

NORTHERN REGIONAL COLLEGE

GOVERNING BODY

Minutes of the meeting of the Governing Body held at 5.00 pm on 24 June 2015 in the Gallery, Dunadry, Templepatrick.

Present Mrs C McKinney (Chair), Professor T Scott (Principal), Mrs I Allison, Mr C Chan, Mrs K Collins, Mr S Davidson, Mrs J Eve, Mr R Jay, Dr D Lennox and Alderman PJ McAvoy

Mr D Jones (KPMG), Mr J Tomlinson (KPMG), Ms B Munro (NRC), Ms J Small (Deloitte), and Mr D Hewitt, Mr V Taggart and Mr D Caldwell (Change Team) attended for minute 63.4.

In Attendance Mrs B Crotty, Mrs C Moore, Dr C O'Mullan and Mr J Hunter

UNRESERVED BUSINESS

63.7 Apologies

Apologies were received from Alderman J Brown, Mr S McCartney, Mr M Murray and Mrs A Rankin

63.8 Declaration of Interests

There were no declarations of interests.

63.9 Minutes of Last Meeting

The unreserved minutes of the last meeting of the Governing Body held on 27 May 2015 were approved

63.10 Matters Arising

There were no matters arising from the minutes of the last meeting.

63.11 Communications

a) Chair's Communications. The Chair reported that she had provided the Secretary with an extensive list of meetings and events, which she had attended since the last meeting. She stated that she would be attending LEDCOM awards on 26 June 2015.

b) FE College Health Check Issue 2 2014/2015. The Governing Body received the FE College Health Check Issue 2 2014/2015 and noted that three Committees, Audit, Finance & General Purposes and Staffing, had already scrutinised and forwarded comments on the appropriate sections of the Report to the Governing Body.

63.12 Principal's Report

The Principal reported on the following developments since the last meeting:

a) Sector Voluntary Exit Scheme. The exercise to revisit and refine proposed Tranche 2 allocations by all six colleges has been completed. There is ongoing uncertainty around the availability of funding for the VES. Following confirmation from DEL, all colleges issued letters to staff on 23 June 2015 confirming the decision in relation to their Expressions of Interest. The Principals continue to meet weekly and remain in close contact with DEL to ensure that they are in a position to respond in a timely manner once a decision on VES funding is received.

b) Management Accounts. The Monthly Management Accounts up to 31 May 2015 were presented at the Finance & General Purposes Committee meeting (22 June 2015). The Accounts show a historic cost surplus of £1,833k, £748k ahead of budget for this period. Non-pay costs are £527k less than budget for the period. Following a review of projections to year-end, £514k is available for allocation. A further review of staffing expenditure in relation to overtime and part-time claims will be carried out

before a final approval is given to allocate the available funds to prioritized items.

c) ETI Work Based Learning Inspection. The College hosted a follow-up visit from an ETI team of inspectors from 8 – 10 June 2015, which included whole-organisation areas for improvement and the professional and technical area(s) of wood occupations/brick work. ETI confirmed that the provision in these areas has been classified as 'Good'.

d) Staff and Student Achievements. NRC students achieved success at Colleges NI's BEST awards linked to the STEM agenda. Andrew Neill, Daniel Killop, Curtis Wilson and Michael Speirs, Level1/2 studying Information and Creative Technology at the Ballymoney Campus, took the runner-up spot while Jack Smith, Level 3 IT student from the Coleraine Campus, was awarded the Software Award. Engineering students won the IET Formula 24+ Greenpower NI & IE Championships. The students, currently studying Level 3 Extended Diploma in Engineering at the Newtownabbey Campus, designed and developed a single seat electric car and raced the vehicle against other school teams, as part of an engineering education initiative supported by pioneering local educators. The Governing Body congratulated staff and students on their achievements.

e) International Visit. Dr Catherine O'Mullan took part in a delegation led by Dr Stephen Farry, including representatives from CNI and the other five colleges to Donostia-San Sebastian to the annual International Vocational training meeting. The group explored partnerships with the Basque Region in the area of Advanced Manufacture. NRC already has well established relationships with counterparts in Elgoibar and has hosted staff and students on exchange visits. The College is working with a partner from this region on an Erasmus-funded project for the next two years, exploring best practice in the assessment of competencies.

f) Refreshed Corporate Identity. Following consultation with staff and students as part of the Change Management programme, it was agreed that it was timely to update the corporate identity.

63.13 Balanced Scorecard

The Governing Body received a copy of the Balanced Scorecard, which provides details of progress against targets as at 24 June 2015. Mrs Moore highlighted a number of issues arising from the following domains:

a) Student Experience. The College has achieved or is predicted to achieve by the year-end targets in respect of Apprentice and Trainee recruitment, retention, student satisfaction and quality. The predicted FLU total is 6,162, which is 440 less than target. The Chair advised the Governing Body that the College's failure to achieve its FLU target had been a major issue at the Accountability meeting on 23 June 2015. It was noted that the new target for 2015/2016 was lower than the outcome for the current year.

b) Staffing. Staff costs to income and staff costs to student related income are projected to be achieved by the year-end. An attempt is being made to reach the challenging target for absenteeism by the year end (2.5%). The lecturer staff utilisation, 94.13% (30 January 2015), is less than target, 97%. 7.04 FTE redundant lecturer posts and 0.8FTE redundant support posts have been identified as a result of under-utilisation.

c) College Operations. It is predicted that all targets and milestones relating to the OBC will be achieved by the year-end. The College has disposed of the Antrim Campus

d) Relationships. All targets have been met with the exception of the target for the Learner Access & Engagement; the LAE programme has been terminated by DEL as part of its Budget cuts.

e) Finance. All targets, with the exception of Grant Funded Activity, are projected to be met by the year-end. The lower than budgeted income for Grant Funded Activity is matched by lower expenditure. The College is on target to achieve an historic cost surplus of £0.4k at the year end. Consideration is being given to the release of unallocated funds (£514k) to invest in additional resources.

The Governing Body agreed that the date of the Balanced Scorecard projections for the year-end should be amended to show 31 July 2015 instead of 31 August 2015.

63.14 Audit & Risk Committee

Alderman McAvoy, in the absence of the Chair, presented the minutes of the meeting of the Audit & Risk Committee held on 16 June 2015. He highlighted the following issues:

a) Internal Audit Reports. The Committee received the following Internal Audit Reports:

(i) Data Integrity relating to Key Funding Returns (Focusing on Achievements and Progression). Based on the work performed the Internal Auditors have provided a **Satisfactory Assurance** rating.

(ii) Review of Payments to Part-Time Lecturers. Based on the work performed the Internal Auditors have provided a **Limited Assurance** rating. They have also provided a number of recommendations to assist management in enhancing the control environment in this area. The Chair expressed disappointment at the result of the Review and stated that the internal control framework surrounding the system was not fit for purpose.

The Internal Auditors have noted one Priority 1, two Priority 2 and one Priority 3 issues. The Committee gave detailed consideration to the recommendations in turn and agreed that Mrs Moore should make a number of adjustments to the Review and bring it to the next meeting

b) Internal Audit Year-End Report including Draft Annual Statement of Assurance 2014/2015. The Committee received the Internal Audit Year-End Report 2014/2015 providing details of the programme of Internal Audit Reviews completed by the Internal Auditors during 2014/2015. Based on the Internal Audit work performed during 2014/15, the Internal Auditors have provided a **Satisfactory [to be confirmed] Assurance over the internal control environment, except for Payments to Part-time Lecturers, which received a Limited Assurance rating.**

c) Draft Internal Audit Strategy 2015/2018. The Governing Body received a copy of the draft Internal Audit Strategy, which sets out the Internal Audit Strategy for 2015/2016 – 2017/2018 and the detailed Operational Plan for 2015/2016. It was noted that seven days from the 2014/2015 Internal Audit Plan had not been utilised and it had been agreed by the Audit Committee that they should be carried forward to the 2015/2016 year. It was suggested and agreed that two of these days should be used to validate and provide assurance in relation to the Audit Review of Payments to Part-time Lecturers during the current year 2014/2015. The Audit Committee agreed that the Internal Audit Plan for 2015/2016 be approved.

d) Fraud Case. The Committee note that a member of staff had been given a suspended four-month prison sentence after she admitted three charges of fraud by abuse of position between November 2012 and January 2013. A total of £2,480 had been misappropriated, all of which had been repaid,

63.15 Finance & General Purposes Committee

Mrs Collins presented the minutes of the meetings of the Finance & General Purposes Committee held on 1 June 2015 and 22 June 2015.

a) Correspondence. The Committee received correspondence from the Board of Management YMCA Larne regarding its lease with Northern Regional College. The Board wishes to clear the outstanding balance on its account in order to progress the issuing of the lease document. The Committee agreed that the College should proceed to issuing the lease on receipt of the outstanding balance, subject to legal advice.

b) Student Governor. The Committee noted that Mr Reece Bradley has been elected as the new Student Governor and President of the Student Union.

c) Finance KPIs. The Committee received a progress report as at 22 June 2015 in relation to Finance KPIs and noted, inter alia, the following matters:

(i) OBC. The estimated date of the completion of the revised OBC by Deloitte is 30 June 2015. The estimated date of approval of the OBC by the Minister is July 2015 and by DfP August 2015. Dr Lennox questioned whether the OBC should be approved by the Governing Body prior to its submission to DEL. The Committee was reminded that the OBC had been approved by the Governing Body (12 March

2014) for submission to the Department. It was noted, however, that subsequent adjustments had been requested by DEL/ETI. It was agreed that the Executive Summary of the revised OBC should be circulated to all Governors. Mrs Moore has been requested to advise of any further action required by the Governing Body.

(ii) FLU. It was noted that the actual FLU had decreased in recent months in line with historical trends. The Principal stated that failure to achieve the 2014/15 FLU target had resulted in the reduction in 2015/16 recurrent grant of £1.4 million for the College. She attributed the failure to meet the target to under-recruitment, particularly to full time courses as the retention rate for 2014/2015 was similar to the previous year.

b) Monthly Management Accounts. The Committee received the Monthly Management Accounts for the ten month period up to 31 May 2015, projecting an historic cost surplus of £0.4k at the year-end. The use of unallocated budget (£514k) is to be confirmed and spent on resources such as classroom chairs and IT equipment.

It was noted that the Bank Balance was £5.7k at the end of May 2015. This is in excess of the DEL recommended range. Action: Mrs. Moore.

c) Update on Debt Collection through Small Claims Court. The Committee received an update on debt collection through the Small Claims Court. It was noted that the NRC Fees Policy states that legal proceedings may be taken to recover any outstanding fees together with any administrative costs.

Mrs. Moore reported that 2012/13 and 2013/14 debtors have progressed to Small Claims Court and 2014/15 debtors are currently being progressed. She emphasised that the Small Claims Court was the last resort after all internal procedures had been exhausted.

d) Annual Report Finance & General Purposes Committee 2014/2015. Members received a copy of the Finance & General Purposes Committee Annual Report, which provides a summary of the activities of the Committee during the academic year 2014/2015.

63.16 Staffing Committee

Mrs Allison presented the minutes of the meeting of the Staffing Committee held on 1 June 2015. She highlighted the following issues:

a) Staffing Committee KPIs (minute 39.8). The Committee noted progress in relation to the following Staffing KPIs for 2014/15:

(i) Cost of Staff. The staff cost to income ratio as at 30 April 2015 was 63% against a target of 71%. The end of year projection is 69% mainly due to holding posts vacant. The staff cost (less catering and cleaning) to student related income was 68% against a target of 75%. The end of year projection is 75%, which is on target.

(ii) Absenteeism. The number of days absent for the year to 30 April 2015 was 4.75% against a target of 2.5%. The higher rate was due to long term absenteeism; it was noted that only 1.23% of days were lost due to short-term absences. The College is continuing work to achieve the challenging target by the end of year.

b) Salisbury Report. It was noted that the Task Force had met eight times. The HR Manager reported that a new draft constitution for an industrial relations framework was in the course of preparation and would be in draft format by 30 June 2015.

c) Annual Staffing Committee Report. Members received a copy of the Staffing Committee Annual Report, which provides a summary of the activities of the Committee during the academic year 2014/2015.

63.17 Any Other Notified Business

63.17.1 Appointment

The Principal congratulated the Chair on her appointment as Chair of NI Fire & Rescue Service Board. The Governing Body expressed its pleasure regarding this prestigious appointment.

63.18 Next Meeting

It was noted that this is the last meeting of the Governing Body during the academic year 2014/2015. The Chair thanked Governors for their contribution during the year and mentioned in particular Mrs Collins, Mr Davidson, Mrs Rankin and Alderman PJ McAvoy, who will be retiring as Governors on 31 July 2015 after serving two four-year periods. She also thanked Mr Chan, the Student President, for his contribution to the work of the College and wished him well in the future. The Chair then invited Governors to Dinner.

C McKinney, Chair

Date

JA Hunter, Secretary