



SOUTH EASTERN REGIONAL COLLEGE

Governing Body – Finance and General Purposes Committee

Minutes of the meeting of the Governing Body Finance and General Purposes Committee, held on
Tuesday 18TH January 2022, 5.30pm, via Microsoft Teams.

1.	<p>Chair's Business</p> <p>a) Attendance and Apologies:</p> <p>Present: Mr A. Corbett, Mr G Hetherington (Temporary Chair of the Governing Body), Mr A. McCrum, Mr D. Wilson, Dr D McConnell (via Microsoft Teams), Mr M McQuillan Items 2-10 only, Mr K Webb (Principal & Chief Executive), Ms. M Corrigan</p> <p>In attendance: Mr T. Martin (Chief Finance Officer) (via Microsoft Teams), 'CFO', Mr P. Smyth (Chief Human Resources Officer) 'CHRO', Mrs C. Williamson (Secretary to Governing Body), Ms A. Frazer (Boardroom Apprentice, Mr J. Gault (Head of Health and Safety) Items 1-3 only</p> <p>Apologies: None</p> <p>In the Chair: Mr A. McCrum</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 9th November 2021</p> <p>The Chair asked members to review the minutes from the previous meeting on 14th September 2021. Members agreed the presented minutes were a true and accurate record of the meeting.</p> <p>Proposer: Daniel McConnell</p> <p>Secunder: Derek Wilson</p> <p>d) FGP Action Points and Key Decisions from meeting on 9th November 2021:</p> <p>The Temporary Chair advised members that he would provide an update on the committee structure under confidential business.</p>
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	<p>The CHRO gave an update on the case management benchmarking exercise that had been requested by the committee. He advised that unfortunately due to some staff absence in the Sector the data had not been returned however he was hopeful to be able to share it with members within the next week or two.</p> <p>Action Point: The CHRO will share the case management benchmarking exercise with the committee as soon as it is available and a discussion on the data will be tabled on the next agenda</p>
<p>2. Correspondence</p>	<p>a) Resource Allocation November 2021</p> <p>The Chief Finance Officer referred members to the enclosed correspondence and advised that it confirms the allocation of Covid funding of £1.6m and an increase in the nominal budget for the period April to July, which is now £14,835k. The approved resource allocation in November was therefore £42,776k.</p> <p>b) Resource Allocation December 2021</p> <p>The CFO advised that this correspondence confirms a change to the College's funding with confirmation of adjustments to Traineeship Programme easements, Student support easements and ERAP allocation of £177k, the CFO confirmed this has been factored into the next forecast.</p> <p>c) CEF Circular 2001/03</p> <p>The CHRO asked members to note the correspondence that confirms a 1% uplift has been approved for Principal's and Deputy Directors, he confirmed payment was made to relevant staff in their December salary.</p> <p>d) Subsidiary Company Business Case December 2021</p> <p>The CFO advised that the correspondence confirms that the business case submitted to the Department to form a subsidiary company has not been approved. The CFO advised members that the College does not intend to progress the business case any further. Members briefly discussed if there are any other options available to the College to take this forward, the Principal advised that reform of the 1997 Further Education NI Order is needed as it is currently limiting what FE can do and is also not in the spirit of the 10x Strategy. However, as the NI Assembly is heading towards an election it is unlikely that this reform will take place until a new mandate is in place.</p>
<p>3.</p>	<p>Health and Safety Annual Presentation</p>

The Head of Health Safety addressed the meeting and presented an overview of the work within his department over the last year. He provided members with data on accidents/incidents, claims and the tremendous effort by College staff in addressing Covid and making the campus a safe space for staff and students.

Ms. Corrigan noted that there had been a significant decrease in footfall across the Campuses and enquired if this would slow down plant maintenance? The Head of H&S advised that the estates team has used this time as a good opportunity to get more work done. The CFO added that during the period of lockdowns estates staff had been off site for only a few weeks and therefore the maintenance programmes have continued as planned.

The Chair thanked the Head of H&S for providing the committee with an informative presentation, he noted that the team had been working through a very unprecedented time and put on record the committees thanks to all staff that were involved in the Covid response.

At this juncture the Head of H&S left the meeting.

4.

Finance Items for Information:

a) Financial Governance Report

In presenting the Financial Governance Report the CFO advised that it aims to set out the forecasted financial position as at both 31 March 2022(DfE year-end) and 31 July 2022(SERC year-end). The CFO highlighted that the March year end information includes the extra £1.6m Covid allocation and the £177k ERAP funding as confirmed by the Department on 17th December, it also includes a £1m adjustment to the Traineeship programme and £110k to student support as discussed under agenda item 2A. In terms of the July year end the CFO advised that there was a change to the notional funding.

He informed members that there was a slight risk of underspend for both year ends in terms of procurement. He advised that this was due to several factors including the previously reported under resourcing in the procurement team and significant disruption to supply chains in the construction and IT industries which is resulting in delays to some deliveries and works. In response to a query from the Chair on what the figures might be for an underspend the CFO advised that at this point it is difficult to provide an estimated figure. He advised that the Financial Controller is managing the procurement function directly and in terms of capital spend the College are working towards their £2m target but that this may be short by a hundred thousand or two. In terms of revenue spend the last set of management accounts

highlighted a current £1m underspend, however the CFO advised he did not expect the figure to be on anything like that scale.

b) NDPB Budgeting and Forecasting Submission

Members noted the latest return that was submitted to the Department in December 2021, the CFO advised the report covers the actuals up to the end of period 4 and the forecast from December onwards.

c) Debt Report

The CFO presented the latest debt report and advised members the current debt total is £2.8m, the CFO confirmed he had no concerns with this level of debt and reminded members of the credit control and debt collection processes in place.

d) Estates & Capital Expenditure Report

The CFO gave an overview of the report and highlighted the points set out in the executive summary; the following points were highlighted in discussion:

- The CFO highlighted that the year-end PPP reconciliations to both contracts have been carried out and that these reconciliations confirmed no increase in either contract costs. He advised that with any PPP contract there is a risk that the original specification is amended repeatedly over time as needs change and that these contract variations cause a long term and incremental increase in the contract charges. SERC's method of managing such cost "creep" is to complete this review annually and ensure that any increases in specification are cancelled out by contractual changes that would reduce the charge.
- The CFO referred members to the report on energy consumption and advised that while consumption has decreased significantly in the College, costs have increased by a third. He emphasized that this was a national issue and thus unavoidable.
- In concluding the Estates report the CFO reported that the first capital project to be delivered using the new framework arrangements was delivered in November 2021.

e) Procurement Update Report

The CFO began by advising the report is for information, he went on to advise that the procurement function is understaffed, and that the College is actively trying to recruit a qualified procurement member of staff however this has so far proved to be challenging. He advised members there is a significant amount of work that needs to be completed within procurement between now and March and as

discussed earlier if this cannot be completed there is a risk of an underspend for the March year end accounts.

f) Financial Impact of Covid-19

The Chair invited the CFO to provide any further information to the committee on the impact of the pandemic that he felt they would need. The CFO reiterated that as reported to the committee in November the College was running with a Covid-related £1.6m deficit and this has now all been secured through additional Covid funding.

5.

Staffing Items for Information:

a) HR Priorities 2020/2021 plan and status updates/HR Key Metrics Report

The Chief Human Resources Officer presented the progress report of the HR strategic priorities and began by advising that all priorities are on target, and he had no concerns, he provided members with a brief update on each of the objectives and gave a brief overview of the metrics report. He asked members to note that staff numbers have increased by 1% of the target and this is attributed to the increase in PTL's and curriculum support to address the impact of the pandemic on the curriculum and students.

b) Employee Relations Update

The CHRO asked members to note the update provided and advised that there has been an increase in cases, from 9 to 16, however the new cases are linked to only 2 individuals.

c) Annual Review of Healthcare Scheme

The CHRO advised that procurement for the new scheme had begun, it is expected that the procurement will be challenging to keep existing benefits in place due to rising costs. In the current scheme 31 members of staff have increased their cover which is 3% of staff, the provider would normally expect 8-10% to avail of the extra cover.

d) Potential Impact of Coronavirus on Staffing

The CHRO advised that as expected in light of the omicron variant the College have seen an increase in the number of positive cases, at the end of last week there were 20 bringing the year to date total to 65, the same period last the total was 17. The CHRO confirmed there has been no impact on delivery as the vast majority of staff have continued to work online despite testing positive.

	<p>e) Case Management Review Benchmarking exercise</p> <p>As discussed under agenda item 1d members noted the report would be circulated when it is available.</p> <p>Action Point: The committee asked the CHRO to provide a summary of employee relations over the last 2/3 years at the next meeting</p>
6.	<p>Collaboration Programme; and Systems Technology Services Project</p> <p>The CFO provided the committee with a verbal update on the STS project, the committee were advised that the project had planned to finish in December, however this has been extended to March 2022. The CFO confirmed the operational phase of the project is continuing, two focus points for the project to work on are the sector wide merger of the systems and to appoint a change board to oversee the operational phase of the project. The CFO concluded the update by advising the committee that the STS project still sits as an amber risk on the strategic risk register, however, it is winding down as the flagship collaboration project for the Sector.</p>
7.	<p>Applications and Enrolments</p> <p>The Principal began his report by advising that there is no significant change in the data since the last report to the Education committee in November. Members noted that Traineeship numbers continue to fall, this is a direct impact from students moving to the Apprenticeship programme, and so the Apprenticeship numbers are continuing to grow, currently the numbers have increased 37% on the same period last year.</p>
8.	<p>Policy Review</p> <p>a) Estates Policies</p> <p>The CFO referred members to the presented policies, he advised that they had been reviewed, that no significant changes had been recommended and that they were for the committee's information only.</p>
9.	<p>Any other business</p> <p>No other business was discussed.</p>
10.	<p>Confidential Business</p>

	A separate note was taken for this item.
	Date of next meeting The next meeting date was confirmed for Tuesday 5 th April 2022, location TBC

The meeting concluded at 7.19pm