

**Minutes of a Meeting of the Governing Body (the “GB”)  
held on Monday, 16<sup>th</sup> November 2020 at 17:30 (GMT) via Microsoft Teams Videoconference**

**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 N Bodger  
Mr Andrew Corbett  
Mrs Barbara Larkin  
Mrs Heather Reid  
Mr Steve Pollard  
Mrs Karen Fraser  
Mr James Lee  
Mr Ken Webb (CEO/Principal)  
Miss Mollie Richardson

**In Attendance:**

Ms Sonja Woods (Temporary Secretary to the Governing Body)  
Mr Tommy Martin (Chief Finance Officer (“CFO”))  
Mr Paul Smyth (Chief HR Officer (“CHRO”))  
Mrs Kathryn Cochrane (Boardroom Apprentice)

**Apologies:**

The Temporary Chair informed the meeting that Mr Mackell was unable to attend the meeting as his wife had given birth that day. The Governors expressed their delight at the positive news and extended their congratulations to Mr Mackell and his wife.

The Temporary Chair noted that Miss Richardson had attended the previous Governing Body meeting as Student Governor-elect and he welcomed her to her first meeting as Student Governor.

**In the Chair:**

Mr Hetherington

**b) Declarations of Conflicts of Interest:**

The Temporary Chair invited members to declare any known or perceived conflicts of interests. Mr Pollard noted his standing conflict of interest, in relation to his wife’s employment in the Finance Department of SERC. The Temporary Chair noted his wife was employed as Financial Director to the DfE. No other conflicts of interest were declared.

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**c) Minutes of the Meeting of the Governing Body held on 28<sup>th</sup> September 2020:**

The Governing Body reviewed the Minutes of the Meeting held on 28<sup>th</sup> September 2020. Following due consideration, it was agreed that the Minutes were a true and accurate reflection of the Meeting.

**Agreed:** That the Minutes of the Meeting of the Governing Body, held on 28<sup>th</sup> September 2020, be approved and adopted.

**Proposed by:** Neil Bodger

**Seconded by:** Heather Reid

**d) Matters Arising/Action Points from previous Meetings:**

It was noted that there were no Action Points arising from the previous meeting held on 28<sup>th</sup> September 2020.

**e) Governing Body Members Recruitment Update:**

The Temporary Chair advised that he had discussed the matter with the DfE Director of FE during the previous week. She had confirmed that the information on the proposed appointees had been forwarded to the Minister several weeks previously and she indicated that she would follow up with the special advisor to the Minister at the earliest opportunity.

**Agenda Item 2: Governing Body Self-Assessment 2019/2020:**

**a) Annual Governing Body Self-Assessment Review:**

The Temporary Chair drew the Governors' attention to the report prepared by the DfE on the Self-Assessment exercise which had been completed by the Governors during the summer. He noted that a significant body of work had been carried out following the previous review and he was happy to note that the scores had improved appreciably in the current iteration. He indicated that there were a couple of points which he would like to focus on; the first of which related to the Governing Body composition. He observed that the issues related to the small number of current Governors were well known and would hopefully be addressed once the appointments were approved by the Minister. He remarked that one Governor had raised the point that they did not feel their expertise was being fully utilised and that they did not feel they could test or question the executive team. He asked that, if any Governor felt they had more to offer, they speak to him. He commented that he would be meeting the DfE Director of FE the following week for his Chair's appraisal and that the Self-Assessment Questionnaires would be covered in this conversation. He indicated that Governors could speak to him at any point in the year and he would be happy to discuss any matters they believed relevant.

Mrs Reid noted that she had made several comments regarding the results from the previous year and she was very pleased to see the current year's results.

**Agenda Item 3: Correspondence:**

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**a) Letter from DfE Director re: Rol Company Business Case:**

The Temporary Chair noted that the letter had been received the previous week and that the Business Case to register a company in the Rol had been turned down. He remarked that it was important not to conflate issues and he noted that the work in Rol had been impacted by Covid.

The Principal observed that although originally the College had asked to set up a company in ROI, following legal advice the business case had been amended to set up a company in Northern Ireland that would have a subsidiary in ROI. He commented that this would have allowed SERC to provide greater governance over the work the College did in ROI. He noted that the letter stated the Business Case was not approved ‘at this time’, in light of the increased pressures created by Covid, and that the matter would be kept under review.

Separately, it was necessary to establish a company in Northern Ireland to house our social enterprises and student companies.

**Agenda Item 4: Chief Executive Officer’s Business:**

**a) CEO’s Report:**

The Principal commenced his report by providing the meeting with an update regarding applications and enrolments. He observed that the Appendices contained consolidated returns for all colleges, and he noted that two further returns, for the weeks commencing 6<sup>th</sup> November and 13<sup>th</sup> November, had subsequently been issued. He indicated that the College had exceeded its 2019 figures in relation to full-time students and that both Apprenticeship NI numbers and TfS numbers had continued to increase which was very positive as other colleges were not meeting their targets. He reported that the government had introduced an apprenticeship support scheme to assist businesses in relation to retaining apprentices who had been furloughed and also to recruit new apprentices. He commented that the facility to apply for the scheme had been late in opening and that the hoped-for increase had not yet been seen. He observed that there had also been further extension of the furlough scheme and that the College would look to support the areas of the economy which were expanding. He noted that there were opportunities to develop new apprenticeship schemes and it was hoped this would result in a further increase in enrolments in-year.

Turning to the subject of Covid, the Principal reported that arrangements were in place for submission of weekly updates to the DfE and that College figures were also circulated to the staff and the Governors. He noted that the numbers for the College were lower, pro rata, than in the community at large and that thermal imaging had been installed at 5 College buildings. He observed that the introduction of thermal imaging had been seen as a positive development and was another tool to provide a safe environment for both students and staff.

The Principal informed the meeting that a presentation on HE in FE had been given to DfE officials who were leading on the HE in FE review. He noted that the review had been delayed due to the pandemic but that the

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Minister had now signed off on it. He remarked that the Terms of Reference for the review had not yet been issued and that the first Board meeting had only been held the previous week. He commented that the topic would be discussed in detail at the Education Committee meeting on 24<sup>th</sup> November. He reported that there was a worrying downward trend in relation to the number of students opting for this route and that there need to be short term actions taken to reverse this trend. He remarked that SERC had not met its targets for HE in FE for the current year but had compared very favourably with most of the other colleges.

With respect to ETI, the Principal reported that there had been a dissemination event on 5<sup>th</sup> November and that each college had been tasked with producing presentations at the event. He noted that the feedback on the College presentation had been positive.

He noted that meetings had been held with business leaders in the CBI, IoD and Chambers of Commerce, and that there had been a positive outcome as these organisations wanted to provide assistance. He reported that there had been a meeting with the Chair and CEO of InvestNI, with two further board members in attendance and that this meeting had also yielded positive results, with a further meeting scheduled with InvestNI to address how matters could be progressed. He indicated that the Permanent Secretary was also supportive of these endeavours and he hoped that this would facilitate positive, practical support. The Temporary Chair noted the importance of this workstream for the College and he extended the Governing Body’s thanks and congratulations to all involved; particularly Mr Terrence Brannigan who provided significant support on a wholly voluntary basis.

Turning to TfS, the Principal indicated that in March, the programme had moved to supplier relief but that this had finished on 31<sup>st</sup> October, with new operational requirements being implemented from 1<sup>st</sup> November. He remarked that in some instances these requirements appeared contrary to PHA advice or the DfE’s framework document or were in breach of GDPR. He reported that the sector had been in discussions with officials regarding these issues and they had indicated there would be some flexibility. However, the DfE auditors were taking a more stringent approach and it could result in the College losing some of its funding.

With respect to the planned replacement of TfS with Traineeships, the Principal remarked that the TfS programme could not be extended for a further year. He indicated that he and Mr William Greer sat on the board overseeing the introduction of traineeships, and that a number of meetings of the board had been held. He commented that work was ongoing to reach a point where the Minister could be briefed and the Traineeships could be formally launched. He remarked that for the Traineeship the outcome for students was for the achievement of a full 5-GCSE equivalent award with a wraparound qualification as part of this programme, which was significantly higher than the outcomes for TfS and thus more demanding.

He observed that the proposed Level 0 and Level 1 programme was ready for the DfE to go to tender in December and that it was a very complex area with a lot of work being carried out.

The Principal informed the Governors that the Learning Revolution Conference had initially been scheduled as a face-to-face international conference but that it would now go ahead online. He reported that the conference

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would look at how education needed to be revolutionised due to the effects of the pandemic and how the pandemic could be utilised to move the education system forward. He noted that any Governor wishing to attend was welcome to do so and he noted that the concept paper was very informative.

In conclusion, the Principal indicated that the creche facility at the Newcastle campus had opened and the numbers had already surpassed breakeven point. He noted that the numbers were expected to continue growing over time.

**Agenda Item 5: Items for Approval:**

**a) Annual Report and Audited Financial Statements (including Governance Statement) for the Financial Year ended 31<sup>st</sup> July 2020:**

At the Temporary Chair’s invitation, the CFO presented the Annual Report and Financial Statements for the financial year ended 31<sup>st</sup> July 2020. He commenced by noting that the accounts had been tabled at the meetings of the F&GP Committee and the Audit Committee on 10<sup>th</sup> and 11<sup>th</sup> November, respectively, and had been approved by both committees, subject to incorporation of amendments.

The CFO noted that, in a normal year, the Governing Body would receive the same version of the accounts as had been tabled at the committee meetings. However, the pandemic had caused additional difficulties for completion of audits, which had created delays for the colleges. He remarked that there were two key items to bring to the Governors’ attention. Firstly, with respect to financial performance, he reminded members that the College’s financial focus was always on ensuring that the College’s “Resource Requirement” equalled the “Resource Allocation” provided by DfE. He observed that although the original target had been missed by approximately £400k due to the impact of the pandemic; DfE had given the College additional exceptional Covid-19 budget cover of £1,153k for the July year-end which had resulted in the College performing within parameters.

The CFO informed the meeting that although the audit had been completed and the updated Annual Report & Financial Statements circulated to the committees, the NIAO had since indicated a change to their directed treatment of a potential liability in relation to backdated holiday pay on historic overtime. He noted that the matter was the subject of a court case, which was pending appeal. He informed the Governing Body that, in the prior year, the item had been disclosed as a contingent liability in the notes to the accounts but that the NIAO now believed it should be reflected as a provision. He stated his opinion that this was not the correct way to show this potential liability, as it was not possible to accurately quantify the amount. He remarked that the chief financial officers of all the colleges had disagreed with the approach but that, as a direction from NIAO, they would follow the accounting treatment described. He observed that the amount now being shown as a provision in the accounts was £790k, calculated over a 22-year period, but that he believed the figure would likely change in the following year’s accounts.

Concluding his update on the accounts, the CFO indicated that all other items had been approved by the F&GP and Audit Committees. He noted that the relevant documents would be circulated electronically for electronic

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signature and that the Report to Those Charged with Governance was a clean, light report which highlighted no issues.

Following due consideration, it was agreed that the Annual Report and Audited Financial Statements for the financial year ended 31<sup>st</sup> July 2020 be approved.

**Agreed:** That the Annual Report and Audited Financial Statements for the financial year ended 31<sup>st</sup> July 2020 be approved and adopted.

**Proposed by:** Gareth Hetherington

**Seconded by:** Karen Fraser

**b) Audit Committee Annual Report 2019/2020:**

Mrs Fraser, in her capacity as Vice-Chair of the Audit Committee, provided the meeting with an overview of the Audit Committee's Annual Report for the 2019/2020 financial year. She noted that, overall, the assurances were as positive as could be and that it had been a positive year from an audit perspective. She observed that all matters raised had been minor and she extended the thanks of the Audit Committee to the finance team and the auditors. The Temporary Chair extended the Governing Body's thanks to the auditors and the finance team and to Mr Bodger and Mr Mackell for chairing the Audit Committee during the year. He noted that the Audit Committee Annual Report would be submitted to the DfE by 30<sup>th</sup> November.

Following due consideration, it was agreed that the Audit Committee Annual Report for 2019/2020 be approved.

**Agreed:** That the Audit Committee Annual Report for the financial year ended 31<sup>st</sup> July 2020 be approved.

**Proposed by:** Steve Pollard

**Seconded by:** Karen Fraser

**c) Audit Committee Minutes from Meeting held on 16<sup>th</sup> September 2020:**

Mrs Fraser informed the Governors that the minutes of the meeting of the Audit Committee, held on 16<sup>th</sup> September 2020, had been agreed as an accurate record of the meeting and had been approved by the Committee at its meeting on 11<sup>th</sup> November 2020.

**Agreed:** That the minutes of the Audit Committee meeting held on 16<sup>th</sup> September 2020 be approved and adopted.

**Proposed by:** Steve Pollard

**Seconded by:** Karen Fraser

**d) Finance & General Purposes Committee Minutes from Meeting held on 15<sup>th</sup> September 2020:**

Mrs Larkin, in her capacity as Chair of the Finance & General Purposes Committee, reported that the minutes of the meeting held on 15<sup>th</sup> September 2020 had been agreed as an accurate record of the meeting and had been approved by the Committee at its meeting on 10<sup>th</sup> November 2020.

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Agreed: That the minutes of the Finance & General Purposes Committee meeting held on 15<sup>th</sup> September 2020 be approved and adopted.

Proposed by: Andrew Corbett

Seconded by: Heather Reid

**Agenda Item 6: Policies for Noting or Approval:**

**a) Intellectual Property Policy:**

The CFO informed the meeting that this was a new policy, based on good practice in other HE institutions. He observed that the increase in commercial activities concerning student companies had made it appropriate to have a formal policy in place.

Following due consideration, it was agreed that the Intellectual Property Policy be approved and adopted.

Agreed: That the Intellectual Property Policy be approved and adopted.

Proposed by: Barbara Larkin

Seconded by: Heather Reid

**b) New and Expectant Mothers Policy:**

The CHRO noted that this was an existing policy and that only minor amendments had been made, to reflect Covid-19 guidelines for conducting risk assessments for expectant mothers.

Following due consideration, it was agreed that the New and Expectant Mothers Policy be approved and adopted.

Agreed: That the New and Expectant Mothers Policy be approved and adopted.

Proposed by: Barbara Larkin

Seconded by: Alan Woodside.

**Agenda Item 7: Items for Information:**

**a) Financial Governance Report:**

The CFO commenced his report by providing the meeting with an update on the headline pressures for both the March 2021 and July 2021 year-ends. He observed that there was an anticipated pressure of £463k to the end of March, related to Covid-19, which had been communicated to the DfE. He noted that the pressure to the end of July 2021 was slightly less, at approximately £271k.

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The CFO remarked that the areas impacted for 2020/2021 by the pandemic were student fees, particularly in relation to part-time Further Education, a reduction in sales from the Colleges outlets, and increased costs incurred for educational provision. In response to a question from the Temporary Chair regarding loss of income that could have been realised following establishment of a legal entity in the RoI, the CFO indicated that the DfE Director of FE had remarked that a figure related to this expected reduction in income should be included in the Covid-19 impact forecast. He noted that, when factored in, this would increase the March year-end pressure to £677k.

**b) Strategic Risk Register:**

The CFO reported that there were a couple of amber risks to bring to the Governing Body’s attention. He noted that financial viability tied into the Financial Governance report. He observed that progress continued to be made on the project to replace PSD and that the item remained amber as it was a significant matter.

Turning to the STS project, he noted that progress was being made but that it was moving slowly, and that there was significant manual intervention required in relation to the interface files. He remarked that sickness absence remained an amber risk but that absence levels were currently in a good position.

With regard to red risks, the CFO noted that there were two new risks which had been added to the register, and that both were pandemic-related. The first concerned potential issues with respect to awarding of qualifications for the 20/21 year. He noted that the sector had received no direction from the Regulator or the awarding bodies and that the colleges continued to work to try to obtain resolution, while banking evidence to ensure students were not disadvantaged.

The second and newest risk related to the move from supplier relief to operational requirements in relation to TfS and the administrative and potential legal issues being encountered.

**c) Staff Governors’ Reports:**

Mr Corbett observed that the students were continuing to work through the circuit-breaker phase implemented by the government. He noted that it would be possible to identify where any weaknesses were, once the circuit-breaker period ended, in relation to what the examining bodies would require. He remarked that there was an anticipation of a third lockdown phase and that all evidence was continuing to be gathered electronically in the meantime. He commented that some students were finding the situation easier than others and that there was a lot of uncertainty regarding the process with respect to qualifications. He opined that the situation was likely to change, more than once, between the present time and May 2021.

Mr Lee indicated that staff members were happy with the introduction of thermal imaging and felt that the College was going the extra mile to keep staff and students up-to-date on the ever-changing situation with regard to the pandemic. He noted that staff got comfort from the regular updates from CMT, including the Covid statistics.



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**d) Student Governor Report:**

At the Chair’s invitation, Ms Richardson presented the Student Governor Report to the Governing Body. She noted that there were several positive updates to report, including the high level of participation in the Student Union elections and the introduction of lanyards for students who could not wear masks. With respect to student engagement, she provided an overview of the online social activities which had taken place, and which had included £440 being raised to date for the ‘Movember’ campaign. She observed that there was an ongoing campaign to reduce the use of single-use masks and to ensure their safe disposal. In relation to issues during the period, she indicated that class representatives and Student Union officers were reporting that there were issues primarily regarding mental health and motivation. She commented that work was being undertaken to brainstorm ideas with respect to engagement and to replicate the normal student experience insofar as was possible.

The Temporary Chair and the Principal noted that it was positive to hear the Student Union was helping to support students. The Principal noted that the College recognised the difficulty with respect to running Essential Skills online and that, once the circuit-breaker phase was over it was hoped to arrange more face-to-face involvement for students, particularly those who were struggling with the lack of social interaction.

**e) Audit Committee briefing on meeting held on 11<sup>th</sup> November 2020:**

Mrs Fraser, in her capacity as Vice-Chair of the Audit Committee, reported on the meeting held on 11<sup>th</sup> November 2020. She indicated that the meeting had primarily covered approval of the year-end financial statements, core funding and budget pressures.

**f) Finance, General Purposes and Staffing Committee briefing on meeting held on 10<sup>th</sup> November 2020**

Mrs Larkin, in her capacity as Chair of the F&GP Committee, provided the Governors with a summary of the matters covered at the meeting held on 10<sup>th</sup> November 2020. She noted that the meeting had focused on approval of the Annual Report and Financial Statements and that the Committee had received a presentation on the Learning Academy, the challenges that had been encountered during the pandemic, and how these challenges had been turned into opportunities. She remarked that there had also been an update regarding the issues with the STS system and the ongoing problems with the ability to invoice student fees.

**g) Minutes of the Chair’s Working Group meeting, held on 29<sup>th</sup> October 2020**

The Temporary Chair provided the meeting with an overview of the Chair’s Working Group meeting which had been held on 29<sup>th</sup> October 2020. He indicated that the Minutes covered the salient points of the meeting and that there were no particular matters to bring to the Governing Body’s attention.

**8. Any Other Business:**

No other business was discussed.

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**9. Confidential Business:**

*At this juncture, Messrs Corbett, Lee, Mrs Cochrane and Miss Richardson left the meeting. [19:29]*

A separate note was taken for this item.

**Date of next Meeting:**

It was noted that the Strategy Day, incorporating the next meeting of the Governing Body, was scheduled to take place on Thursday, 28<sup>th</sup> January 2020 and that details would be circulated to the Governors in due course.

**There being no further business, the Chair declared the meeting closed at 19:57.**

**Signed:** \_\_\_\_\_  
Temporary Chair of the Governing Body

**Date:** \_\_\_\_\_