

**SOUTH EASTERN REGIONAL COLLEGE  
Governing Body**

**Minutes of the meeting of the Governing Body held on Tuesday 28th June 2016 at  
6.00 p.m. in the Lisburn campus**

Item No	Item
1.	<p data-bbox="252 394 1086 421"><b>a) Attendance/ Apologies, Declarations of conflicts of interest</b></p> <p data-bbox="252 490 408 517"><b><u>Attendance</u></b></p> <p data-bbox="252 521 1380 613"><u>Present:</u> Mr D. Sagar, Mr G. Hetherington, Mr K. Webb, Mrs B. Larkin, Mrs K. Fraser, Ms C Goodwin, Mrs H. Reid, Mr N. Bodger, Miss C. Meharg, Prof A. Woodside, Mr A. Corbett, Mr J. Mackell, Mr J. Taylor Mr E. Jackson, Ms K. Scott, Mr S. Pollard</p> <p data-bbox="252 651 1380 712"><u>In attendance:</u> Mr D. McCullough(Financial Controller), Miss C. McDermott (Secretary of the Governing Body)</p> <p data-bbox="252 745 715 772"><b><u>Apologies:</u></b> Mrs C. King, Ms S. Corbett</p> <p data-bbox="252 808 560 835"><u>In the Chair:</u> Mr D. Sagar</p> <p data-bbox="252 875 1380 996">The Chair welcomed everyone to the meeting and extended a particular welcome to Mr McCullough. The Chair further noted Mr Taylor's last meeting as Student Governor and highlighted his appreciation for Mr Taylor's valued contribution to both the Governing Body and the Finance and General Purposes Committee and wished him well for the future.</p> <p data-bbox="252 1032 727 1059"><b>Declarations of conflicts of interest</b></p> <p data-bbox="252 1099 1380 1160">The Chair asked if there were any conflicts or perceived conflicts of interest in relation to any item on the agenda. There were no such declarations.</p> <p data-bbox="252 1256 531 1283"><b>b) Chairman's report</b></p> <p data-bbox="252 1323 1075 1350">Members discussed the report and the following actions were agreed:</p> <p data-bbox="252 1386 879 1413">Secretary to email Governors to obtain the following:</p> <ul data-bbox="300 1417 612 1509" style="list-style-type: none"><li>• Committee Preference</li><li>• Main Skills/Expertise</li><li>• Networks &amp; Contacts</li></ul> <p data-bbox="252 1574 1046 1601"><b>c) Minutes of Governing Body meeting held on 26<sup>th</sup> April 16</b></p> <p data-bbox="252 1641 1380 1702">The minutes of the meeting were agreed as a true record on the proposal of Prof Woodside and seconded by Mr Hetherington.</p> <p data-bbox="252 1767 1078 1794"><b>d) Matters arising/action points from meeting of 26<sup>th</sup> April 16</b></p> <p data-bbox="252 1834 1380 1895">Mr Hetherington noted that Item 9 is not complete and will be addressed within the Audit Report, Confidential Business. All other matters/actions had been completed.</p>

2.

## **Items for Approval**

### **a) Remuneration of Governing Body Chairs and Members SOP**

Members discussed the SOP and noted the consistent approach across the six Colleges. It was agreed that the Board would view the first year as experimental and accept the maximum limit of £3,500 as applying to each member. It was agreed that the Accounting Officer could update members on how the remuneration procedure is operating towards the end of the first year. The Chair asked the Secretary to distribute Appendix B of the SOP to Governors.

Mr Mackell proposed the approval of the Remuneration of Governing Body Chairs and Members SOP and Mr Bodger seconded. The GB agreed.

### **b) Amended Articles of Government**

Members discussed the following pertinent objectives:

- The aim of achieving Charitable status
- To modify the prescribed method for grievance, disciplinary and appeal matters

The Chair discussed the procedure of amendment to the Articles of Government and the plan to develop detailed SOPs for grievance, disciplinary and appeal matters that will then be presented for ratification by the Governing Body. It was noted that the amendments to the Articles will not alter existing Staff Contracts. It was confirmed that there would be no implications for Governors as trustees of the Charity. Members discussed the quorum of committees and noted no change on that aspect. Members further noted the current collaboration with the other six colleges in order to adhere to a consistent approach.

Mrs Reid proposed the approval of the Amended Articles of Government and Mrs Larkin seconded, subject to the detail on the SOPs which will be presented for Governing Body approval. The GB agreed to approve the proposed changes and delegated to the chair and four committee chairs any further changes subject to the SOPs being brought back to the GB.

### **c) Asset Management Policy**

The Financial Controller presented the amended policy to the Board which will be reviewed again in six months by the Finance and General Purposes Committee. It was noted that the regular audit of assets would fall under the Financial Governance Policy.

Mr Corbett proposed the approval of the Asset Management Policy and Mr Mackell seconded. The GB agreed and delegated approval for future to the Finance and General Purposes committee.

### **d) Anti-Fraud Policy**

The Financial Controller presented the amended policy to the Governing Body and the recommended changes were discussed. The Chair noted that any further changes will be reviewed at first instance by the Audit Committee.

Mr Hetherington proposed the approval of the Anti-Fraud Policy and Mrs Frazer seconded. The GB agreed and delegated approval for future to the audit committee.

### **e) Minutes of Education Committee meeting held on 5<sup>th</sup> April 16**

The Chair of the Education Committee highlighted that Dr Kelly's presentation has been postponed until the next academic year and noted any additional items to be discussed will be addressed elsewhere on the agenda.

These minutes were adopted on the proposal of Mrs K Fraser and seconded by Prof Woodside.

**e) Minutes of Audit Committee meeting held on 15th March 16**

Mr Pollard proposed the adoption of the minutes as a true record and Mr Hetherington seconded. The GB agreed.

**f) Minutes of Finance and General Purposes Committee held on 11th April 16**

Mr Jackson suggested that the Accounts Circular FE02/16 was circulated among members.

Mr Taylor proposed the adoption of the minutes as a true record and Mr Mackell seconded. The GB agreed.

**g) Minutes of Staffing Committee meeting held on 13th April 16**

The Chair of the Staffing Committee highlighted that in relation to Pay Progression, the Non-Teaching staff have agreed but there has been no further progression with Academic Staff.

Ms Goodwin proposed the adoption of the minutes as a true record and Mr Bodger seconded. The GB agreed.

**3. Items for Discussion**

**a) College Development Plan (CDP)**

The Chair introduced the item for discussion and thanked all members that provided feedback since the last Governing Body meeting.

The Chair of the Education Committee again thanked members for the detailed feedback received and noted that it was all considered for the CDP. Mrs Reid addressed the recommendation of an earlier Strategy Day in the new academic year in order to look at the key issues to enhance the strategic direction of the College.

Members discussed the following:

- The front cover of the CDP will feature students, rather than a picture of the SPACE building.
- The requirement of DfE to publish the CDP on the College website as a public document.
- The targets set within the Plan have been refined and will be reviewed again in September with the possible opportunity to link in more closely with the Programme for Government.
- In relation to the achievements of the College featured within the CDP, it was suggested to utilise the video footage of these accomplishments as a valuable marketing tool, for example, embedding links on the College website.
- The possible need to review the wording of the diversity area within the document in a more sensitive manner
- Editing errors: a grammatical error on page 12 which requires a sub-clause (Increasing at higher levels) inserted at "role of FE" and also on page 30, a paragraph is a repetition of page 29.
- To have a better understanding of impact
- The CDP to be strengthened as a transparent document with targets and outcome based assessments with the purpose of being the driver for improvement, for ETI purposes and to hold the College to account in relation to these targets

The Chair reinforced the need to emphasise successes of the College by embedding links on the College website and suggested that the generic information within the CDP is removed. He agreed with the inclusion of targets in the CDP and added that a brief action point of what the College is planning to do to meet the target would be useful to include. The Chair and Governors agreed that the CDP will return to the Governing Body agenda for approval in September.

<p>4.</p>	<p><b><u>CEO's Business</u></b></p> <p><b>a)CEO's report</b></p> <p>Members noted the report.</p> <p><b>b)Enrolment and Funded Learning Units (FLU) update</b></p> <p>The Principal presented the report and discussed the format of the report. He noted that the College is within 3% of the target and highlighted the Department are not taking any clawback for not meeting targets this year. He addressed applications and in relation to FT applications stated that the College is running one week ahead compared with this time last year and PT applications are running five weeks ahead compared with this time last year. He highlighted that this does not guarantee that applications will turn into enrolments, but there are certainly no indications that enrolments will be low at this point in time.</p> <p>The Principal further noted the Access and Restart Programmes and stated that the levels are very strong and they hope to put on additional provision across the campuses to meet demand. The Principal confirmed that the conversion rate of applications to enrolments is tracked and analysed. Members discussed Update 3 of the report and the challenges the Sector are facing in 16/17 and the Principal confirmed that the update within the report is the updated FLU allocation for 16/17, unless there are financial cutbacks.</p> <p>The Chair thanked the Principal for the update and suggested for further information to be added to the report to demonstrate what the College is doing and also planning in order to increase enrolments, specifically related to FLUs. The Chair agreed that a conversion rate, of applications to enrolments, would be beneficial and this could also be addressed within this report.</p>
<p>5.</p>	<p><b><u>Items for Information</u></b></p> <p><b>a)Student Governor Report</b></p> <p>The Student Governor gave a verbal report to the Governing Body on student life at the end of the academic year. He noted the authorisation given for students to avail of the Aurora Car Park at Bangor Campus. The Student Governor went on to discuss his time as a Governor and the importance of a student representative on the Governing Body. He highlighted that he has learned new and invaluable skills from his experience and has thoroughly enjoyed it. He thanked members for all their support, mentoring and encouragement.</p> <p><b>a)1 Staff Governor Report</b></p> <p>Mr Corbett gave a verbal report in relation to the Teaching staff. He highlighted the movement towards Project Based Learning and noted he felt the majority of staff were in support of it. He further noted his concern with the Level 2 Apprenticeships and their direct link to achievement of GCSEs. Mrs Scott updated members that the Minister of Education updated this decision today and this is now relaxed somewhat as our students in NI will now be able to access GCSE courses leading to both alphabetical grades and numerical grades. Mrs Meharg highlighted the benefit to young people and stated that some will leave school with a record of attainment that consists of a mixture of letters and numbers.</p> <p><b>b)Audit Committee Minutes (unconfirmed) of 7<sup>th</sup> June</b></p> <p>The Chair of the Audit Committee highlighted the following:</p> <p>1) <u>Risk Management Report</u></p> <p>Mr Hetherington discussed the risks and noted the Sector Wide Risk R080, Managing the Competitive Risk due to Demographic Change. He said that in terms of mitigating this risk, the Schools Partnership provision 16/17 has been agreed with schools with minimum overlap</p>

between schools' courses and SERC's courses and the re- development of the Curriculum in some areas for next year.

#### 2) National Fraud Initiative – Progress Report

Mr Hetherington informed members how the report is related to data matching and identifying inconsistencies to identify fraud e.g. payroll, pensions. He added that the data matched to the College identified 213 issues recommended for investigation and the College examined a further sample of 334 and no issues were found. Mr Hetherington said the NIAO will be re-examining the National Fraud Initiative again to ensure it stays relevant to the types of fraud in FE.

#### 3) Internal Audit Reports

Mr Hetherington informed members that the College will be reviewing the Internal Audit Plan to include other areas that the other Committees would like examined.

##### a) Procurement

Mr Hetherington informed members that the review of Procurement received a substantial rating and there are no recommendations to bring to the attention of the Board.

#### 4) External Audit Strategy

Mr Hetherington reminded members that the NIAO are responsible for conducting the External Audit of the College accounts and they have just appointed PwC after the contract with Grant Thornton ended. Mr Hetherington said that PwC have identified a significant risk to the College that relates to the New SORP/FRS 102, which is a change in accounting for the college.

Members discussed the unconfirmed minutes from the 7<sup>th</sup> June meeting and highlighted a date error to be corrected from 2015 to 2016. Mr Hetherington confirmed that the Audit Committee review alleged and suspected cases of fraud frequently and it would be a standing item within the Audit agenda. The Finance Controller explained the email system in place to detect attempted cases of fraud via email and the College procedures in place to make staff aware of potential Spam and/or fraudulent emails.

These minutes were noted.

#### **c) Staffing Committee Minutes (unconfirmed) of 13<sup>th</sup> June**

The Chair of the Staffing Committee reported on the following:

1) Employee Relations: the position remains unchanged.

2) Proposals to widen powers of GTC to include FE: the position remains unchanged.

##### 3) Payment of Incremental Pay Progression

Ms Goodwin informed members that on the Non-Teaching side agreement has been reached and payments made, whereas on the Teaching side payment has been made but no agreement has been reached.

4) KPI Report: Ms Goodwin noted the report

##### 5) Time served related increments to pay

Ms Goodwin said the College will have to reflect their approach to this in line with the Department.

Members discussed the equality statistics and Mrs Reid informed members that the Education Committee will be reviewing the Equality statistics of students within the new academic year. These minutes were noted.

#### **d) Education Committee Minutes (unconfirmed) of 14<sup>th</sup> June**

Mrs Reid informed members that the Education Committee will be reviewing their Terms of Reference and comments were welcome by the 15<sup>th</sup> August 2016. The Chair added that committee chairs had agreed that all Committee Terms of Reference will be reviewed and amended accordingly.

These minutes were noted.

#### **e) Finance and General Purposes Committee minutes (unconfirmed) of 20<sup>th</sup> June**

The Chair of the Finance and general Purposes noted that the following were addressed at this meeting:

##### 1) Budget Plan 16/17

Mr Jackson said this is a baseline budget that the College will produce in June and finalised in September before being presented to the Department for the Economy. He highlighted the following relating to:

##### Grant-in-aid and Other Income

- Income as a whole will decrease by approximately £770k, however, this headline figure can be misleading as it includes the recognition in 2015/16 of the additional working capital investment of £1m; and recognition of NIFE VES funding of £133k. The more meaningful interpretation is to consider operational income as having increased by approximately £363k overall.
- The most significant element of this increase relates to the second year extension of the Youth Training Pilots, which are expected to increase in income terms by some £1.27m. Even after consideration is taken of the £535k displacement in the Training for Success, the net expected increase in income is approximately £736k.
- A c. £486k reduction in ad hoc ring-fenced funding from DfE and an increased Employer Engagement programme expected to generate an additional £200k.
- It was confirmed that it was unlikely that the College would receive ring-fenced funding this year to cover uncontrollable staff cost increases.

##### Staff Costs

Mr Jackson reported that the bulk of the staff cost increase is outside the control of the College and is driven by contractual entitlements such as £280k pay award; £163k increments, Deane & threshold; £299k pro rata increase from part to full year of end of National Insurance Rebate

##### Other Resource Expenditure

Mr Jackson highlighted that this is expected to reduce by £442k. He added that this is made up of a £120k fall in that element of the PFI Contract Costs that are being recognised via the Income & Expenditure statement; and also a £322k decrease in non-staff costs. He further added that £278k of the £322k decrease is due to a reduction in trainee expenses.

Mr Jackson noted that purchases of non-capital equipment is expected to reduce by £344k in the 16/17 year due to having the funds last year to replace a lot of this equipment so for 16/17 they were expecting to go back to replacing such equipment every 4 years rather than every 3 years. He added they are unsure if they will have to pay the Apprenticeship Levy of £50k.

##### Other or Exceptional costs

Mr Jackson reminded members of the increased recognition of pension liability under the requirements of the new reporting SORP FRS102; and the lack of a provision for the compensation costs under the 2016/17 VES.

	<p><u>2)Financial Framework Analysis</u> Mr Jackson noted that this report will be presented to the Governing Body as an alternative to the full management accounts pack, however the more detailed report will be available through the Governing Body Team Site and items will be highlighted to members if they vary by 2%.</p> <p><u>3) Financial Governance Policy</u> Mr Jackson noted the amendment, that now only debts over £1000 will be brought to F &amp; GP Committee for approval.</p> <p>Mr Jackson added that Balance Sheet items will be considered for discussion at Finance and general Purposes Committee meetings as suggested by the Chair. The Chair of the Governing Body suggested for the Budget Report to be presented at the September Governing Body meeting for review and thanked the Chairs of the Sub-Committees for their reports.</p> <p>These minutes were noted.</p>
<p><b>6.</b></p>	<p><b><u>Any Other Business</u></b></p> <p>Members discussed the following:</p> <ul style="list-style-type: none"> <li>• To incorporate a section into the upcoming Strategy Day to address the recent Referendum result and the potential impact of the result on the College.</li> <li>• To remove or minimise the four Committee Items for approval i.e. Minutes and only propose and second these items via the Secretary.</li> <li>• A new initiative or information item added to future agenda to keep members informed of things happening across sub-committees or within SERC</li> <li>• A better understanding of outcome based accountability</li> </ul> <p>The Chair asked members to email any possible items for consideration at the Strategy Day with the aim of finalising the agenda after the next Governing Body meeting in September. He also asked members to suggest items to be considered at future meetings at the end of each Governing Body meeting and lastly to comment or give suggestions on how to improve future meetings.</p>
<p><b>7.</b></p>	<p><b><u>Date and Time of next meeting</u></b></p> <p><b>Tuesday 27th September 2016, at 6.00 p.m. (Bangor)</b></p>
	<p>The Staff Governor, the Student Governor and the Finance Controller left the meeting at 8:11p.m. Mrs Larkin left the meeting at 8:19pm. The other Governing Body members remained for confidential business.</p> <p><b><u>Confidential Business</u></b></p> <p>A separate minute was taken for the confidential items</p> <p>The meeting, including confidential business, ended at 8:55pm.</p>

.....(Chairman) ..... (Date)

Attendees	Time Arrived	Time Left	Duration	Entitlement to Payment Y/N
Gareth Hetherington	6pm	8:55pm	2:55	Y
Deep Sagar	6pm	8:55pm	2:55	N/A
Jack Taylor	6pm	8:11pm	2:11	Y
Christine Goodwin	6pm	8:55pm	2:55	Y
Heather Reid	6pm	8:55pm	2:55	Y
Neil Bodger	6pm	8:55pm	2:55	Y
Kim Scott	6pm	8:55pm	2:55	Y
Karen Fraser	6pm	8:55pm	2:55	Y
Professor Alan Woodside	6pm	8:55pm	2:55	Y
Ed Jackson	6pm	8:55pm	2:55	Y
Barbara Larkin	6pm	8:19pm	2:19	Y
Claire Meharg	6pm	8:55pm	2:55	Y
John Mackell	6pm	8:55pm	2:55	Y
Andrew Corbett	6pm	8:11pm	2:11	N
Carolyn King	-	-	-	
Ken Webb	6pm	8:55pm	2:55	N
Steve Pollard	6pm	8:55pm	2:55	Y
Shirleen Corbett	-	-	-	

Signed: Deep Sagar

Date: 27/9/16

Chairman of Governing Body