



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 21st January 2020, 5.30pm, Lisburn Campus

1.	<p>Chair's Business</p> <p>a) Attendance and Apologies:</p> <p>Present: Mrs B. Larkin, Mr A. Corbett, Mrs H. Reid, Mr G Hetherington (Temporary Chair of the Governing Body), Mr K. Webb (Principal), Professor Woodside, Mrs K Fraser</p> <p>In attendance: Mr T. Martin (Chief Finance Officer), Mr P. Smyth (Chief Human Resources Officer), Mrs C. Williamson (Secretary to Governing Body), Mrs. P Philpott (Head of the Learning Academy)</p> <p>Apologies: None</p> <p>In the Chair: Mrs B. Larkin</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. There were no declarations of conflicts of interest.</p> <p>c) Minutes of the meeting held on 12th November</p> <p>The Chair asked members to review the minutes from the previous meeting on 12th November 2019. Members agreed the presented minutes were a true and accurate record of the meeting.</p> <p>Proposer: Heather Reid</p> <p>Secunder: Karen Fraser</p> <p>d) FGP Action Points and Key Decisions from meeting on 12th November 2019</p> <p>The Chair advised members that there were no actions from the last meeting or any outstanding from previous meetings. The Chair enquired if the attendance list for the Governing Body was amended as requested in the last meeting.</p>
----	---

	<p>Action Point: The Secretary will update the action table to advise if the Annual Report had been amended or if the attendance list for Governing Body was left as it was presented in November</p> <p>Action Point: At the request of a member the Secretary advised that she would send instructions on how to access folders in the TeamSite without using a direct link</p>
2.	<p>Correspondence</p> <p>a) 6 January 2020 -Update on The Department for The Economy’s Vocational Education Provision</p> <p>The Principal directed members to the correspondence from DfE that provided a recent update on Vocational Educational Provision. The Principal highlighted that Department of Finance have not approved the business case for traineeships which ultimately means the College is unable to roll out this out in terms of the prospectus or recruitment. He advised that there are also other outstanding matters such as curriculum offer and entry requirements that need to be dealt with before the business case is approved.</p> <p>Mrs Fraser highlighted that apprenticeships in England had been reported in media recently because they are not fit for purpose and enquired if the Northern Ireland apprenticeships are any different. The Principal advised that in NI there is a lot more substance to the apprenticeships and that those in other parts of the UK have unachievable targets set against them. He asked members to note that the apprenticeship contract has been extended for another year and in response to the tight timeframes around this the College has responded by developing a separate prospectus for Higher Education and Apprenticeships. He highlighted that difficulty will lie around recruitment for TFS if approval is not given as the College is unable to enrol past 31st July for these spaces. Members noted that a board meeting is planned for the start of February with the Department which will hopefully report further progression.</p> <p>The CFO asked the committee to note that this has been included on the strategic risk register and is being managed in terms of the impact on enrolments and the risk will be widened out to include the most recent update received from DfE.</p>
3.	<p>Finance Items for Information:</p>

a) 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 2020 (DfE year-end) and 31 July 2020 (SERC year-end). The CFO highlighted that the forecast is on target for both the March and July year ends.

The forecast outcome for year to 31 March 2020, as at Period 4, is a Resource Requirement of £34,912k. The CFO asked members to note that there has been one IMPMS held in December and that the actuals for period 5 were not available for this forecast. He advised that he made a number of line changes to the Period 5 forecast but that there is no change to the “bottom-line” and no anticipated issue with meeting target. In terms of variances: income is significantly higher through TFS funding, namely backdated travel claims and new rates in TFS contracts; this has been offset by an increase in payroll regrading an increase in pay remits for both teaching and non-teaching staff.

The Temporary Chair enquired if the lower forecast for commercial income is linked to the requirement to set up a subsidiary company in the Republic of Ireland. The CFO replied that it is as the qualification for gas require QQI which requires the College to have a legal entity in RoI. The Temporary Chair enquired if some figures could be supplied to DfE to demonstrate the negative impact this is having on commercial income and hopefully progress the business case. The CFO noted the suggestion and advised that the business case was submitted in December to DfE, the College have received some queries which requires advice from legal advisors in order to progress the business case.

b) NDPB Budgeting and Forecasting Submission

The CFO asked the committee to note the latest return was submitted on 18th December 2019. It covers the period April 2019 – March 2020 and reflects:

1. Actual performance as per SERC’s 2018/19 Financial Statements for the period April to July 2019.
2. Actual performance as per SERC’s 2019/20 Period 4 Management Accounts for the months August to November 2019.

3. Forecast performance as per SERC's 2019/20 Period 3 Management Accounts for the period December 2019 to March 2020.

The return details an expected Departmental Expenditure Limit (DEL) Resource Requirement of £34,912k for the April 2019 to March 2020 year. This is in line with SERC's Approved Resource Allocation for 2019/20 as confirmed in DfE's correspondence dated 1st August 2019.

c) Debt Report

The CFO presented the Debt report and advised the Committee that overall the level of debt has reduced in comparison with the same period last year. The committee noted that there has been decrease from £2.7m to £2.2m, most of which is not yet due, and that significant debt can be attributed to the timing in the payment of tuition fees by SLC. In response to a query from the Chair the CFO advised there is less debt because of the formal debt collection process being applied by the College which had a positive impact; and also because the new third party debt collection agency has been having a positive impact.

The Temporary Chair enquired if it was possible to include the bad debt that will be estimated from this total, the CFO advised that this wouldn't lend itself well to reporting throughout the year as it is reviewed and provided for monthly, while at the year end the most recent debt ledger is reviewed and the bad debt provision amount adjusted accordingly.

Professor Woodside enquired if there is any incentive to give a discount to schools involved in school links to encourage timely payment. The CFO advised that none of the schools have defaulted on their accounts because of the good working relationship the College has established with them and discounts cannot be given because this would subsidize the Department for Education funding.

Action Point: The CFO agreed to include the estimated bad debt visible in the Debt Report at the year end

d) Estates & Capital Expenditure Report

The CFO directed members to the written report and provided a brief overview of the executive summary of the report, he highlighted the year-end PPP reconciliations to both contracts have been carried out up to 2036 and there is a small benefit of £80k to the College. DfE has confirmed current capital funding to be £492,000 and the CFO advised further funding maybe available by the end of January. The Business case to move away from Properties Division has been approved and interviews to recruit a procurement manager for the project will be held at the end of January. The CFO advised there are still issues with the service from PSD.

The CFO asked the committee to note that DfE has issued the 2017/18 “Space Utilisation” report for the sector. It shows a slight drop in utilisation down from 31.8% to 29.3%; and ranks SERC lower than the alternative FTE/SqM measure. He advised that both timetabling and estates are reviewing this and advised that a number of college actions (including constant monitoring and normalization of class sizes, and the development of blended learning), although positive as regards efficiency and good practice, have a negative impact on space utilization. The CFO highlighted that the figures for 2018/19 are expected to increase in line with the enrolment figures. In response to a question the CFO advised that the recent focus on utilisation in the Newcastle and Ballynahinch are not included in this report and won’t be reflected until the report for 2018/19 is issued.

In response to a question from the Chair, the CFO confirmed that if additional capital funding is received before the end of January it will mostly be allocated to upgrading IT switches to refresh the network. The CFO also advised that the funding for repairs to Castle House had to be sourced from within our own budget, even though the damage was directly caused by the drainage issues which PSD had failed to rectify.

e) Procurement Update Report

The CFO presented the latest procurement update report that provides a summary of the procurement contracts awarded this year. The CFO advised that because of staffing issues in the procurement department there has been a focus on essential contracts and collaborative contracts.

4.

Staffing Items for Information

a) HR Priorities 19/20 plan and status updates/HR Key Metrics Report

The CHRO presented an overview of the HR Priorities and the current status of each. He advised that with regard to priority A 'Transforming Service Delivery' objective 1 'To support successful implementation of curriculum reforms' a CEF meeting will be held in January to finalize management side position and bring negotiations to a conclusion shortly thereafter. The committee reviewed each objective and noted the delays to some of the key objectives and that they are mainly out of the College's control such as engagement with the Trade Unions.

The CHRO went onto to present KPI Metrics report and advised that everything remains within the 5% target with the exception of headcount. The Temporary Chair noted the high sickness absence rate in curriculum support and enquired how this is managed. The CHRO informed members that the majority of staff absence tend to be curriculum support staff and as a general rule they are not replaced but if a member of staff is close to front delivery, they may need to be replaced so there is no impact on delivery e.g. classroom assistant.

The CHRO updated the committee on the number of staff on long term absence and asked the committee to note there are currently 14 staff off with 9 having serious long term illness. He advised that these staff members need particular support especially where there is no prospect of resuming duty and the College will, in such cases, assist them securing their pension.

b) Employee Relations Update

The CHRO presented an overview of the latest report to the committee. The committee noted that there are 3 remaining legal cases relating to 2 individuals. One of these cases is at the County Court which normally progress much slower than claims to the industrial tribunal.

c) Learning Academy Review

At this juncture the Head of LA joined the meeting.

The Head of the Learning Academy presented an overview of the key themes and focus of the Learning Academy over the last year. She highlighted the training the College has delivered in the last two years and members noted the list was very impressive.

	<p>The Chair thanked the Head of LA for a very detailed presentation that clearly highlights the hard work and dedication of the team, she then opened the session to members for questions.</p> <p>Mrs. Fraser also commended the Head of LA on the impressive work and enquired in terms of staff training and personal development outcomes is this then evaluated on the impact of the student experience. The Head of LA advised that this would be difficult to measure however data is captured on how staff reflect on their training and how it will ultimately change things on the ground.</p> <p>The Chair again thanked the Head of LA for attending and presenting to the committee.</p> <p><i>At this juncture the Head of LA left the meeting.</i></p>
5.	<p>Update on Applications and Enrolments</p> <p>The Principal directed members to the update on applications and enrolments. He asked the committee to note that enrolments are above target and the headcount is 23k which will continue to grow. Members noted that the open days are planned for March and therefore a better projection for applications can be reviewed after.</p> <p>In response to a request from the Chair to provide a year on year comparison for enrolment figures the Principal advised that this would not be a meaningful comparison as figures very much depend on when open days are held and he would be confident that the overall figures will have increased by the end of the year.</p>
6.	<p>Collaboration Programme; and Systems Technology Services Project</p> <p>The Principal presented a written report on Behalf of the Director of Curriculum & Information Services. He advised that the online application system is working well since its implementation.</p>
7.	<p>Policy Review</p> <p>a) Annual Review of Estates Policies & SOPs</p> <p>The CFO advised that the review had been completed and there are no changes to approve.</p> <p>b) Fees Policy 2021/22</p>

	<p>The Chair advised members that a request from the Fees Policy group had been submitted to the Chairs Working Group to bring forward the review of the fees policy in the committee's cycle of business so that it is ready to issue in line with the earlier prospectus launch this year.</p> <p>Agreed: The committee approved the Fees Policy 2021/22 and recommended it to the Governing Body for adoption</p> <p>Proposer: Heather Reid</p> <p>Seconder: Andrew Corbett</p>
8.	<p>Any other business</p> <p>No other business was discussed.</p>
9.	<p>Confidential Business</p> <p>A separate note was taken for this item.</p>
	<p>Date of next meeting</p> <p>The next meeting date was confirmed for Tuesday 7th April 2020, 5.30pm, Bangor Campus.</p>

The meeting concluded at 7.48PM