



SOUTH EASTERN REGIONAL COLLEGE

Minutes of a Meeting of the Financial and General Purposes Committee of the Governing Body (the “Committee”)

held on Tuesday 13th June 2023 at 17:30, in Meeting Room D Floor, Lisburn Campus

1. Chairs Business

a) Attendance and apologies

Present: Mr Andrew Corbett, Mr Alan McCrum, Mr Derek Wilson, Mr Michael McQuillan Mr Ken Webb (Principal & Chief Executive), Ms. Majella Corrigan, Mr. John Nugent (Chair of the Governing Body)

In attendance: Mr Tommy Martin (Chief Finance Officer) (the “CFO”) Mr Paul Smyth (Chief Human Resources Officer) ‘CHRO,’ Mrs Claire Williamson (Secretary to the Governing Body)

Apologies: Dr Danny McConnell

In the Chair: Mr McCrum

b) Declarations of Conflict of Interests

The following conflict were declared:

- The CFO declared his daughter is employed as a lecturer at the College. No action was taken in relation to the declaration.
- Mr McQuillan declared he is Chief Executive of Enterprise NI and a board member of Invest NI. No action was taken in relation to the declared conflicts.
- Ms Corrigan declared she is employed by CCMS whose sponsor department is DENI. She is a current member of the Governing Body of Stranmillis College.

No action was taken in relation to any of the declared conflicts.

c) Minutes of the F&GP meeting held on 18th April 2023

Agreed: The minutes of the meeting held on 18th April were reviewed, members agreed they were a true and accurate reflection of the meeting. The minutes were adopted on the proposal of Derek Wilson and seconded by Majella Corrigan.

d) F&GP Action Points from meeting held on 18th April 2023

Members noted there were no outstanding actions from the previous meetings.

e) Committee Terms of Reference

Members reviewed the terms of reference and agreed they were fit for purpose and reflected the work of the committee.

Agreed: The FGP terms of reference were agreed and recommended to the Governing Body for adoption on the proposal of Michael McQuillan and seconded by Andrew Corbett.

At this juncture the Chair advised that given the unprecedented financial challenges for the College it will necessitate some fundamental decisions, so he has requested the Secretary to include the details of financials under confidential as they are of a highly sensitive nature.

The Principal added that the College does not yet have a consolidated budget and that the Department has gone out to consultation on their budget for a period of 12 weeks. They have indicated they will look at responses in 4 weeks, the Chair noted that therefore this is an indicative budget for planning purposes only.

2) Correspondence:

a) DEL Other Resource Authorised Overspend

The CFO directed members to note the correspondence that confirms the College had met its authorised spend in 22/23 and that the Department had approved the additional spend on Training for Success, lecturers holiday pay and pay agreement. Therefore, the Department authorised a DEL Other Resource final outturn of £44,726k for 2022/23.

The Chair of the Governing Body thanked the CFO and the CMT for continuing to manage a very challenging situation and steering the Governing Body through in a very professional way.

3) Financial Items for Information

a) Financial Governance Report

The CFO began by highlighting the report links into the correspondence at agenda item 2, that confirms the financial target was met for the March year end. The College's final March 2023 year-end Resource Requirement target was £44,678k. The CFO highlighted that a lot of effort from October onwards went into reducing spend which began by reducing non staff costs in the autumn and introducing a complete spend moratorium and a recruitment freeze in January.

Moving on to highlight the College position for the July year end the CFO advised that the College's year-end Resource Requirement target is currently (as at Period 9) £45,972k.

The Chair commented that he was struck by the pressure of £700k alone in the inflationary costs of the PPP contracts, the CFO advised that the College is expected to absorb this cost year on year under the current funding model and that such an approach is unsustainable.

b) NDPB Budgeting and Forecasting Submission

The CFO advised members that the College were not asked to submit a full report this month and it is likely that a "normal" request will be made again next month.

c) Finance Operational Report

In presenting the finance operational report the CFO began by advising that at the previous meeting members had been advised that there had been a downturn in the KPI's in finance processing. The CFO advised that the team are currently down by two staff, with one off on long-term illness and another leaving without being replaced. The team are currently reviewing processes with the additional workload spread across other team members.

d) Estates & Capital Expenditure Report

The CFO talked to the written report and highlighted some of the points, the following points were noted in discussion:

- The CFO advised that the initial DfE capital funding for 2023/24 is £500,000, which is lower than the College would like however the CFO is hopeful that more funding may be received in year.
- Members noted that there are a few projects from last year that need to be completed, IT switches that are impacting on accreditation for cyber security are a priority.
- Recurrent funded projects will likely not happen next year, estates will be down to priority 1 items, but the plans are in place if more funding is received
- The Chair of the GB enquired about the utilisation returns to the Department, and asked if it is possible to see how we benchmark against the sector
- The CFO explained that the process is the College submits the data, the Accounting Officer is then asked to verify the data and the Department will publish a benchmark. He added SERC usually sit in the middle of the sector.

Action: The committee requested to view the outputs from the recent ISO audits

Action: The CFO agreed to share both utilisation methods used to collect data

e) Potential Impact of Coronavirus on College Finances

The CFO advised that there is nothing to report.

4) Staffing Items for Information:

a) HR Priorities 2022/2023 plan and status updates/HR Key Metrics Report

The CHRO advised that good progress has been made with the priorities, 4 are completed with 2 on track to be achieved by August. The priority 'Implementation of modern terms and conditions for academic staff' has been paused pending the FE Delivery Review.

The metrics report shows that all but one is within target, the sickness absence rate is well above the year-to-date target and is currently sitting at 4.6%. The CHRO advised that this is exclusively due to long term rates and there are currently 25 staff off long term with serious conditions. He highlighted this is not significantly different to the economy as whole in the public sector where the absence rate was at 3.67%. He added that the recent Labour market report for the period Feb-April attributed the most common reason for economic inactivity to long term sickness at almost 40%.

The Chair enquired for those on no pay if there was any financial liability for the College. The CHRO replied only if there were any replacement costs for the staff member. He further advised that in terms of ill health retirement the process is extremely lengthy, and most applicants are rejected the first time, with instances of people waiting 6 months or more on initial decisions. CHRO added that whilst there is scope to terminate prior to a decision on eligibility for ill-health retirement, the College practice has been to await the outcome from Pensions, which is morally and ethically a more appropriate approach.

b) Employee Relations Update

The CHRO provided a high-level summary and advised that there have been 29 cases in the year to date, with 17 cases still live, with 1 more case added since the committee met in April. The CHRO advised that while there has been an increase in case numbers this year there are no specific concerns or trends to report.

Action: The committee requested a breakdown of the number of staff involved in the full number of cases reported, i.e., those who are involved in more than one case or have raised more than one grievance

c) Annual Monitoring Report

Members noted the enclosed report and the CHRO advised that it is a statutory requirement to report on the characteristics within this report. He advised that the figures within the report are generally reflective of the college and the community in which we operate. In a brief discussion members noted that chart 7 shows a decrease in the number of staff from a protestant background. Ms. Corrigan added that it is consistent with the recent census data.

The Chair of the Governing Body noted that the College continues to be a safe and welcoming employer, which is evident from the report.

The CHRO advised the Equality Commission will provide formal feedback on the report that will be shared with the committee in due course.

d) Mandatory Staff Training Report

The CHRO presented the training report and advised that the information provides a snapshot at a point in time of the 21 modules to complete and the specific modules for estates staff.

Action: The CHRO agreed to include CSR training information in the next report.

e) Potential Impact of Coronavirus on Staffing

The CHRO advised there is nothing to report.

5) Applications and Enrolments

Members were asked to note the information in the report provided.

6) Policies for review

a) Annual Review of Financial Policies

The CFO advised the financial policies had been reviewed and a change had been made to the Financial Governance Policy to the Procurement (Section 11.24) updated to reflect the recent development in procurement where the FE may use the Education Authority CoPE, in addition to CPD, to facilitate College procurements over £30k. Members noted the change.

b) Fees Policy

The CFO advised that the 2023/24 tuition fees had received earlier approval, for operational purposes. This version of the policy includes a change to the payment mechanism to increase installments from 2 to 6.

Agreed: The committee approved the Fees Policy and recommended it for adoption to the Governing Body on the proposal of Majella Corrigan and seconded by Derek Wilson.

c) Access to Information Policy

The CFO advised the policy was reviewed, no changes were proposed and therefore was for noting.

7) Any other Business

No other business was discussed.

8) Confidential

A separate note was taken for this item.

The meeting was concluded at 7.18pm.