

NORTHERN REGIONAL COLLEGE

FINANCE AND GENERAL PURPOSES COMMITTEE

Minutes of the meeting of the Finance and General Purposes Committee held on 10 November 2009 at the Farm Lodge Ballymena Campus.

Present Mrs K Collins (Chairperson), Mr T Neilands (Director), Mr P McCudden and Mrs L Wallis.

In Attendance Mrs B Crotty, Mrs C Moore and Mr J Hunter. The following members of the Staffing Committee attended for item 10.1: Mr S Davidson, Mrs A M Campbell and Mrs U O'Kane.

UNRESERVED BUSINESS

10.1 Business Improvement Plan

The Committee was joined by Members of the Staffing Committee for a presentation on the Business Improvement Plan by Mr Neilands, Director, and Mrs Moore, Director of Finance (powerpoint presentation attached).

Mrs Moore referred to some of the achievements of the College since the merger in 2007. She highlighted the establishment of a new brand and identity, the establishment of a new management structure, the maintenance of continuity and stability for staff and students, the development of integrated services, policies and procedures and the achievement of a controlled financial position. She advised Members that the key financial strategies adopted by the College for the period 2007/2010 had been successful in realising College Development Plan targets. These strategies, however, would be insufficient in the long term in achieving financial stability as defined by the Department.

She apprised Members of the historical financial position of the College, which had been characterised by the loss of income streams and increased expenditure, particularly in respect of staff salaries, over the past three years. She stated that the 2007 Due Diligence Report and the updated Report of 2009 had forecast large deficits for NRC; the remedial action taken by the College had ensured that deficits were considerably less than projected. Mrs Moore added that NRC was not alone in regard to financial difficulties; benchmarking ratios such as Cash Days in Hand, revealed that the College ratios were similar to those of the other Colleges in the Sector.

Mrs Moore made reference to encouraging trends in full-time FE, full-time HE and training enrolments. She provided figures for College retention and success rates and compared them with those of the Sector.

She provided an overview of Staffing costs and Staffing levels at the College. She stated that there had been a significant decrease in the number of FTE staff from 820 in 2006/2007 to 760 in 2008/2009. Salary costs had risen, however, due to increments and redundancy payments. She said that there had been some misperceptions regarding staffing levels. Numbers of teaching staff had remained static but there had been a marked decrease in support staff. The College's ratio of teaching to non-teaching staff was similar to those of Colleges in the Sector.

Mrs Moore also examined estate costs, another area of high expenditure. The College had the highest area of accommodation in the Sector and fell short of others in the income generated per square metre.

The Director outlined progress to date in regard to the Business Improvement Plan. He highlighted progress in respect of the curriculum review and its financial analysis by course, business unit, theme and location. He also mentioned the work being undertaken in respect of regional benchmarking, staff analysis, accommodation utilisation and consultation with Unions and the Strategic Investment Board.

He explored the options available to the College in terms of efficiencies, accommodation, training and entitlement framework. He also listed the tasks to be carried out in respect of the review. He said that sub-committees had a role to play in discussing matters before the Business Improvement Plan was presented to the Governing Body. The Staffing Committee would be expected to consider the staff benchmarking report, the efficiency of staffing levels, proposal for redundancy packages and the staffing implications of proposed options. The Finance and General Purposes Committee would consider the efficiency of current accommodation, the implications of the proposed accommodation options and the affordability of the proposed options.

The Director stressed the importance of communicating the review internally to staff and externally to the community. He explained that the Due Diligence Reports had forecast the College's financial and estates problems; the NRC had been open and willing to address these matters. He added that the College needs and deserves top class facilities and he was conducting a lobbying campaign to this effect with MLAs. In conclusion he emphasised the need for Staff and Governors to develop a shared vision for the future.

During discussion several queries were raised regarding economic regeneration, benchmarking, new builds at Coleraine and Ballymena and shared vision for the future. In response the Director advised that the College would need to examine the resources devoted to economic regeneration as the economic downturn and the reduced generation of income from business were not foreseen. Benchmarking was revealing that we were in an increasingly similar position to other Colleges in regard to reserves as DEL had clawed back £5 million from reserve-rich colleges and these institutions unlike the NRC, which had DEL funding, were responsible for funding their own redundancies. The Director referred to the absence of a definitive time scale for the new build at Coleraine and Ballymena. It would be difficult, he said, to determine accommodation options without this information; DEL involvement was considered critical. The Director agreed with comments from a Member regarding the need for a shared vision; it was crucial to the success of the Business Improvement Plan for the Governing Body and Staff to have a shared vision of the future.

10.2 Health and Safety Risk Management Report

The Committee received a presentation on Health and Safety from Mr Kyle Leckey, the Health and Safety Coordinator. At the outset he described his role at the College and described his endeavours in developing Health and Safety procedures, based on HS665 Standards, throughout the College.

The Health and Safety Coordinator presented the Health and Safety Risk Management Report, which addressed the following key issues and identified areas for improvement:

- a) Development of Health & Safety Policy. A Health and Safety Policy document has been prepared, which has to be approved by the Finance and General Purposes Committee, prior to being made available to all employees and students;
- b) Health & Safety Procedures. Procedures have been developed to ensure the welfare of all employees, students, visitors, contractors and the general public;
- c) Staff Development and Training. Good progress is being made in regard to Staff Development. An online training platform with a 'Human Focus' is being developed to meet the needs of staff;
- d) Accident Statistics. Statistics for the year ended October 2009 indicate that 43 accidents were reported; 72 % were of a minor nature;

e) New Build Involvement. The Health & Safety Coordinator attends project monthly design team meetings at the Newtownabbey Campus, and meets on a regular basis with the CDM Coordinator and the Contractor's Project Supervisor;

f) Planned Initiatives. Several initiatives are planned for 2009/2010 including the completion of transport risk assessments for all sites, the ratification of the Health & Safety Policy for all staff and students, the reduction of high-level accidents and the provision of fire warden and first aid for all sites.

In response to a query the Coordinator indicated he had a role to play in raising awareness of the threat of swine flu. **The Committee agreed that his recent Update should be attached to the minutes (see Report attached).**

10.3 Apologies

An apology was received from Ms Wallis. The Committee noted and forwarded its best wishes for a speedy recovery to Alderman PJ McAvoy, who had just returned home from hospital.

10.4 Declaration of Interests

There were no declarations of interests.

10.5 Minutes of the Last Meeting

The minutes of the last meeting held on 26 May 2009 were approved.

10.6 Matters Arising

10.6.1 Sale of Land at Larne (minute 9.4.2)

The Deputy Director Planning and Resources provided the Committee with an update regarding:

a) Sale of Lease of a small portion of land at Larne to Larne YMCA for the sum of £30,000. The Deputy Director stated that YMCA had been invoiced for the agreed sum and the College solicitors were arranging payment terms.

b) Sale of Lease of Playing Fields at Larne to Larne Grammar School. The Deputy Director advised the Committee that the College had received a cheque for £97,200, which is being held by the College solicitors. Before releasing it to the College they need reassurance that the College is not selling land, which has already been sold.

10.6.2 New Skills Centre, Newtownabbey (minute 9.4.3)

The Deputy Director Planning and Resources reported that the contract for the New Skills Centre at Newtownabbey was on schedule. She said that the delay in the planned move of the NIE substation could delay the completion of the Social Area and the Kitchen. This could lead to an overall delay in the completion of the project. The contingency plan could incur additional costs.

The Deputy Director explained that the contract had been signed 'under hand' with the option to change within six months to 'under seal'. Contracts entered into 'under hand' are simple contracts with a limitation period for claims against consultants or contractors for defective work or advice of six years. If a contract is 'under deed' the limitation period for claims is extended to twelve years. The extension of the limitation period would cause the contractors to have greater liability and they have quoted a cost to the College of £30,000.

It was noted that the Project Board had discussed whether the College should enter into an 'under seal' contract but had not arrived at a definitive answer. Concerns were expressed regarding the cost implications, as no funds had been earmarked for the extension.

Following discussion the Committee agreed that:

- a) An attempt should be made to negotiate a better deal with the contractors in relation to 'under seal' costs;**
- b) The Deputy Director Planning and Resources should investigate whether the project could be insured at a more favourable rate with the College insurers;**
- c) On the basis of this information the Governing Body should be asked to decide whether or not to extend the contract.**

10.6.3 Membership of the Governing Body (minute 9.5.1)

The Chairperson informed the Committee that:

- a) The Department for Employment and Learning had received AccessNI clearance for Mr K Nelson and Ms C Taylor and had formally appointed them as Members of the Governing Body for the period from 2 November 2009 to 1 November 2013.
- b) DEL had placed an advertisement in the press for the competition to find a new Governor to replace Dr Caul. The Chair stated that interviews had been held that afternoon by DEL and that DEL would now be forwarding the successful candidate's name to the Minister, for a decision to be made regarding the appointment. AccessNI clearance would then be required for the successful appointee.

10.7 Chairperson's Communications

There were no Chairperson's communications

10.8 Correspondence

There was no correspondence to report.

10.9 Monthly Management Accounts

The Director of Finance presented the Monthly Management Accounts for the period up to 30 September 2009. The Committee noted that the Monthly Management Accounts indicate that the College has a surplus of £637k on continuing operations and an historic surplus of £855k, which is £455k better than budget. The bank balance as at 30 September 2009 was £5.4 million.

10.10 Committee Terms of Reference and Committee Effectiveness

The Committee received a paper to which were attached the Committee's Terms of Reference and the Committee's Action Plan 2009/2010.

The Committee reviewed and endorsed its terms of reference (see copy attached) subject to the following adjustments:

- a) Under Membership insert: 'The Director of Finance will be in attendance at all meetings and Deputy Directors as and when required' instead of the present statement;
- b) At Clause 22 insert: 'in line with the Financial Memorandum'.

The Committee also considered its Action Plan for 2009/2010. It was noted that the Plan would enable the Committee to review its effectiveness at the final meeting of the academic year on 29 June 2010.

The Committee agreed its Action Plan for 2009/2010 subject to the removal of 'Activity i) Monitoring the equal opportunities strategy of the College'. The Staffing Committee should undertake this activity

10.11 Draft Conflict of Interest Policy

The Committee received a Draft Conflict of Interest Policy. The Director of Finance advised the Committee that the Policy is part of NRC's efforts to ensure financial probity, to promote the highest standards of behaviour and to control the risk of fraud, corruption and irregularity. It was noted that the Policy requires Governors and the Executive and Senior Management Teams to complete and forward a Declaration of Interest Form annually to the PA to the Director, who maintains a Registry of Interest.

The Committee agreed that the Policy be approved and forwarded to the Governing Body for endorsement

10.12 Any Other Business

10.12.1 Grant Thornton Financial Consultancy Fees

The Committee noted that the Project Board had agreed a revised offer to the Project Board and DEL had agreed to fund 75% of the revised fees.

10.12.2 Christmas Dinner

The Director advised Members that the Christmas Dinner had been arranged at the Ballymoney Campus on Thursday 17 December 2009. Invitations would be circulated in the near future.

10.13 Next Meeting

The Chairperson reminded the Committee that the next meeting is scheduled for Tuesday 1 December 2009 at the Ballymena Campus commencing at 5.30 pm.