

Minutes of Governing Body (GB) Meeting
Thursday 14th November 2019, 5.30pm, Lisburn Campus

Agenda Item 1: Chair's Business

a) Attendance and apologies for absences

Present: Mr Gareth Hetherington (Temporary Chair of the Governing Body), Professor Alan Woodside, Mr Andrew Corbett, Mrs Barbara Larkin, Mrs Heather Reid Items 2, 5-8 only, Mr Neil Bodger, Mr Steve Pollard, Ms Christine Goodwin Items 2, 5-8 only, Mr John Mackell, Mrs Carolyn King, Mr Ken Webb (CEO/Principal), Mr Dillon Stanley

Apologies: Mrs Karen Fraser

In the Chair: Mr Hetherington

In attendance: Mrs Claire Williamson (Secretary to the Governing Body) Mr Tommy Martin (Chief Finance Officer-CFO), Mr Niall Parfitt (Boardroom Apprentice)

The Temporary Chair welcomed everyone to the meeting and extended a welcome to Mr Stanley at his first meeting in his official role as Student Governor.

b) Declarations of conflicts of interests

The Temporary Chair invited members to declare any known or perceived conflicts of interests. No interests were declared.

c) Minutes of the GB meeting held on 30th September 2019

The Governing Body reviewed the minutes from the meeting held on 30th September 2019, it was agreed the minutes were a true and accurate reflection of the meeting.

Proposer: Steve Pollard

Seconder: Barbara Larkin

d) Matters arising/action points from previous meetings

The Temporary Chair directed members to the list of actions from the previous meeting. He advised that the Strategy 2030 document had been circulated by the Secretary to all members for review and the Education Committee would be reviewing the document at their meeting on 21st November. The Secretary asked that all Governors provide feedback on the document on later than midday Tuesday 19th November to allow time for comments to be considered ahead of the committee meeting.

The Secretary updated members on how meeting papers are viewed on the GB TeamSite and advised that downloaded documents are counted as a view. Considering this update, the Temporary Chair reminded members of the importance of reviewing papers in advance of meetings.

The Temporary Chair noted the response from the Chief Human Resources Officer on the actions relating to the Equality Progress Report, he advised members that a full update would be provided by the CHRO for the next meeting.

e) Governing Body Members Recruitment Competition

The Temporary Chair advised that he recently met with Departmental officials and they have confirmed the recruitment competition for new members is underway. In terms of a timeline he asked members to note it was agreed with the Department that December would not be an effective month to advertise the positions and so it will be circulated in January with a view that new members may be in post by the end of June 2020. The Temporary Chair asked members to note that the Department will be communicating with them to ask current members to encourage applications from people in their networks to apply for the posts.

Agenda Item 2: Governing Body Self-Assessment

The Temporary Chair invited members to review the results provided by DfE on the Annual Self-Assessment exercise, he noted that he had primarily been disappointed with the results and would like to take time during the meeting discussing some of the issues raised, he noted that this is an opportunity to reflect on the Governing Body's performance and to improve on any issues identified. He emphasized that he was aware that the submissions had been confidential and asked members to speak to him offline if they did not want to during this meeting. During a brief discussion the following points were noted:

- Mrs Reid advised the results of the survey had disappointed her and she had tried to objectify some of the issues raised. She informed members that she had been proud of how the GB had pulled together during 18/19 after a crisis and had been expecting the results to be much higher than they are as everyone had worked hard to improve Governance.
- She noted that during other inspections the GB always receive outstanding for other areas and so she was unsure how the GB can be benchmarked against the other Colleges as having performed worse in 2018/19.

- Mrs Reid advised that she had performed an audit on previous minutes and could not find any evidence where members had raised concerns around terms of reference or understanding the business of the College which is what had been reflected in the survey results. She concluded by advising that she felt the survey was not an effective survey as the questions were not well worded and method of agree/disagree does not give a true reflection of how members feel the GB has performed.
- The Temporary Chair agreed that the survey is not evidence based and reminded members that the purpose of the exercise is to improve on performance. He highlighted that 2-3 members had suggested their skills were not utilised by the executive team and enquired if there was anything further that could be done to improve on this, he noted that as a small GB it is essential to use the skills at our disposal.
- Ms Goodwin highlighted that some of the answers were by one person and she had not read this assessment as a bad result. The Temporary Chair noted this may be the case and that the membership number is lower than the Sector average, but he would like to gain a better understanding of some of the issues that been raised.
- Mr Pollard noted that some of the negative responses had no logic to them, for example, 23.7% members disagreed that they received regular updates on corporate governance. Mr Pollard reminded members that members do receive updates through DfE and regular training opportunities.
- In a brief discussion regarding the skills mix of the GB, the Temporary Chair advised that it is more likely to have a board with a full set of skills when membership of the Board is fully recruited, and DfE have received the recent GB Skills Mix to approach the upcoming recruitment exercise as a targeted campaign.
- Mr Mackell addressed members and advised that he hadn't read the assessment as an issue, he reminded members that the information is a snapshot of how people may have felt at a particular time and that the inconsistency in some of the answers may be attributed to being subjective. He stated that the Governing Body are currently in a good place after having the Mungavin Review and to focus on the actions that have come from that.
- Mr Pollard noted that 38.5% of members disagreed that Governors were clear on their respective roles and he believed that these members were not saying this about themselves. He believes this belies underlying conflict and a tone to some of the responses which he had taken personally.

- The Temporary Chair thanked everyone for their contributions to the discussions and reminded members that they could speak to him at any time offline if they wanted to discuss the assessment further or provide suggestions on what else the GB could be doing to enhance performance.

Agenda Item 3: Correspondence

a) Charitable Status of FE Colleges-Letter from FE Director 211019

The Chief Finance Officer directed members to the correspondence which confirms the Sector is likely to retain its charitable status for at least the next 2-3 years.

b) Review of HE in FE and level 4 & 5 provision-Letter from DfE Deputy Secretary 311019

The Principal advised that the letter confirms a two-year review into HE which is due to commence in early 2020. The Temporary Chair highlighted that there can be no strategic change in HE until this piece of work has been completed.

Agenda Item 4: Chief Executive Officer's (CEO) Business

a) CEO's report

The Principal presented his written report to members and highlighted plans to set up two subsidiary companies, he advised that approval is required from both DfE and Department of Finance to progress these plans and so at this point approval from the Governing Body is not required. The Principal provided an overview of the commercial work the College is conducting in the Republic of Ireland and advised that the requirement for one of the companies is for the following reasons:

1. To delivery many qualifications, particularly those in support of the gas industry, the College needs to be a registered legal entity in ROI.
2. The College needs to be registered for tax and VAT
3. The formation of the subsidiary will provide greater transparency, risk management and governance

Members noted the second company would be to support the development of student companies as part of our enterprise and entrepreneurship development programmes. The Principal informed members last year there were over 30 student companies and so far, this year there are over 40 and this is growing all the time with many having the potential to be commercially viable. He emphasized the value the value these students would get in setting up and running their own company whilst at the College.

During a brief discussion, members indicated that they were supportive of these plans and enquired if there is Departmental support to progress this. The Chief Finance Officer advised that the demand in RoI has been impressed upon the Department and so they are aware it is urgent.

Action Point: The Governing Body gave their support to set up two subsidiary companies was formally noted and requested a quick response was sought from DfE and DoF in order to progress the proposals

The Principal provided members with an overview of the support mechanisms in place for both staff and students following the recent deaths of two students. The Principal advised that all necessary actions had been taken in line with the College's SOP and the Education committee will continue to receive updates on the continued work to support students through the Cause for Concern report.

Mr Pollard highlighted the section in the report detailing recent achievements of staff and students and noted the excellent work going on across the College and asked that congratulations were passed to all those involved in the great number of awards achieved.

At this juncture the Temporary Chair informed members that he had attended the Duke of Edinburgh awards which had been a fantastic event for the students involved and had been a worthwhile event to attend. He advised that Michelle Hickland's efforts in developing Duke of Edinburgh (DoE) at the College were recognised by DoE and she had been presented with a staff achievement award from the College. The Temporary Chair reminded members that the recent governance review highlights that these types of events should be used as a platform for Governors to spend time together outside of the formal setting of a meeting and he encouraged everyone to attend when possible.

Agenda Item 5: Items for Approval

a) Annual Report & Financial Statements (including Governance Statement)

The CFO presented the Annual Report & Financial Statements for the year ending 31st July 2019 for approval and advised members that both FGP and Audit committee have reviewed the report (and the draft report) and recommended it for adoption. He advised the audit is now complete and it has returned a clean report with no recommendations, the final signed report will be submitted to NIAO week commencing 18th November.

The CFO gave a brief overview on the preparation process of the accounts and the relevant accounting policies that had been used in drafting them.

As regards financial performance, the CFO highlighted to members that although the financial statements display a deficit for the year, the College's primary financial performance target as an NDPB is to meet its Resource Requirement target as set out by DfE. He advised that the College does not receive Grant-in-Aid funding from the Department to cover non-cash items such as depreciation or actuarial pension costs, both of which are highlighted as reconciling items in the attached reconciliation from financial statements total deficit to year-end Resource Requirement. The CFO advised that the deficit in terms of Resource Requirement was 0.27% (£92k). He went on to emphasise that this variance at the College year-end can be made up in time to meet the Department's March year-end target.

Agreed: The Annual Report and Financial Statements for the year ended 31st July 2019 were approved on the proposal of Mr Hetherington and seconded by Mrs Larkin

b) **Audit Committee Annual Report 2018/19**

The Chair of the Audit Committee, Mr Bodger, presented the annual report to members. He advised that the committee had reviewed and approved the report at their recent meeting and had recommended it for adoption.

Agreed: The Audit Committee Annual Report 2018/19 was adopted on the proposal of

c) **Fees Policy 2020/21**

The Chief Finance Officer presented the Fees Policy 2020/21 for approval. He advised members that the FGP committee had approved the policy and had recommended it for adoption. The CFO asked members to note that a minor change has been made to simplify part-time FE fees. He advised members that a Departmental Direction was issued a few years previously and had instructed all Colleges to charge £2500 for full time HE courses and so that has remained the same, however, some Colleges have recently begun to increase their HE fees and so the College will be seeking Departmental advice on this. The CFO stressed that the College have no strong urge to increase the HE fees considering there are current challenges recruiting students to HE. In response to a member's question the CFO confirmed that students in receipt of a disability benefit are eligible for the concession rate.

Agreed: The Fees Policy 2020/21 was agreed on the proposal of Professor Woodside and seconded by Mr Corbett

d) **Evaluation of the Effectiveness of Quality Improvement Plan 2018/19 and Quality Improvement Plans 2019-20 for Further Education and Work Based Learning**

The Chair of the Education Committee, Mrs Reid, advised members that the committee would be meeting after the GB as the dates had been driven by the financial deadlines. She asked members to note that the annual document would be reviewed by the committee on 21st November after which full Governing Body approval from all members will be sought by email to meet the submission date in early December. She advised that the committee will highlight areas they feel the Governing Body should particularly review when seeking approval.

e) Higher Education Annual Quality Assessment Review

The Principal advised members the HE Quality Assessment Review will be signed off after the Education Committee.

f) Audit Committee minutes from meeting held on 18th September

The Chair of the Audit Committee, Mr Bodger presented the minutes for adoption.

Agreed: The minutes were adopted on the proposal of Mr Pollard and seconded by Mr Bodger.

g) Education Committee minutes from meeting held on 24th September 2019

The Chair of the Education Committee, Mrs Reid advised the minutes would be reviewed by the committee on 21st November and presented for approval at the next meeting on 24th February.

h) Finance and General Purposes minutes from meeting held on 17th September 2019

The Chair of the Finance and General Purposes Committee, Mrs Larkin presented the minutes for adoption.

Agreed: The minutes were adopted on the proposal of Mrs Larkin and seconded by Mr Corbett.

Agenda Item 6: Items for Information

a) SOP Review

The Temporary Chair asked members to note the enclosed SOPs for information. He advised that the relevant SOPs had been presented via the FGP and Audit committees at their recent meetings. The Secretary will now create a dedicated space on the TeamSite to allow Governors to access and review those SOPs that have been identified as relevant to GB members.

b) Financial Governance Report

In presenting the Financial Governance Report the CFO advised that it aims to set out the forecasted financial position as at both 31 March 2019 (DfE year-end) and 31 July 2019 (SERC year-end). The CFO highlighted that there has only been one IMPMS meeting so far. Early indications are that the results to

date are better than budgeted but it is too early to draw any conclusions, with most variances likely to be caused by timing differences.

The CFO highlighted that in terms of the July year end the forecasted outcome at this stage of the year is in line with the originally budgeted Resource Requirement of £35,445k. There is a small £44k reduction in forecasted miscellaneous income being cancelled out by a similar reduction in expected staffing costs. The forecast outcome for year to 31 March 2020, as at Period 2, is a Resource Requirement of £34,912k. This forecast is on target with the resource budget allocation from the Department for the Economy of £34,912k.

c) Staff Governors' Reports

Mrs King, Corporate Staff Governor, advised that 7 students will be competing in the upcoming World Skills competition in 4 different areas. She emphasized that students in Paul Mercer's team competing in Patisserie and Confectionary competition have 4 out of 9 places in the UK which is a fantastic achievement.

Mr Corbett, Academic Staff Governor, highlighted the recent Duke of Edinburgh awards and advised that this type of event for level 1 students is as important as Graduation is for, HE students. He noted that it is a wonderful event for the student's parent in terms of being able to attend a ceremonial event where their child receives recognition for their achievements.

He went then went on to advise the careers team in the Downpatrick campus had 14 students reach out to them in October after being encouraged by their schools to drop out and seek an alternative course with SERC. Mr Corbett highlighted the disadvantages to these students and the issue regarding funding for these students which will be retained by the school even though they have left early in the term. A brief discussion followed in which members highlighted that unfortunately this is not a new problem and the funding issues are part of a flawed funding model.

The Principal advised members that a member of SERC staff, Richard Armstrong, has been seconded to the Skills Partnership Team which has been useful as a lot of the team have not had to interface with FE before. The Principal advised that Mr Armstrong has produced a paper for DfE and the Department for Education on the issues highlighted and other issues that need to be considered as part of the 14-19 Strategy and so both are very aware of the issues.

In response to a member's suggestion to write a letter to the Department to enforce change the Temporary Chair advised that he was open to communication whether as an individual Governing Body or from the Sector, he suggested that the solution is to influence the 14-19 Strategy. Mrs Reid advised that this issue will continue to be discussed at Education Committee and the minutes will reflect the GB's commitment to keeping this issue alive. The Temporary Chair acknowledged member's frustration at the slow progress being made on the 14-19 strategy and advised that the GB need to acknowledge how the Governing Body can affect change.

d) Student Governor Report

Mr Stanley, Student Governor, provided members with an overview of the recent work conducted by the Student's Union. Mr Stanley highlighted that moving into November the SU will focus on November to support men's health, road safety, consent campaigns and register to vote before the 12th December general election. Mr Mackell commended the SU on their recent work and recognised that they are an integral part of the College.

e) Audit Committee briefing on meeting held 13th November 2019

Mr Bodger, Chair of the Audit Committee, gave a brief overview of the recent meeting and highlighted the following:

- The committee reviewed the Annual Report and Financial statements and had a presentation from PWC on the Report to Those Charged with Governance, it was proposed the Comptroller and Auditor General (C&AG) will certify the 2018-19 financial statements with an unqualified audit opinion, without modification. PWC further highlighted that there adjusted or unadjusted misstatements which is a very positive result for the College.
- The committee received operational risk register summaries from the Chief Finance Officer and Chief Human Resources Officer as well as reviewing the details of the Strategic Risk Register.
- The Director of Curriculum & Information Services had presented an IT Resilience Statement that provided the committee with an overview of the work being completed to address the National Audit Office guidance.
- Internal Audit presented a review on online enrolments and performance management, the committee noted a satisfactory assurance rating had been given.
- The CFO presented the annual review of Direct Award Contracts, recent Fraud report and the results of the National Fraud initiative and the Secretary presented the annual review of the GB Gifts and Hospitality register for 2018/19.

f) Finance and General Purposes Committee briefing on meeting held 12th November 2019

Mrs. Larkin, Chair of the FGP Committee, provided a brief overview of the committee's recent meeting, the following points were noted:

- The committee had reviewed and approved the Annual Report & Financial Statements for the year ended 31st July 2018.
- A very informative and detailed Health and Safety presentation was provided by the Head of Health and Safety and the committee reviewed the relevant financial and HR SOPs that had been presented before the GB at this meeting.
- The Chief Human Resources Officer presented a detailed breakdown of staff absence in the annual report and the committee noted the continuing work by the College to improve on this and the various initiatives being conducted to address staff absence.

g) Chair's Working Group Minutes for meeting held on 5th September 2019

The Temporary Chair asked members to note the minutes for information.

7. Any other business

No other business was discussed.

8. Confidential Business

A separate note was taken for this item.

The next meeting is scheduled for Monday 24th February 2020, 5.30pm, at the Lisburn Campus.

The Governing Body Strategy Day will take place on Thursday 30th January 2020, start time and venue TBC.

The meeting concluded at 7.20pm

Signed: _____

Date: _____

Temporary Chair of the Governing Body