



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 8th November 2022, 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 (items 4-9 only), Mr K Webb (Principal & Chief Executive), Ms. M Corrigan, Dr Danny McConnell, Mr. J Nugent (Chair of the Governing Body)</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), Mrs P. Philpott (Head of the Learning Academy) Agenda Item 5D 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. The Secretary was advised in advance of the meeting that the Chief Finance Officer's daughter is a full-time nursing lecturer in the College, the Chair agreed that this would be noted in the minutes at each meeting.</p> <p>c) Minutes of the meeting held on 13th September 2022:</p> <p>The Chair asked members to review the minutes from the previous meeting on 13th September 2022. Members agreed the presented minutes were a true and accurate record of the meeting.</p> <p>Proposer: Derek Wilson</p> <p>Seconder: Majella Corrigan</p>
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	<p>d) FGP Action Points and Key Decisions from meeting on 5th April 2022:</p> <p>The CHRO advised that the benchmarking exercise requested by the committee on the work of mental health first aiders and the interim update on the staff survey outcomes would be presented at the meeting in January 2023.</p>
<p>2. Correspondence</p>	<p>a) SERC June Internal Planning Update Allocation 2022-23 14 Sept 22</p> <p>The committee were asked to note the enclosed correspondence that confirms SERC's 2022/23 contingency planning allocation has been updated to £41,563k. The CFO advised that negotiations with FE Finance are ongoing to reduce the pressure for the year further.</p>
<p>3.</p>	<p>Finance Items for Approval</p> <p>a) Final Annual Report and Financial Statements for the year ending 31st July 2022</p> <p>In presenting the final report the CFO advised members that there has not been a lot of changes made since the committee had reviewed the draft in September. The CFO highlighted that The College accepted a few small disclosure recommendations presented by NIAO, including the disclosure of Net Book Value had the College not adopted the revaluation model for land and buildings and further narrative disclosure on the service concession arrangement (PPP). Members noted that it is proposed that the Comptroller and Auditor General (C&AG) certify the 2021-22 financial statements with an unqualified audit opinion, without modification. The Chair commended the CFO and the wider finance team on achieving an excellent result.</p> <div style="border: 1px solid black; background-color: #f0f0f0; padding: 5px; margin-top: 10px;"> <p>Agreed: The committee reviewed and approved the Final Annual Report and Financial Statements for the year ended 31st July 2022</p> <p>Proposer: Andrew Corbett</p> <p>Seconder: Derek Wilson</p> </div>
<p>4.</p>	<p>Finance Items for Information:</p> <p><i>At this juncture Michael McQuillan joined the meeting.</i></p> <p>a) Financial Governance Report</p> <p>The Chief Finance officer directed members to the report and advised that in terms of the July year end the underspend is linked to the retrospective adjustment that was discussed under item 3.</p>

In setting out the March Year end the CFO advised that the College's current March 2023 year-end Resource Requirement target is £40,757k. There is a pressure of £1.9m with the biggest portion of this attributed to pay pressures, the funding cannot be firmed up by the Department until there is an agreement reached with Trade Unions. In terms of non-staff pressures of £103k the main items are around increased utilities costs and then there is a further pressure of £227k relating to traineeship funding.

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, he advised that this new format had been agreed by the Chair and that it incorporates the previous separate reports on debt, procurement and supplier days.

The CFO highlighted that there are still issues around the TAMS system and the College is unable to submit invoices and therefore there should be a normal level of debt if this issue was rectified. He added that the Department are underwriting this and the College is able to make larger cash drawdowns currently.

In response to queries from members on when this matter is expected to be rectified the Principal advised that the College is in frequent contact with the Department in trying to resolve the issues however it may take some time and assurance has been given that any audits will be suspended until March 2023. The CFO highlighted that while there are some workarounds that can be done and manual entries the biggest impact in this is on the staff involved.

In concluding the update of the financial operational report, the CFO added that supplier payment days the average days have decreased and is moving in the right direction.

d) Estates & Capital Expenditure Report

On the invitation of the Chair the CFO presented an overview of the main points within the Estates report, he highlighted that the section of the reporting setting out the PFI costs, the understanding Accounting Treatment and Unitary Charge Costs, and the comparison against the College's traditional estates. The CFO noted that this piece of work is very timely considering the Tribal data released by the Department with regard to the FE Delivery review.

	<p>The CFO highlighted the College makes monthly Unitary Charge Payments to the contract partners totaling approximately £9.6m per annum for 2022/23. These payments are recognised as a combination of:</p> <ul style="list-style-type: none"> • Repayment of the financial liability • Imputed finance charge; and • Service Cost to reflect the service element of the arrangement. <p>The CFO advised that since 2008 RPI applies to the College element more than the Departments, at the time it was agreed in writing by the Department to cover this.</p> <p>For 2022/23 the agreed College contribution is:</p> <ul style="list-style-type: none"> • 35.99% of the total charge in respect of LEP (including VAT) • 33.18% of the total charge in respect of EDEP (including VAT) <p>The committee had a detailed discussion around this information and noted that the conclusion is therefore PPP is slightly more expensive. Members also highlighted that the data within the Tribal report appears inaccurate and that a proper benchmarking exercise would ensure that efficiencies can be better understood and realized.</p> <div style="border: 1px solid black; background-color: #e0e0e0; padding: 5px; margin: 10px 0;"> <p>Action Point: The committee requested that the PPP costs are included as an on-going piece of work</p> </div> <p style="margin-left: 40px;">e) Potential Impact of Coronavirus on College Finances</p> <p>The CFO advised that there is nothing to currently report on Coronavirus in terms of the College finances.</p>
<p>5.</p>	<p>Staffing Items for Information:</p> <p style="margin-left: 40px;">a) HR Priorities 2022/2023 plan and status updates/HR Key Metrics Report</p> <p>The CHRO presented an update on the priorities and highlighted to the committee that it is still relatively early in the new year. Members noted that objective 2 which refers to terms and conditions for academic staff is amber and will remain so, the CHRO advised that there will be no real transformation until the FE review has been completed and so the timescale is unlikely to be met this year.</p> <p>Moving onto the key metrics report the CHRO highlighted that the absence figures are significantly higher than normal for this time of year, this is largely around long-term sickness with some staff on half pay, the College is continuing with the agreed processes to get staff back to work if they can.</p>

b) Employee Relations Update

The CHRO directed members to the written report and advised there had been no substantive changes to the report since the previous meeting. In response to a query from the Chair the CHRO advised that the investigatory timeframe of 12 weeks is a global timeframe and we do try to consider factors that are outside of our control when completing cases.

The Principal informed members that the Department has asked the Sector to advise them of any industrial tribunal cases, SERC has submitted the return as requested.

c) Equality Annual Progress Report

In presenting the report the CHRO began by advising members that the report is in a proscribed format from the Equality Commission and it sets out how the College meets its obligations and the related action plans and measures. Members noted that the report has been submitted to the Equality Commission in draft form and the feedback received so far has been extremely positive. Members noted the correspondence from the Equality Commission and commended the College for the work that has been done to deliver such high praise.

Agreed: The committee approved the Equality Annual Progress Report and recommended it to the Governing Body for approval

Proposer: Andrew Corbett

Seconder: Derek Wilson

d) Learning Academy 2021/22 Review

At this juncture the Head of the Learning Academy joined the meeting.

The Head of the Learning Academy presented members with a detailed overview of the work her department has undertaken in recent months and their future plans. In response to a query from a member the HoLA explained to the committee how the training requirements of each staff member are assessed, she highlighted that staff are encouraged to use all the training resources available to them. She further explained that in using in-house resources and staff helping each other not all the training can be measured in monetary terms.

The Chair thanked the HoLA for her excellent presentation, he noted that the depth and creativity of the work is of the highest standard. The HoLA thanked the Chair and added that her team are genuinely invested in supporting their peers.

At this juncture the HoLA left the meeting.

	<p>e) Absence Analysis 21/22 Report</p> <p>The CHRO presented the written report and provided a brief overview of some of the highlights within the report including an overview of the increase's numbers and the reasons for the absences. He advised that the College compares well in the Sector</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>
6.	<p>Applications and Enrolments</p> <p>The Principal directed members to the written report provided and took it as read. In a brief discussion members outlined that it is critical that any proposed Delivery Model for FE needs to address the decreasing enrolments and still deliver on 10x.</p>
7.	<p>Policy Review</p> <p>a) Secondments Policy</p> <p>b) Expectant Mothers Policy</p> <p>Members noted that both policies had been reviewed and no substantive changes had been recommended.</p> <p>c) Fees Policy 2023/2024-Interim Review</p> <p>The CFO advised that the policy had been reviewed and the recommendation was to uplift HE fees by 5%, he added that there had been much debate whether this would have a negative impact on enrolments, however with the current financial constraints facing the College the management team agreed it was necessary. The committee agreed with the approach to increase HE Fees by 5%.</p> <div style="border: 1px solid black; background-color: #e0e0e0; padding: 5px; margin-top: 10px;"> <p>Agreed: The committee reviewed and approved the Fees Policy 23/24 and recommended it to the Governing Body for adoption Proposer: Andrew Corbett Seconder: Derek Wilson</p> </div>
8.	<p>Any other business</p> <p>No other business was discussed.</p>

9.	<p>Confidential Business</p> <p>The CHRO advised that the update was not of a confidential nature and went on to provide members with a verbal update on staff pay awards. Members noted that a business case has been submitted to the Department for the non-teaching staff pay award which was agreed by the NJC of a one-off payment of £1925 plus 1 extra day's annual leave. For academic staff Trade Unions have rejected an offer of 2% and they have submitted a claim for 17.1% for the 22/23 year. Senior staff have been awarded a 2% increase.</p>
	<p>Date of next meeting</p> <p>The next meeting date was confirmed for Tuesday 17th January 2022, 5.30pm, Lisburn Campus</p>

With no other business being discussed the meeting closed at 8.00pm.