



SOUTH EASTERN REGIONAL COLLEGE

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

held on Tuesday 14th November 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, Mrs Deborah O'Hare, Mr Ken Webb (Principal & Chief Executive), Ms. Majella Corrigan, Mr. John Nugent (Chair of the Governing Body)

In attendance: Mr Paul Smyth (Chief Human Resources Officer) 'CHRO', Mrs Claire Williamson (Secretary to the Governing Body), Ms Diane Weatherup (Head of the Learning Academy) Item 5C only, Mr David McCullough (Head of Finance) 'HoF'.

Apologies: Dr Danny McConnell

In the Chair: Mr McCrum

b) Declarations of Conflict of Interests

The following conflict were declared:

- 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.
- Mrs O'Hare advised she is employed by The Board of Governors of the Wallace High School (a NDPB) as Principal. The sponsor department for funding and development work and other applications is DENI supported by or delegated to the EA as appropriate. Is also current member of the College Advisory Group (Education) CAFRE DAERA CAFRE offers level 2 to level 6 + qualifications.

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

At this juncture the Chair welcomed Mrs O’Hare to her first committee meeting and noted that her vast experience is very much welcomed.

The Chair advised members that the Chief Finance Officer was unavailable to attend and the Head of Finance was attending to deputise for him, he welcomed the HoF to the meeting and thanked him for making himself available to the committee at such short notice.

c) Minutes of the F&GP meeting held on 11th September 2023

Agreed: The minutes of the meeting held on 11th September 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 11th September 2023.

Members noted all actions had been addressed on the agenda for this meeting. The HoF confirmed that the financial governance report was replaced with the management accounts.

2) Correspondence:

a) SERC Budget allocation update 23/24

The Head of Finance asked members to note the correspondence that confirmed a number of budgetary changes. The committee noted that an additional £600k had been allocated for Skills Focus and Innovate Us along with an additional £371k for Traineeships. The HoF highlighted that the College’s PFI pressure of £700k had also been met.

b) ECNI Feedback on Annual Progress Report

The CHRO advised that this positive feedback had been received from the Equality Commission and confirms the College’s statutory obligations in relation to Section 75 are progressing well.

3) Financial Items for Approval

a) Annual Report & Financial Statements Year ended 31 July 2023

The HoF presented the final Annual Report and Financial Statements to the committee. He highlighted that since the draft reports were viewed in September one change was made, prior to audit. The change relates to the creation of a provision for insurance excess related to a legal claim.

The outworking is an increase of £10k in the Deficit as detailed in the Statement of Comprehensive Income & Expenditure, and a £10k decrease in Total Reserves.

Members Noted that no were adjustments required and no material changes. One priority 3 recommendation had been made for the sector. The HoF advised that this was more an observation in regard to the College's fixed asset register as some items are sitting at nil and they have depreciated. The College has been asked to check if the items are still in use, and if not remove them from the register.

The HoF added that this issue relates to capital funding. The College is very aware the items are listed at nil, however in recent years capital allocation has been so restrictive and therefore the asset has to be used for longer. The HoF advised that the College wants to deliver the curriculum at its best and having to use these assets for so much longer does impact on the student experience and a sector the depreciation policy will be reviewed in due course.

The HoF updated the committee on irregular spend in the Department's own accounts for 2022/23 relating to the STS project. The spend is outside of the contract as it did not have the correct approval. Colleges continue to pay an element of the contract unaware that the approval was not in place. The NIAO have highlighted this issue within DfE's main accounts.

Agreed: The Annual Report and Financial Statements for the year ended 31 July 2023 were approved on the proposal of Derek Wilson and seconded by Abdrew Corbett.

4) Financial Items for Information

a) Management Accounts

The Head of Finance presented the set of management accounts up to 30th September. He highlighted that for the six months ending 30th September, the College has an actual Resource Requirement of £21,324k compared with a budgeted Resource Requirement of £21,241k; the year-to-date result is therefore £82k worse than the original target.

Moving on to the full year forecast the HoF informed the committee the resource requirement is currently £1,159k higher than the target of £42,574k. This pressure can be considered as being made up of:

- Lecturers' & Senior Staff Sept 2023 assumed 3.5% pay award c.£517k.
- Impact of business services reduced funding c. £642k.

The Chair noted there is a current shortfall of £1.159k and that this is a moving issue as more funding is secured as set out in agenda item 2a.

b) NDPB Budgeting and Forecasting Submission

Members noted the recent submission, the HoF highlighted this reflects the management accounts.

c) Finance Operational Report

The HoF asked members to note the written report and he highlighted the improvement in payment supplier days which is directly due to normalised staff resource levels, and the embedding of efficiency measures within Accounts Payable.

d) Estates & Capital Expenditure Report

The Chair asked members to note the written reports provided and added that he was content there were no issues to raise regarding the information provided.

5) Staffing Items for Information:

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

The CHRO talked to the written report and advised that there had not been any significant changes to the priorities since the committee last reviewed them. He highlighted the priority regarding academic conditions and pay was red and was expected to remain so given the current industrial action.

Members moved onto to note the HR metrics report and the CHRO highlighted that staff sickness absence levels remains above target, and this is directly linked to long term absence, he advised there are no concerns in the College with short term absence.

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 any concern. In response to a query from the Chair, the CHRO confirmed that the organizational learning from these cases is shared with the committee.

c) Learning Academy Annual Review 22/23

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

The Head of Learning Academy (HoLA) presented an overview of the work of the department over the previous year, she highlighted the team's successes and set out the plans for future work. She highlighted the approach the team are taking to the significant developments in artificial intelligence. The Chair thanked the HoLA for a very enthusiastic and comprehensive presentation, he then invited members of the committee to ask questions.

The Chair of the Governing Body highlighted the current Sector challenges and enquired If the HoLA had given thought to how this would impact her department over the next 2 years. The HoLA recognized the significant budgetary pressures on the College and advised that the LA will have to

focus on work that ensures statutory and compliance obligations have been met. She added that in a very fast paced environment there is a focus on staff development days to ensure that staff are engaged and upskilled to stay ahead of the curve.

The Chair thanked the HoLA, he observed that the approach to artificial intelligence was reassuring as it was impossible to predict how it will develop overall. He noted that he is always struck by the breadth and quality of the work and the enthusiasm of the team.

At this juncture the HoLA left the meeting.

d) Review of Healthcare Scheme

The CHRO referred members to the written report provided and he provided a brief overview of the scheme. He highlighted the College is the only one in the Sector to offer such a scheme to employees and the annual cost is £40k per annum which is £1 per week per employee. The CHRO advised that it was his recommendation to continue with the scheme as the small amount that can be claimed back is valued by staff and forms part of the reward scheme for recruitment and retention. The overview of the use of the scheme reflected excellent usage of the scheme throughout the College. Members also noted that the scheme was extremely good value for money and that anything that can differentiate the College in terms of attracting and retaining staff was a positive.

Agreed: The committee approved the continuation of the Healthcare Scheme on the proposal of Andrew Corbett and seconded by Majella Corrigan.

e) Hasmap Update Report

The CHRO advised that Mr. Marks was not available to attend the meeting and he is hopeful that the report will be available for the next Governing Body meeting. He advised his review and report were almost complete.

f) Sickness Absence Annual Report 2022/23

The CHRO talked to the written report and began by advising members that staff absence remains a strategic risk for the College. The purpose of this briefing was to provide members with an update on sickness absence levels and reasons for the 2022/23 academic year with details of benchmarks from NI FE Sector and wider public sector organisations.

The CHRO provided an overview of the figures presented and advised that within the Sector, SERC have the 3rd lowest absence rate, the highest being 5.2% and the lowest 3.3%.

The CHRO added that it had been a challenging year and the increase in absence rates had been replicated across the sector, the sector figures are broadly comparable with other elements of the public sector.

The committee noted that the higher absence rates undoubtedly increased the workload of other members of staff and enquired as to how this was managed. The CHRO confirmed that academic staff are covered when they are off however, curriculum support staff workload has to be managed and it does therefore impact other staff in terms of workload and morale..

6) Applications and Enrolments

The committee noted the written report which provided an update on the College applications and enrolment figures, the Principal highlighted there are some 400 extra FE enrolments in this academic year.

7) Policies for review

a) Annual Review of HR Policies

The CHRO advised that the following policies had been reviewed in the annual review:

- Capability
- Flexible Working
- Dignity at Work
- Special Leave of Absence
- Stress Management Policy

He informed members that only the Dignity at Work policy requires any change and as this is a sector policy it is subject to legal review and will be first taken through the Principals Group for agreement and then onto the negotiating committees. He added once the policy has been through these channels it will come back to the committee as a CEF Circular for noting.

b) Fees Policy

The Head of Finance presented the Fees 24/25 Policy for approval, he gave members an overview of the fees and advised that there is a recommendation of an inflationary increase of 5.27% across full time courses and this is consistent with the sector fees.

Agreed: The Fees Policy 24/25 was approved on the proposal of Andrew Corbett and seconded by Deborah O'Hare. The policy was recommended to the Governing Body for adoption.

8) Any other Business

No other business was discussed.

9) Confidential

A separate note was taken for this item.

With no other business being discussed the meeting concluded at 6.42pm