



SOUTH EASTERN REGIONAL COLLEGE

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

held on Monday 11th September 2023 at 17:00, 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), Mrs Emma Carson (HR Services Manager) Item 6G only, Mrs Maureen McKay (HR Business Partner) Item 6G only, Mr Walter Marks (Safety, Health, Environmental and Quality Consultancy Services) Item 6F only , Mr John Gault (Head of Head & Safety) Item 6F only

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 13th June 2023

Agreed: The minutes of the meeting held on 13th June 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 Andrew Corbett.

d) F&GP Action Points from meeting held on 13th June 2023.

Members noted all actions had been addressed on the agenda for this meeting.

2) Correspondence:

a) Lecturer's Pay Award 2021/22 and 2022/23

The CHRO asked members to note the enclosed correspondence that confirms the recent pay award for lecturing staff. At this juncture he advised members that UCU members have agreed to strike action for one week beginning on 18th September followed by one day per week that will alternate across campuses in the sector, action short of strike will continue along side this action.

b) Letters to FE Director re SERC Budget

The CFO asked members to note the correspondence and reminded them at the previous Governing Body meeting the CEO and Chair had agreed to write to the Department expressing their concerns on the budget, the response from the Department has acknowledged the difficulties and assured the College that the budget will continue to be monitored through monitoring rounds. The CFO added that NIFON will also continue to work the Department on forecasts and continue to try and plug the current funding gaps.

3) Financial Items for Approval

a) Final Resource Budget 23/24

The CFO presented the budget for review and approval and began by advising that while a consolidated budget is still not confirmed the College is in an improved position from when the committee last met in June.

Members were advised that the College has received an additional £1.934m mainly through traineeship and business services funding, the College has further reviewed expenditure and cut out £900k, leaving a pressure of £2.7m.

The CFO provided members with a brief overview of the associated costs of the pressure including £700k of PFI costs tied into RPI and inflationary costs, increased exam costs and IT cost have increased as the College is part of the centralised STS programme which is more expensive. The CFO advised that the Department are aware of the pressure in the College and this budget will be used as a basis of management reporting throughout the year.

Members went on to discuss the funding model and noted that there is an opportunity now to review it, the CFO advised that there are currently a few work strands in progress and FE finance are meeting the sector to gain a better understanding of the issues. The CFO concluded the update by advising the sector are lobbying hard to ensure a consolidated budget is provided and is properly baselined. The Chair thanked the CFO for the update and the wider finance team for their efforts in reducing the pressure, he acknowledged that this is a very financially unstable time and appreciated the efforts of CMT in their engagement with the Department.

Agreed: The committee recommended the Final Resource Budget 23/24 to the Governing Body for approval on the caveat that the financial instability was noted and communication with DfE would continue. The decision was proposed by Derek Wilson and seconded by Michael McQuillan

b) Draft Annual Report & Financial Statements Year ended 31 July 2023

The CFO began by advising that he was seeking approval on the Draft Annual Report and Financial Statements so that they can be submitted to DfE and provided to NIAO for auditing, he asked

members to take assurance that the final and audited version will be presented again in November to both the committee and full Governing Body for sign off.

The CFO highlighted the financial performance to the committee and advised that the College's approved Resource Allocation (and therefore financial target) for its 2022/23 financial year was confirmed in June 2023 as £45,325k. SERC's full year Resource Requirement result, £45,270k, constitutes an underspend of £55k (0.12% variance) against this resource allocation target.

Members noted that the College had put a spend moratorium in place in January; in order to place the College in a better position at the July year-end, the CFO provided a brief overview of the income and expenditure for the year.

The Chair of the Governing Body commented that this was an excellent result and was the result of a lot of vigilance by the finance team. The Chair endorsed these comments and added the result was a significant achievement for the College given the financial uncertainty, he asked that feedback was provided to all budget holders on their efforts to deliver an excellent financial performance.

Agreed: The Draft Annual Report & Financial Statements Year ended 31 July 2023 were approved on the proposal of Majella Corrigan and seconded by Andrew Corbett.

c) Estates Strategy

The CFO presented the Estates Strategy for review and began by advising members the strategy was written in 2018 based on guidance from the Department, under this guidance at the end of the 5-year period there is a requirement to fully refresh the strategy (by CMT and Governing Body) and ensure it is fit for purpose.

The CFO highlighted the most notable changes are:

- An expanded "Energy Management & Sustainability" section
- Updated costs of the current estate 5-year maintenance plan. New condition surveys will be commissioned next year to inform a new 5-year plan.
- Further development of the proposal for Lisburn's brownfield site, including a completed feasibility study (attached) to inform development of a full business case.

In a brief discussion members enquired if there was an opportunity to simplify the document, the CFO advised that the template is provided by the Department, but he would welcome an opportunity to talk through any suggestions for improvements.

Agreed: The Estates Strategy was reviewed and approved by the committee on the caveat that a simplified version be developed for future presentations. the decision was proposed by Andrew Corbett and seconded by Majella Corrigan.

4) Financial Items for Information

a) Financial Governance Report

Members noted the written report and the Chair advised most of this information was covered in the earlier discussion at item 3A.

b) NDPB Budgeting and Forecasting Submission

The CFO asked members to note the report and highlighted that although the July year end is still the formal publication date for the financial statements, the College is very much moving internal reporting to fall into line with March year-end.

Action: The CFO will provide future committees with up to date management accounts in place of the Financial Governance Report

c) Finance Operational Report

The CFO directed members to the report and highlighted that supplier payment dates are significantly below the Treasury target due to long-term and short-term staff sickness absence within the Accounts Payable function. The CFO advised that staff are re-organizing duties, however KPI's have not been met. The Chair commented that he appreciated the difficulty facing the team and the transparency from the CFO, but the current financial climate means it is not within the gift of the College to replace staff who are absent.

d) Estates & Capital Expenditure Report

The CFO presented the report and highlighted that capital funding is very constrained for the year. In terms of "invest to save" energy investment, the College has submitted bids of £500k but has not yet been successful in any. In response to a query from the GB Chair the CFO advised that in terms of criteria for assessment of the energy bids, the College is unaware of any priorities being set by DfE

5) Staffing Items for Approval:

a) HR Strategic Priorities 2023/24

The CHRO outlined the proposed priorities for 2023/24 academic year, two of which are carried over from 2022/23 academic year. He provided members with an overview of the new priorities which include the hybrid working model implementation, recruitment and selection, leadership & management and equality diversity and inclusion strategy.

Agreed: Members approved the HR Strategic Priorities for 23/24 on the proposal of Majella Corrigan and seconded by Michael McQuillan

6) Staffing Items for Information:

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

The CHRO began by providing a year end update on the 22/23 priorities and advising members that 2 priorities relating to lecturer pay/terms & conditions and the FE Delivery model would be carried over to the 23/24 year.

Moving onto the metrics report, the CHRO highlighted that long term absence remains a red risk and is being continually monitored, the rate is currently 3.65% which for this time of year is unusually high. The CHRO advised that there are 28 staff with significant health issues currently absent on long term absence and the HR team are continuing to work to try and bring a quick conclusion for some of the staff including in some circumstances by applying for their pension, through ill-health retirement however this is not a straightforward process as most applications are turned down the first time. In response to a question the CHRO confirmed that his sector colleagues have reported similar patterns in their absence rates and the pattern has been seen across the public sector.

b) Employee Relations Update

The CHRO asked members to note the written report, he gave a brief overview of the number of live cases, how they are progressing and confirmed that there are no specific trends across the complaints to cause him any concern.

c) Staff Efficiency Review

The CHRO presented the efficiency reviews conducted recently in the Learning Academy and Finance, he explained that these reviews are conducted regularly in departments across the College

to review effectiveness and efficiency and are reviewed after a year to ensure the outcome is fit for purpose. He added the current Learning Academy review was done on the back of the budget situation, change in department head and the resignation of staff however no department is exempt from these reviews.

Members discussed the outworking's of the reviews and noted that the outcome may identify a skills gap, in response to a query around the impact on quality for students the CHRO advised that each unit has its own SER and QIP to complete and monitor and so quality is monitored within that framework. The whole college SER may trigger an efficiency review or other actions throughout the year, and this is reported up to the Education committee. Members commented that the joined-up approach was evident, and it was reassuring to note in terms of how quality is prioritized.

Action: Members suggested that further efficiency reviews could include the longitudinal issues in the summary, and if the review has an impact in other areas of the College; to ensure there is strategic context in the connectiveness.

d) Case Management Review

Members were asked to note the written report. The CHRO reported that the number of cases has reduced, and timeframes have improved particularly with dignity at work cases.

e) Annual Progress Report

The CHRO presented the annual progress report and members noted that the Equality Commission will provide feedback on the report in due course. The CHRO advised that the report gives a good holistic picture of all the equality work in college with students and staff. He highlighted the disability action plans and that 8 out of 10 of the measures have been achieved. The Chair noted that this is a high-quality piece of work and commended the College on the work.

f) HASMAP Briefing – Presentation by Walter Marks

At this juncture Mr. Marks and the Head of Health and Safety joined the meeting.

On the invitation of the Chair Mr. Marks provided members with a detailed overview of the framework of HASMAP and the assurance levels it can provide to the College on health and safety. The Chair thanked Mr. Marks for his presentation and noted that he liked the evidence base and structure of HASMAP. The Chair of the GB noted that the College is currently well managed, but HASMAP provides an extra layer of assurance and will allow ongoing improvements to be measured.

The Chair concluded by acknowledging the work the Head of Health and Safety has done over very many years. He added HASMPA will provide another level of assurance using an evidence-based methodology from the committee's point of view it gives us clarity over both the insight and oversight.

At this juncture Mr. Marks and the Head of Health and Safety left the meeting.

g) Health and Well Being Annual Review 2022/23

At this juncture the HR Services Manager and HR Business Partner joined the meeting.

Members noted the work of the HR team to promote health and well-being across the College, the HR Services Manager highlighted that the work is completed with a budget of £1000 and the team also work with colleagues in the sector to run joint events to keep costs at a minimum. The HR business partner advised the committee of the proposed plans for future work and advised that staff have been recruited as health and well-being champions to further promote the message across the College.

The Chair thanked the HR team for the very informative presentation, he added it is testament to the amount of work done with very little resource. He noted the work is done in a very innovative and creative way and said the committee really genuinely appreciate what they do in the College for staff.

At this juncture the HR Services Manager and HR Business Partner left the meeting.

h) Staff Survey Action Plan Update Report

The CHRO reported that on the back of the focus groups from the previous survey there has been a commitment to regular communication to update staff on the progress of agreed actions, this has been communicated through various means including email, JCF and staff briefings.

The committee noted that it was pleased to see regular communications in place rather than just before another survey was issued.

In response to a query on the staff briefings the CHRO advised that the format has been changed this year, with more time dedicated to each session to build on engagement with staff and all them to have a meet and greet with CMT members.

7) Applications and Enrolments

The committee noted the written report and the Principal advised FE enrolments have increased by 15%, however he highlighted the College will not receive any additional funding for extra students despite incurring more costs.

8) Policies for review

a) Mental Health Policy

The CHRO highlighted that there were some minor changes throughout the policy document.

Agreed: The policy was approved on the proposal of Derek Wilson and seconded by Abdreu Corbett.

b) Little SERC Policy Fees

The CFO advised that this is the first time formalised fees have been set for the creche as the College requires a full set of terms and conditions and fees policy for anyone who dont have a 3rd party funder for the child's placement.

Agreed: The policy was approved on the proposal of Derek Wilson and seconded by Abdreu Corbett.

9) Any other Business

No other business was discussed.

10) Confidential

A separate note was taken for this item.

The meeting was concluded at 7.52pm.