



**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 30<sup>th</sup> March 2021, 5.30pm, via Microsoft Teams.

1.	<p><b>Chair's Business</b></p> <p><b>a) Attendance and Apologies:</b></p> <p><b>Present:</b> Mrs B. Larkin, Mr A. Corbett, Mrs H. Reid, Mr G Hetherington (Temporary Chair of the Governing Body), Mr K. Webb (Principal), Mr A. McCrum, Dr D. McConnell, Mr D. Wilson, Professor A. Woodside <b>In attendance:</b> Mr T. Martin (Chief Finance Officer) 'CFO', Mr P. Smyth (Chief Human Resources Officer) 'CHRO', Mrs C. Williamson (Secretary to Governing Body) <b>Apologies:</b> Mr N. Bodger <b>In the Chair:</b> Mrs B. Larkin</p> <p><b>b) Conflicts of Interest:</b></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><b>c) Minutes of the meeting held on 19<sup>th</sup> January 2021</b></p> <p>The Chair asked members to review the minutes from the previous meeting on 19<sup>th</sup> January 2021. Members agreed the presented minutes were a true and accurate record of the meeting. <b>Proposer: Daniel McConnell</b> <b>Secunder: Derek Wilson</b></p> <p><b>d) FGP Action Points and Key Decisions from meeting on 19<sup>th</sup> January 2021.</b></p> <p>Members noted there is one current action outstanding relating to an update from the insurers in respect of the College's business interruption insurance and the pandemic which will be provided when it has been communicated to the Chief Finance Officer.</p> <p><b>e) Expressions of Interest for the post of Vice Chair of the Committee</b></p>
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	<p>The Chair advised members that Mr Bodger’s term as Governor ends on 31<sup>st</sup> March and therefore the Vice Chair post will be vacant for this committee. The Chair also advised members that her own terms end on 31<sup>st</sup> July and so the Chair’s position will be vacant, anyone interested in the Vice Chair may do so with a view of taking up the Chair’s role post July.</p> <p><b>Action Point:</b> Members interested in the role of Vice Chair are asked to advise the Chair or the Secretary as soon as possible</p>
<p><b>2.</b> <b>Correspondence</b></p>	<p><b>a) Letter from Equality Commission – Feedback on Annual Progress Report 2019/20</b></p> <p>The Chief Human Resources Officer asked members to note the correspondence, he highlighted that work is progressing well in terms of the College’s obligations. He advised that the feedback has provided a few suggestions and the College have no difficulty in implementing these. In response to a question from the Temporary Chair the CHRO confirmed that the Equality Working Group will ensure that the feedback is taken forward and actioned.</p> <p><b>b) DfE update on CDP &amp; budgeting timetable 2021/22</b></p> <p>The Chief Finance Officer asked members to note that the correspondence sets out the Department’s intention to use the revised CDP approach again for 2021/22 which essentially means that the College will receive an indicative Budget allocation in April and a final Budget in October. The CFO advised the committee that the finance team will begin their budget setting process in the coming weeks and, although not ideal, an indicative Budget in April provides enough information to allow for a baseline Operational Budget build.</p> <p>At this juncture the Chair highlighted the open letter from an anonymous lecturer to the DfE Minister that had been shared with the Governing Body the previous week. She advised that it was important for members to read the letter as it makes several salient points in relation to the current pay negotiations and was a heartfelt letter from this person.</p> <p>The Temporary Chair highlighted that we are not aware which College the lecturer works at, but he had been keen that all members had sight of it, he advised that the Trade Unions seem to be doing as much as possible to bring the Minister into the pay dispute.</p>
<p><b>3.</b></p>	<p><b>Finance Items for Information:</b></p> <p><b>a) Financial Governance Report</b></p>

In presenting the Financial Governance Report the CFO advised that it aims to set out the forecasted financial position as at both 31 March 2021(DfE year-end) and 31 July 2021(SERC year-end). The CFO highlighted that the current report shows the College's expected financial performance for the year up to the end of March; and its forecast for the year ending July. The report outlines that financial performance is on target for the March year-end (to meet the approved Resource Allocation of £39,731k) and is on-target to meet the July yearend target of £40,451k.

The CFO highlighted the variances in each year compared to the original budget and advised that additional funding of £920k had been secured at the beginning of February. The main changes to the March year end since the original budget are TFS payments have decreased, the additional Covid funding was secured, and payroll costs have increased. The July year end is in a similar position, with the main variances noted as a decrease in commercial income (however skills intervention income has increased). In terms of non-staff costs there have been savings on materials and £100k on staff travel costs. The CFO highlighted that in terms of Covid 19 related expenditure the main spend is on non-capital equipment, the College have focused on directing investment into IT kit to support increased online curriculum delivery and home working. Dr McConnell enquired what safeguards there are in place in terms of students returning loaned IT equipment, the CFO confirmed that this has been discussed with the Audit committee as a risk and they have been advised that a similar methodology to the College's credit control process will be taken. Individuals will be contacted to make the return and ultimately they will be unable to graduate, and will potentially face legal action if there is outstanding equipment not returned.

#### **b) NDPB Budgeting and Forecasting Submission**

The CFO asked the committee to note the latest return was submitted on 18<sup>th</sup> February 2021. It covers the period April 2020 – March 2021 and reflects:

1. Actual performance as per SERC's 2019/20 Financial Statements for April to July 2020.
2. Actual performance as per SERC's 2020/21 Period 6 Management Accounts for August 2020 to January 2021.
3. Forecast performance as per SERC's 2020/21 Period 6 Management Accounts for the period February and March 2021.

The return details an expected Departmental Expenditure Limit (DEL) Resource Requirement of £39,731k for the April 2020 to March 2021 year (including Covid-19 related expenditure). This is in line with SERC's Approved Resource Allocation of £39,731k for 2020/21 as confirmed by DfE in its correspondence dated

11<sup>th</sup> February 2021. The College's forecasted financial performance for the Departmental 20/21 year is therefore on target.

**c) Debt Report**

The CFO presented the Debt report and advised the committee that as of 18 March the total debt was £2.05m. The CFO advised that the debt level is higher than normal, and this can be attributed to higher levels of tuition debt which is directly linked to later invoicing tied to the EBS implementation. Of the overall debt £800k is student debt, the Student Loans Company will pay c. £500k of this and credit control are working with individual students to set up payment plans. In response to a query from the Temporary Chair the CFO advised that he was fairly confident that the student fee debt can be recovered, he advised that there will be a small element that will crystallize into bad debt which will be mainly around PT students. With HE and FT the issue has been around the invoice delay and the CFO confirmed that all invoices have now been issued.

The Chair enquired if the credit control team are trying to work out what students can afford to pay or to get the fees paid before the next academic year. The CFO advised the team are doing both, they have very strict measures in place to get as much of the fees in as possible and students needs to have their fees paid in full to ensure they are able to graduate or progress. If the student breaks the agreement made with the payment plan it is then referred onto to the external credit agency.

**d) Estates & Capital Expenditure Report**

The CFO directed members to the executive summary of the report and highlighted that the move away from Property Services Division is now expected in late May with a six-week handover having been agreed with PSD and the service penciled in to go live on 24<sup>th</sup> May. The CFO stressed that it is crucial to ensure continuity in the switch. The Chair highlighted that some of the capital projects have been on the list for a long time and enquired if they will simply move over to the new system now. The CFO advised that most of these projects have started or are nearing completion, any projects identified from now on will be included on the new system.

**e) Procurement Update Report**

The CFO presented the procurement report to the committee for noting. The CFO asked the committee to note the report includes a section on Procurement Risks that had been requested by the Audit committee, it sets out the formalised process in place to assess and mitigate risks within the College. The CFO advised

that the committee could take assurance that this is a rigorous process, and the Procurement Manager spends substantial time on risk mitigation.

**f) Financial Impact of Covid-19**

The CFO advised that work is starting on planning for next year's financial pressures, the Department are seeking a view on what pressures are likely with the new term in September and the Sector are pulling together headline estimates to advise them. Scenario planning for future restrictions is also going to be conducted within the College management team. The Principal highlighted that there are no plans to introduce mass Lateral Flow testing in this academic year and the College is working on the basis that it may be September before this is introduced on a significant scale. He advised that as the Northern Ireland Executive are not meeting again until 15th April to discuss the restrictions the College is currently unable to plan for a wider student return after the Easter holidays.

4.

**Staffing Items for Information:**

**a) HR Priorities 2020/2021 plan and status updates/HR Key Metrics Report**

The CHRO gave a brief overview of the HR priorities for the benefit of the new members, he advised that there has been one significant change which is that the RAG status of objective 2 'The development and implementation of modern, fit for purpose terms and conditions for academic staff.', this is in direct response to the recent industrial action, he noted it is unlikely now that this objective will be achieved by August 2021.

The Chair highlighted the training figures including in section C, 'To equip leaders to effectively manage teams remotely in the long term', she asked the CHRO if he could advise what proportion of people that had been targeted attending the sessions. The CHRO informed members that staff had been targeted if they had any responsibility in managing staff and 90% of the expected audience had attended, he advised that staff had wanted support and the feedback on the sessions had been extremely positive.

The CHRO asked members to note the enclosed KPI report and he highlighted there had been a change in headcount since the last report and this is mainly due to the significant reduction in vacant posts. Staff absence has increased slightly however the CHRO advised he was confident of getting these figures back on target.

**b) Employee Relations Update**

The CHRO advised the committee the Employment Tribunal Case has been rescheduled, the claimant's solicitors have requested a delay, and this has been approved. A case management meeting has not been listed yet and the CHRO advised it could be between September and December.

The civil case at the County Court has been listed for May 2021.

**c) Staff Survey 2021/22**

The CHRO advised that on the suggestion of the Committee some amendments had been made to last year's survey however on a yearly basis changes are limited to allow analysis on trends. He advised a separate survey will be issued to staff specifically on Covid.

Mr. McCrum enquired how feedback was circulated to staff, the CHRO advised that the survey is a set process now and areas that have been identified of concern are taken through staff focus groups, the outworking's are collated and then shared with the Joint Consultative Forum and staff will receive the findings later this month to tie into the launch of the new survey. He advised there are still some common themes that do not score well like motivation and staff do not provide the solutions in this focus groups but overall, the process works well.

The Temporary Chair asked the CHRO if there was a way to link into other Colleges to compare survey results. The CHRO advised that most other Colleges do not run staff surveys, but he agreed to explore a benchmarking exercise with them again.

**Action point:** CHRO to explore sector staff survey

**d) Case Management Mid-Year Review**

The CHRO presented a review of cases from September 2020 to February 2021, he advised that there has been a significant reduction in activity, and it is unclear whether this can be attributed to the impact of the pandemic or not. He advised the pandemic has however had an impact on the timelines for completing cases, and Trade Unions have found themselves with a significant backlog of cases and difficulty in engaging in a timely way.

In response to a query from Mr. Stewart the CHRO provided an overview of how an appeals process would work but stressed that there is different process in place for academic staff and corporate staff. He advised that the register of Investigating Officers is independent from the College and they only come into do this work.

	<p>e) <b>Potential Impact of Coronavirus on Staffing</b></p> <p>The CHRO advised that the number of Covid cases amongst staff remains low, there have only been 6 cases since January which is extremely low in comparison to the cases in the total population.</p> <p>g) <b>Mental Health Strategy – Update Report on Objectives and Actions</b></p> <p>The CHRO provided a brief overview of the plan and advised that is place for the remainder of this year, a full year review will be presented to the committee at a future meeting.</p>
5.	<p><b>Collaboration Programme; and Systems Technology Services Project</b></p> <p>The CFO provided an update of the STS project, in terms of the LMS system he advised that the project will be extending to December. The Project Board agreed a contingency plan around an extension of the project was required at their meeting in January and the plan was approved in February. He advised that there have been issues around monitoring and reporting on achievement and success, but the Board are content that this is in hand and is a matter of working through each of the issues identified. Colleges have been asked for additional support and arrangements are being made to accommodate the request.</p> <p>The HR strand of the project is making good progress and is almost complete. Hosting and maintenance services is the last piece of the strand and a procurement specification is being reviewed by the Colleges, the current support has been extended until the end of May.</p> <p>The Finance strand of the project is also progressing well, SERC’s systems will be upgrading at the beginning of April. A hardware and maintenance contract is still required, this is being led by SERC and Belfast Met Staff, however the procurement through CPD has not progressed as quickly as was hoped, therefore, a further extension to the project of 6 months is being explored.</p>
6.	<p><b>Policy Review</b></p> <p>a) <b>Smoking Policy</b></p> <p>The CHRO advised the policy was for noting, no changes have been in the recent review of the policy.</p> <p>b) <b>Fees Policy 22/23</b></p> <p>The CFO presented the policy for approval, he advised that the policy requires approval at this time so that it can be incorporated into the prospectus for 2022/23. He advised the proposal is for a 3% increase in fees that have remained static for some time, in comparison to the Colleges set out in the policy document SERC’s Higher Education fees will still be lower and offer students a cost-effective pathway into HE.</p> <div style="border: 1px solid black; background-color: #e0e0e0; padding: 5px;"> <p><b>Agreed:</b> The committee reviewed and approved the Fees Policy 2022/23 and recommended it for adoption by the Governing Body</p> <p><b>Proposer:</b> Gareth Hetherington</p> </div>

	<p><b>Seconder: Heather Reid</b></p> <p><b>c) Access to Information Policy</b></p> <p>The Principal presented the policy for approval, he advised that the changes are in relation to minor changes in the legislation.</p> <p><b>Agreed:</b> The committee reviewed and approved the Access to Information Policy and recommended it for adoption by the Governing Body</p> <p><b>Proposer: Andrew Corbett</b></p> <p><b>Seconder: Alan McCrum</b></p>
7.	<p><b>Any other business</b></p> <p>In concluding the meeting, the Chair thanked Mrs Reid and Mr Bodger for their service to SERC which was over 20 years combined and wished them well for the future.</p>
8.	<p><b>Confidential Business</b></p> <p>A separate note was taken for this item.</p>
	<p><b>Date of next meeting</b></p> <p>The next meeting date was confirmed for Tuesday 15<sup>th</sup> June 2021, 5.30pm, via Microsoft Teams.</p>

**The meeting concluded at 7.33pm**