

NORTHERN REGIONAL COLLEGE

RESOURCES COMMITTEE

Minutes of the meeting of the Resources Committee (unreserved business) held on 19 June 2017 at the Newtownabbey Campus commencing at 4.00pm.

Present: Mr H Crossey (Chair), Mr K Chambers, Mrs G McConnell, Ms Y Mallon and Prof T Scott

In Attendance: Dr S Brankin, Mr D Hewitt, Mr M Higgins, Mr S Lavery, Mr I Murphy and Mr V Taggart, Mr M Lennox (Item 8.11 only)
Mrs C Robinson (Secretary)

8.1 Apologies

None.

The Chair indicated that with members' agreement the update on outsourcing (item 8.11) would be taken at this point in the meeting. He welcomed Mr Mark Lennox to the meeting.

8.11 Outsourcing

Mr Lennox referred to the initial proposal for the outsourcing of facilities management services across the College campuses presented to the Committee in June 2016. He advised that following a recent exercise through CPD the tender had been awarded to Mount Charles for a period of three years with an option for a further 2 one year extensions. He noted that the contract would cover cleaning, catering and external maintenance with the internal caretaking function being retained in-house. The tender had been accepted in early June and the service would commence by 21 August 2017. A meeting with Mount Charles to discuss the logistics was imminent. Staff affected by the change had already been consulted and those remaining would be transferred across under TUPE. Several staff had opted to leave through VES.

Mr Higgins responded to queries from the Chair and Ms Mallon noting that the current costs for internal caretaking were being reviewed and no issues had arisen with staff consultation. He added that management had worked with the unions and views of staff had been acknowledged.

The Chair thanked Mr Lennox for the update and he left the meeting.

The Committee noted the report circulated.

8.2 Declaration of Interests

None declared. To be noted if arise during the course of the meeting.

8.3 Minutes of the Last Meeting

The minutes of the last meeting held on 27 March 2017 were approved by the Committee.

Proposed: Mr Chambers **Seconded:** Ms Mallon

8.4 Matters Arising

Any matters arising from the minutes of the last meeting would be addressed under relevant agenda items.

8.5 Chair's Communications

Mr Crossey advised that he was still Acting Chair of the Governing Body and to ensure a quorum was chairing the meeting on this occasion. Membership of the committee would be reviewed in due course.

The Chair advised that he had along with the Chief Executive attended an ALB engagement meeting organised by the Department. He referred to the discussion on the Programme for Government, business planning and budgets noting his surprise at the Departments deadlines in respect of strategic planning.

Prof Scott advised that the College was ahead of the game as it had already commenced work on its new strategic development plan.

8.6 Correspondence

i) DfE letter – 2017/18 Indicative Funding for FE Colleges

Mr Higgins referred to the DfE communication outlining an indicative budget for the coming academic year. He stated that this had been issued to allow Colleges to prepare budgets. He referred to the FLU submission earlier in the year noting the reduced figures built into this and indicated that the 2017/18 funding grant was expected to be in line with this.

Prof Scott reminded members of the bid recently made to the Department for additional funds.

Mr Higgins assured Mr Murphy that the savings required by the Department were already incorporated in to the figures reported.

8.7 Monthly Management Accounts

The Committee considered the reports circulated.

i) Monthly management accounts for the period up to 30 April 2017

Mr Laverty spoke to the management accounts for the nine month period up to the end of April 2017. He indicated that grant income overall was £119k behind budget; education income was £873k behind budget (reduced TfS claims offset by reduced staff costs) and everything else was within budget target. Overall, there is a £171k variance between income and planned expenditure to the year-end. The College was working towards a balanced budget at year end but was in discussion with the Department on the possibility of carrying forward any underspend arising from expenditure restricted by CPD delays.

Mr Higgins clarified the timeline and process for the return of funds to the Department noting that there was some flexibility should specific pressures be identified. He reiterated that issues with procurement through CPD were concerning and delays could prevent expenditure on essential work which had to be carried out over the summer period. Savings in relation to staff costs were also clarified.

The Committee discussed and noted the management accounts presented.

ii) Forecast Expenditure Schedule

Mr Laverty spoke to the monthly return to the Department noting that actual figures for April had been included along with forecast figures up to March 2018. He highlighted that the budget column remained blank as no figures had been confirmed from the Department. Mr Laverty also indicated that the report would be updated as the year progressed and revised figures would be reported to the Committee.

Mr Higgins drew attention to pressures on capital funds advising that planned expenditure (£2m) exceeded the allocation (£500k). He emphasised the need for caution on commitment to overspend noting the difficulties with the procurement process. Prof Scott said that the Department had been advised of the situation.

In response to Mr Chambers query Mr Higgins advised that the capital allocation to Colleges was based on bids.

The Chair referred to discussion on capital budgets at the recent Department meeting and stressed the importance of staying within budget. Mr Laverty confirmed that the profile

reflected the amount requested (£1.1m) and not the lower figure (£500k) allocated within the indicative budget. Adjustments would be made to the forecast throughout the year.

The Committee noted the forecast figures.

8.8 2017/18 Budget

Mr Higgins spoke to the budget forecast circulated highlighting key points. He noted that with the exception of the reduced allocation for the new build project the DfE grant remained in line with the original bid; other income from WBL reflected a slight increase and catering had been reduced as a result of outsourcing the service. With regard to expenditure staff costs were reduced due to outsourcing, VES and efficiency saving. Other operating costs were also reduced

Mr Murphy queried the full year figures reported against catering and Mr Higgins agreed that the projected figures had been adjusted on pro rata basis. Mr Higgins advised that the budget would be presented again once exact student numbers across directorate/departments became available after enrolments had been confirmed.

The Committee considered the budget and following discussion agreed to recommend it to the Governing Body for approval.

8.9 KPI Reporting Schedule

The Committee considered the update report on KPIs 5 and 11.

KPI 5 Delivering Long Term Financial Sustainability – Mr Higgins reported a slight reduction in income and salaries and an increase in operating expenses. The status was amber due to budget and efficiencies but this was expected to change to green. The Department target up to the end of March had been achieved.

KPI 11 Diversifying Income – the Committee noted the amber status. Prof Scott referred to the report that reflected income diversification as behind target and advised that it was actually ahead of the SIP target. The report would be updated before circulation to GB.

Dr Brankin provided a comprehensive presentation on Business Engagement and Diversification of Income which provided background information, outlined objectives, and provided detail on analysis of revenue, challenges and the new WBL contracts. He summarised plans for future external engagement, noted the outcome of skills focus and spoke about the strategic outlook and the short term delivery/fulfilment plan.

Dr Brankin addressed questions raised by members in relation to the new work based learning contracts.

Past challenges and future opportunities were acknowledged and the Committee commended Dr Brankin on achievements to date. Members were assured that the business development team was better resourced and appropriate processes had been established to ensure continued progress.

Prof Scott advised that Dr Brankin's presentation would be uploaded to Minutepad for reference.

8.10 Shared Services

Dr Brankin provided an update on progress of the STS project. He reported that following a review the project costs had been increased by 2% and the revised business case had been forwarded to the Permanent Secretary for approval. Dr Brankin indicated that it was unlikely that an updated system would be up and running before the 2019/2020 academic year and in light of this the existing systems would have to be extended.

Mr Higgins reported that the STS Project Board had investigated contingencies for extending the current systems and had negotiated acceptable arrangements with the present

providers. The risk associated with the project and the delay in approval of the business case had been recorded in the College Risk Register.

The Committee noted the difficulties and accepted that there was little to be done until Departmental approval was given.

8.11 Outsourcing

Taken earlier in the meeting.

8.12 New Build/Estates

The minutes of the May Project Board meeting were taken as read.

Mr Higgins reported that several design teams had responded to the tender and an appointment would be made in July/August with the completion of a significant portion of the work expected by January 2018. He was confident that the capital monies already allocated would be spent.

8.13 Staffing Update

Mr Hewitt spoke to the report highlighting key points in relation to recruitment and the overall review of recruitment processes and protocols. He indicated that a report on the review was due to be presented to SLT at the end of June, the outcomes of which would be presented to the next meeting. He also provided additional information on the re-profiling of part/full time staff and the technician/trainee lecturer role.

Members noted the update report.

8.14 Committee Meeting Dates

The Chair referred to the meeting dates proposed and commented on the possibility of additional meeting dates in the coming year.

Mr Higgins highlighted a recommendation for more regular financial reporting to the Governing Body that had arisen in a recent Internal Audit report, noting that if necessary this could be included as a standing item on Governing Body agenda.

Prof Scott recognised the Committee's responsibility to scrutinise financial information and report to the Governing Body and stated that consideration would be given to the format and content of any additional reporting to the Board. She advised that a financial update was also provided at each Governing Body meeting as part of the Principal's report. Prof Scott noted that the substance and style of reporting would be revised with the new Development Plan.

Mr Chambers stressed the importance of aligning the committee meeting dates with the Governing Body meeting dates.

The Committee noted the proposed dates, implications of the IA recommendation, the new Development Plan and Departmental requirements and agreed that further consideration would be given to meeting dates as a whole at the forthcoming Governing Body meeting. The date for the first meeting in the next academic year was however agreed as 23 October 2017.

8.15 Any Other Business.

No other business was raised.

8.16 Next Meeting

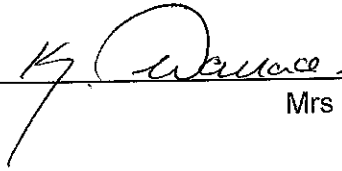
The next meeting date was confirmed as Monday, 23 October 2017 at 4.00pm

There being no other business the meeting finished at 6.45pm.

J. Kevin. Chambers

Mr K Chambers (Chair)

Date 23/10/2017
23 October 2017



Mrs K Wallace (Secretary)

