from staff and the lower absence rates across the College. Claims have obviously reduced during the pandemic as most were for optical and dental and these services have been impacted during lockdown.

The Temporary Chair commented that the scheme was a great reward for staff, and he enquired was there a way to bring this together with the mental health initiatives the College has in place. The CHRO informed the committee that mental health had been the most prevalent reason for absence and the scheme had been tweaked to focus on this, he confirmed that when the procurement exercise is undertaken this year, he can look at how the scheme can complement the in-house initiatives.

d) Potential Impact of Coronavirus on Staffing

The CHRO advised that the number of staff affected by Covid remains low and to date 17 staff have been infected or had to self-isolate.

7.

Collaboration Programme; and Systems Technology Services Project

For the benefit of the new members the CFO gave a brief overview of the STS project and highlighted that it is a Sector collaborative project to replace IT systems for enrolment, HR and finance. He advised that he sits on the project board on behalf of the College and so he provided the committee with an update from the latest meeting.

The LMS system has a very wide scope as it affects all the Colleges, so far it is progressing well but has run into some issues. The project board are aware it is has been difficult and challenging for the project team.

Both the finance and HR systems will have their current systems upgraded and will need a new support service for hosting by May.

8.

Policy Review

a) Estates Annual Review

The CFO advised the annual review had been conducted and there are no changes to the policies.

b) Mental Health Policy

The CHRO advised that the need for a policy had been identified as a priority within the HR Team Quality Improvement Plan in August 2020 and also a recent audit had picked up that the initiatives and support the College has in place around mental health had not been formalized in a policy. He emphasized that the policy sets out the College's commitment to mental health. In response to a question from Mr. Wilson the CHRO advised that in terms of tracking and developing objectives, the work has been in place for a long time with a strategy and action plans, he advised that although the policy is new, the issue of mental health has been a focus for the College for some time. He gave an overview of how the initiatives are communicated with staff and how staff are very much involved in the future development of these through focus groups and surveys.

Approved: The committee approved the Mental Health Policy

Proposer: Gareth Hetherington

Secunder: Andrew Corbett

Action Point: The CHRO will provide a report on the objectives and actions of the mental health strategy to the next committee

c) Working from Home Policy

The CHRO directed members to the policy and advised that it had been developed as the College have recognised that working environment will be different post Covid and working from home had not been offered to staff formally before. He advised that staff had been surveyed about future requirements and a recent internal audit had recommended that a formal policy and SOP was developed. He asked members to note that the policy sets out the College's commitment and the framework in which applications will be considered and that it will automatically form part of an employee's contract. He added that the College reserves the right to withdraw the scheme at any time and it will be reviewed after 6 months and then a year based on the College's experience.

Mr Wilson suggested that the SOP could form part of the appendix to the policy to put a positive spin on it. The CHRO advised that all SOPs and policies are stored on the Learning Engine and when staff are made aware of a new policy they will most likely go straight to the SOP. The Principal added that SOPs are approved by CMT and the Learning Engine is an online platform for Continuous Professional Development.

Approved: The committee approved the Working from Home Policy

Proposer: Andrew Corbett

Secunder: Heather Reid

9.	Any other business No other business was discussed.
10.	Confidential Business A separate note was taken for this item.
	Date of next meeting The next meeting date was confirmed for Tuesday 30 th March 2021, 5.30pm, via Microsoft Teams.

The meeting concluded at 7.52pm