



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 April 2023, 5.30pm, Lisburn Campus

<p>1.</p>	<p>Chair's Business</p> <p>a) Attendance and Apologies:</p> <p>Present: Mr A. Corbett, Mr G Hetherington, Mr A. McCrum, Mr D. Wilson, Mr M McQuillan Mr K Webb (Principal & Chief Executive), Ms. M Corrigan, Mr. J Nugent (Chair of the Governing Body) , Dr Danny McConnell (Items 1-4 only)</p> <p>In attendance: Mr T. Martin (Chief Finance Officer), 'CFO', Mr P. Smyth (Chief Human Resources Officer) 'CHRO', Mrs. C Williamson (Secretary to the Governing Body), Ms Natasha Lloyd (Head of the Learning Academy) Item 4C only</p> <p>Apologies: None</p> <p>In the Chair: Mr A. McCrum</p> <p>b) Conflicts of Interest:</p> <p>The Chair asked the Secretary to provide members with an update on the requirements for declaring a conflict. The Secretary advised that after a recent internal audit a recommendation was made that members declare any conflicts consistently at all meetings and not only if they feel it is because of a particular agenda item. The Secretary asked all members to advise what they wanted to be noted on each minute and reminded members it is their responsibility to declare any conflicts and ensure the register is updated.</p> <p>Action Point: Members will email the Secretary to advise what conflicts should be recorded in all minutes going forward</p> <p>The following conflicts were declared:</p> <p>The Chief Finance Officer declared that his daughter works as lecturer at SERC.</p>
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Michael McQuillan declared that he is Chief Executive at Enterprise Northern Ireland and a Board Member at Invest NI.

c) Minutes of the meeting held on 17th January 2023:

The Chair asked members to review the minutes from the previous meeting on 17th January 2023. Members agreed the presented minutes were a true and accurate record of the meeting.

Proposer: Andrew Corbett

Seconder: Michael McQuillan

d) FGP Action Points and Key Decisions from meeting on 17th January 2023:

An update on the previous actions was provided and members noted that the CFO had written to the Department regarding the cost of the PPP contracts, however he was still awaiting an acknowledgment of the letter. The CHRO advised that a report on mandatory training would be presented to the committee in June and all training modules would be incorporated into the Learning Engine.

e) Committee Terms of Reference

The Chair advised members that he and the Secretary had recently reviewed the ToR to ensure that it was fit for purpose and the current work stream was reflected in the document, he asked members to consider the proposed changes with a view the document would be approved at the next meeting.

Action: Members were asked to advise the Secretary of any additional changes or comment they would like to make on the terms of reference

**2.
Correspon
dence**

- a) Budget Savings**
- b) Memo from Interim Perm Secretary to FE Staff**
- c) Open letter to FE Staff**
- d) Memo from Permanent Secretary**
- e) College Data Sharing**

The CFO directed members to the enclosed correspondence that updates the College on the current budget situation and the progress of the FE Delivery review. The CFO highlighted that the College does not have a confirmed budget for 23/24 and there are ongoing discussions with the Department around likely

targets and how the College should position ourselves. He added that if the College receives a flat cash line budget, then the savings will need to be substantial, there is already a pressure of £5m.

The CFO moved on to the next pieces of correspondence that refer to the FE Delivery review, in which the Department has confirmed the data analysis is complete in phase 1 and this will be used over the next few months to develop options.

The Chair of the Governing Body added that the College has advised the Department this data is flawed several times, however they have given us assurance that they have taken our caveats into consideration.

3.

Finance Items for Information:

a) Financial Governance Report

The CFO talked to the written report and advised the College’s final March 2023 year-end Resource Requirement target is £43,100k. The forecasted outcome for the Departmental year to 31 March 2023, is a Resource Requirement of £43,308k. This represents a pressure of £208k, that is made up of pressures around traineeships, accounting treatment of leases and TfS funding. The CFO detailed the pressure of traineeships and highlighted to the committee that the College is still running 92% of planned cohorts and therefore the delivery costs cannot be reduced.

The Department have made an effort to understand the issue around traineeship cohorts and have accepted that the funding adjustment is not a fair process. The CFO advised that this has highlighted to the Department that variable funding models do not reflect delivery costs.

In response to a query from Mr. Corbett on the current spend moratorium in the College the CFO acknowledged that it is a very difficult position for everyone in the College to manage, however as the Permanent Secretary had advised the sector to be ultra cautious in terms of commitments there is no intention to release the spend moratorium as the College needs to meet the March year end targets. The CFO advised that spending is only authorized if it is “mission critical” and stops a student achieving.

Members suggested that a communication to staff and students outlining the situation may be useful [particularly if the student experience is going to suffer]. The CFO agreed that the student experience is most definitely being impacted, for example he advised that the heating has been switched off early across

the College this year to save on bills. He added that further detailed staff briefings have been postponed until further information is available in terms of budget allocation for 23/24.

The discussion concluded by discussing when the Budget was expected and members noted that the College has not received an indicative budget as they have done in previous years, this has made the task of identifying savings very difficult.

The Chair of the Governing Body advised that the Northern Ireland Public Chair's Forum have written to the Secretary of State to outline the impact the delayed budget is having across the public sector.

b) NDPB Budgeting and Forecasting Submission

Members were asked to note the enclosed submission for information.

c) Finance Operational Report

The CFO presented the written report to members, members noted the debt levels, and the CFO highlighted that supplier payment days are starting to increase as a direct result of not having enough staff in the department to process the payments. Mr. Wilson enquired if the TAMS project was also contributing to this and the CFO advised not on supplier payment, the impact is on the participants and employers of that programme. It is creating a lot of manual work for other teams in the College who are also not fully staffed.

d) Estates & Capital Expenditure Report

The CFO directed members to the written report and in particular highlighted the work the estates team have invested in energy management and sustainability. The team will be submitting bids for funding through the Energy Management Forum that has been tasked in delivering the Energy Management Strategy. The focus for the work will include monitoring and measuring equipment, BMS upgrades etc., which is a move away from the previous work of LED lighting, insulation schemes etc.

The Chair of the Governing Body commented that it would be useful to have an energy manager in place for the Sector to take this work forward.

e) Potential Impact of Coronavirus on College Finances

	The CFO advised that there is nothing to currently report on Coronavirus in terms of the College finances.
4.	<p>Staffing Items for Information:</p> <p>a) HR Priorities 2022/2023 plan and status updates/HR Key Metrics Report</p> <p>The CHRO began by advising the committee that there has been no real substantive change in terms of targets and outputs. The metrics also remain within target with the exception of the absence rates. The CHRO explained that whilst total absence dropped in February 23 to 4.51%, total absence year to date increased to 4.73%, 1.73% over the budget build target of 3%. Short-term absence has just exceeded the target (0.80%) at 0.89% year to date with long-term absence at 3.84% remaining significantly over target. He noted that those staff currently on no pay or will most likely exit the College through ill-health retirement.</p> <p>The Chair enquired if the current absence rates were reflective of the trends in the public sector. The CHRO advised that his sector colleagues are reporting similar numbers particularly in the increase of long-term absence. In response to a further question from the Chair, the CHRO advised that the rates do not give a sense of staff morale as the increase is due mainly to long-term absence predominantly linked to a defined medical condition.</p> <p>Members noted that there are 12 vacant posts across the College and noted that seems manageable. The CHRO advised that since the report was produced there have been a further 6 vacancies and that due to the uncertainty of the financial situation internal posts are only being advertised as temporary. The CFO added that some of the vacant posts have been vacant for 6-8 months and this has had a substantial impact on those teams.</p> <p>b) Employee Relations Update</p> <p>The CHRO directed members to the written report and advised there are currently 16 live cases, the timelines remain broadly satisfactory for completion.</p> <p>c) Learning Academy 6-month Review</p> <p><i>At this juncture the Head of the Learning Academy (HoLA) joined the meeting.</i></p>

	<p>The HoLA presented the committee with an overview of the work the team has undertaken in the last 6-month period. She advised that she was new in the post and set out the priorities for the team going forward. The Chair thanked the HoLA for her presentation and noted that he is always struck by the strength of the Learning Academy and the breadth of the work, the quality is excellent, and it very much reflects the culture in SERC in terms of staff investment.</p> <p>d) Staff Survey</p> <p>a. 2022 Action Plan</p> <p>b. 2023 Survey Questions</p> <p>The CHRO directed members to the action plan and provided them with a brief overview of the interaction with the staff focus groups. He advised that he intends to communicate the plan to all staff with the launch of this year’s staff survey. He went on to talk to the report and highlighted the changes proposed, he noted that staff will see a broad commitment to change and highlighted that it is important to engage with staff to identify the actions they want, and it is hoped this will change the perceptions of working in the College. The Chair commented that 54 actions is a significant number and demonstrates an open culture within the College.</p> <p>e) Case Management Review</p> <p>Members noted that there are 7 new cases and 4 remain ongoing. He advised that the cases have been dominant in the School of Construction with one staff member involved in several of the complaints. There has been a 33% increase in dignity at work complaints, however 50% have been resolved informally.</p> <p>f) Potential Impact of Coronavirus on Staffing</p> <p>The CHRO advised members there was nothing to note in respect of coronavirus.</p> <p><i>At this juncture Dr McConnell left the meeting.</i></p>
<p>5.</p>	<p>Applications and Enrolments</p> <p>The Principal directed members to the written report provided and took it as read. He added that in order to maximize class sizes the College will be running an information evening on 26th April with the focus on level 3 and above. He further advised that this is an additional event in the calendar and has been very much embraced by staff as they recognize the importance of increasing enrolment numbers. The Chair commented that the committee appreciated the additional work and acknowledged the difficulty in increasing numbers in challenging times.</p>

6.	<p>Policy Review</p> <p>a) Records Management Policy</p> <p>The CFO advised members that this is a new policy and sets out the College’s legal obligations, the framework we have in place and the responsibility we have in terms of records management.</p> <p>Agreed: The committee approved the Records Management Policy and recommended it to the Governing Body for adoption</p> <p>Proposer: Andrew Corbett</p> <p>Seconder: Majella Corrigan</p> <p>b) Budget Policy</p> <p>The CFO informed the committee the policy sets out the focus to shift to the March year end for financial planning, he highlighted 2023/24 will be a transition year and that will bring its own challenges.</p> <p>Agreed: The committee approved the Budget Policy and recommended it to the Governing Body for adoption</p> <p>Proposer: Alan McCrum</p> <p>Seconder: Michael McQuillan</p> <p>c) Smoking Policy</p> <p>The CHRO advised members that the policy was reviewed and no substantive changes were proposed.</p>
7.	<p>Any other business</p> <p>No other business was discussed.</p>
8.	<p>Confidential</p> <p>A separate note was taken for this item.</p>
	<p>Date of next meeting</p> <p>The next meeting date was confirmed for Tuesday 18th April 2023, 5.30pm, Lisburn Campus</p>

With no other business being discussed the meeting closed at 7.42pm