

NORTHERN REGIONAL COLLEGE

GOVERNING BODY

Minutes of the meeting of the Governing Body held at 6.00 pm on 16 March 2011 at the Newtownabbey Campus, Northern Regional College

Present Mr G Gilpin (Chairman), Mr T Neilands (Director), Mrs K Collins, Mr R Jay, Rev T Jamieson, Alderman PJ McAvoy, Mr P McCudden, Mr K Nelson, Mrs U O'Kane, Mrs C Taylor and Mrs L Wallis.

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

UNRESERVED BUSINESS

31.1 Apologies

Apologies were received from Ms A M Campbell, Mr J Cromie, Mr S Davidson, Mr I Goldsworthy, Ms C O'Neill, Ms A Rankin and Mr A Watt.

31.2 Declaration of Interests

There were no declarations of interests.

31.3 Minutes of Last Meeting

The minutes of the last meeting of the Governing Body held on 12 January 2011 were approved.

31.4 Matters Arising

31.4.1 Review of Further Education Governance Report (minute 30.6)

The Governing Body (12 January 2011) noted that the Department required a response to the Report by the end of January 2011; the Chairman suggested that a Small Working Party be established to formulate the views of the Governing Body. The Working Party was constituted consisting of Mr S Davidson, Mr J Cromie and Mr I Goldsworthy.

The Governing Body received a copy of the response, which had been circulated to Governors before submission to the Department.

31.4.2 Further Education Means Business Stocktaking Exercise (minute 30.9)

The Governing Body (12 January 2012) noted that at a recent meeting of the FE Strategic Partnership Board it had been decided that it would be a useful exercise to undertake a stock-take of progress since the last major Strategic Review of Further Education in 2004, commonly referred to as 'FE Means Business'. The Governing Body considered a draft response and agreed that it should be forwarded to all Governors for comments by 18 January 2011.

The Governing Body received a copy of the final version, which had been circulated to Governors prior to submission to the Strategic Partnership Board.

31.5 Chairman's Communications

31.5.1 Engagements

The Chairman provided the Governing Body with an extensive list of his engagements since the last meeting. He said that he had been heavily involved, as Chair of the Appointment Panel, in the recruitment of a Chief Executive for Colleges Northern Ireland (CollegesNI). A candidate has been offered the position and it is hoped to have someone in place in the near future. He also mentioned that he had had a meeting with the Chairs of the four committees of the Governing Body. He intended to set up formal meetings with the four Chairs in order to exchange views and information. He said that this forum would enable him to share information with the four chairs and to obtain advice and guidance from them to relay to CollegesNI.

31.5.2 Committee Business

The Chairman said that he intended to restructure meetings of the Governing Body to enable it to concentrate on strategic matters rather than on Committee business. He suggested that in future he would take the minutes as being read and would only address issues requiring Governing Body action or issues of concern raised by Governors.

The Governing Body agreed that meetings should be conducted accordingly.

31.6 Director's Report

The Governing Body received a detailed report from the Director, who highlighted the following issues:

- a) Rawabit Project. The Director reported that he had been invited once again to be part of the delivery team for the Annual Symposium, which is part of the Rawabit project linking UK and Iraqi Colleges. He informed the Governing Body that two Iraqi Deans (Principals) would be spending a week at the College at the beginning of May. He stated that the programme would provide an opportunity for Governors to meet the Deans.
- b) Antrim Partnerships. The Director advised Governors that agreement had now been reached with Parkhall Integrated College to run our evening provision in Antrim in the School from the next academic year. The College is close to an agreement with Antrim Library for the use of its accommodation for some other elements of provision particularly Essential Skills. These new partnerships, along with the launch of the 'Living and Learning Together' project and the continuation of the full-time National Diploma in Sports Studies, which is run at Greenmount in conjunction with the Darren Clarke Junior Golf Academy, will constitute the future NRC presence in the Antrim area.
- c) Engineering Skills Competition. The Director informed the Governing Body that NRC had hosted the Northern Ireland Mechatronics, CNC and CAD Skills Competitions at Farm Lodge on Thursday 10 March 2011. It was noted that the College had had considerable success in the competition gaining two gold and one silver medals. It was also noted that NRC would be hosting one of the WorldSkillsUK heats in May.
- d) FLU Bid. The Director informed Governors that he, the Chairman of the Governing Body and the Executive Management Team had met with representatives of DEL to discuss the College's FLU Bid for 2011/2012. He said that DEL had paid NRC compliments regarding its realistic bid and its Priority Skills provision. He advised Governors, however, that there had been no feedback in terms of FLU allocations.

The Chairman said that he had mentioned during the meeting that FE should not be so risk averse and that Colleges must take calculated risks.

31.7 Correspondence

There was no correspondence to report

31.8 Minutes Audit Committee

The Governing Body received the minutes of the meeting of the Audit Committee held on 22 February 2011. The Governing Body had no action to take or comments to make in relation to the minutes.

The minutes indicate that the following matters were considered at the meeting:

- a) Risk Management Report. The Committee received a Report from the meeting of the Risk Management Group (12 January 2011) at which consideration had been given to the Departmental Risk Registers and the updated College Risk Register. The Committee agreed that:
 - i) The College Risk Register should be forwarded annually to the Audit Committee; and
 - ii) In light of the significant changes due to the Northern Ireland Executive's Budget, the updated College Risk Register, which reflects the implications of the DEL budget, should be brought to the next meeting of the Audit Committee.
- b) Correspondence. The Committee noted correspondence from the Northern Ireland Audit Office, dated 27 January 2011, indicating that NIAO has decided to contract out the audit of the Northern Regional College's annual accounts to a private sector firm for a period of 3 years, with an option for extension of a further 2 years commencing with 2010/2011 accounts.
- c) Annual Theft and Fraud Report 2009/2010. The Committee received a copy of the Annual Theft and Fraud Report 2009/2010, compiled by the Department of Finance and Personnel, which identifies potential trends in the cases reported, highlights how such cases have been perpetrated and indicates how they can be prevented and detected in the future.
- d) Outstanding Internal Audit Issues. The Committee received a progress report regarding the following outstanding audit issues
 - i) PwC Outstanding Internal Audit Recommendations 2009/2010. Eleven of the 12 recommendations have been fully implemented and 1 partially implemented;
 - ii) PwC Outstanding Internal Audit Recommendations 2010/2011. Seven of the 11 recommendations have been fully implemented, 2 partially implemented and 2 not implemented. The Chairperson stated that there should be timescales assigned for implementation of all recommendations outstanding.
 - iii) Report to Those Charged with Governance (RTTCWG) Recommendations 2009/10. Twenty-six of the 34 recommendations have been fully implemented, 5 partially implemented and 3 not implemented/not applicable.
- e) Internal Audit Report to Audit Committee. The Internal Auditor presented the Internal Audit Report, which provided an update on progress made against the 2010/2011 Internal Audit Plan.

It was noted that the following internal reviews had been completed since the last Audit Committee meeting: Cash Handling Arrangements (satisfactory); Procurement and Contracting (satisfactory); Development Planning (substantial); Reputational Risk (substantial); and Income Generation and Diversity (substantial).

It was also noted that the Internal Auditors are satisfied that all of the outstanding internal audit reviews are scheduled in line with the agreed timescale, and all audit work will be

completed and reported in advance of the financial year end (31 July 2011) and within DEL requirements (30 September 2011).

f) Internal Audit Service Key Performance Indicators. The Committee received a Progress Report in relation to the eight KPIs, which had been prepared to review the company's performance. The Director of Finance said that she had been pleased with progress and everything was on target. Evaluation from each audit review will be passed to PwC, following agreement with process owners.

g) Internal Audit Service Report. The Committee received a copy of a Peer Review, completed by Internal Audit Service, of internal audit arrangements provided by PriceWaterhouseCoopers to the six Further Education Colleges.

It was noted that IAS had found a number of minor weaknesses in the internal audit arrangements of the six Colleges. It found, for example, that NRC did not tender for the provision of its internal audit service via a recognised Centre of Procurement Expertise (COPE) and it has recommended that ongoing liaison in relation to this issue should be progressed as soon as possible to ensure that future procurement adheres to best practice and displays value for money. Management has responded indicating that NRC has now in place a procurement strategy, recommended by the Directors of the six Colleges. This addresses the problem encountered by all Colleges in trying to obtain the services of a COPE.

31.9 Education Committee

The Governing Body received the minutes of the meeting of the Education Committee held on 11 January 2011 and an oral report from the meeting held on 15 March 2011. The Governing Body had no action to take or comments to make in relation to the minutes.

Referring to the Meeting on 15 March 2011 Mrs O'Kane stated that the Committee had discussed Centres of Excellence. The Committee noted that in the past DEL had designated Centres of Excellence in various Colleges on the successful submission for earmarked funds aligned with a Grade 1 (Excellent) under the old grading system. NRC has two Centres of Excellence, one in Construction and one in Manufacturing Engineering.

Following the recent focussed inspection of Priority Skills at Level 3, Manufacturing Engineering was awarded a new Grade 2 (Very Good) and Construction a Grade 4 (Satisfactory). The Director has written to DEL to state that the College was unaware that the Level 3 inspection grade would be used to reassess Centres of Excellence, as it was not a comprehensive, dedicated inspection. A reply from DEL is awaited.

The Director said that all six colleges were in a similar position and had written to the Department to express their concern. A meeting has been arranged with DEL representatives on 21 March 2011 to discuss this matter. The Director undertook to inform Governors of the outcome by e-mail.

31.10 Finance and General Purposes Committee

The Governing Body received the minutes of the meetings of the Finance and General Purposes Committee held on 1 February 2011 and 28 February 2011. The Governing Body had no action to take or comments to make in relation to the minutes.

The minutes indicate that the following matters were considered at the meetings on:

1 February 2011

a) Assembly Employment and Learning Committee. The Committee noted that the Assembly Employment and Learning Committee had visited the College on 28 January 2011. The Director said that he had raised the College's concerns regarding the DEL budget proposals.

b) Divisional Planning Office. A letter was received from the Divisional Planning Office regarding the erection of a 2.4 metre security fence to the boundary of the Library Headquarters adjoining Café Lamont. It was noted that no response was required to this correspondence.

c) Catering Arrangements. The Committee noted that satisfactory progress had been made towards achieving the targets set by Management. The Catering Working Group had had two meetings and it was anticipated that a final report would be submitted to the Executive Management Team in March 2011 and forwarded subsequently to the Finance & General Purposes Committee.

d) Monthly Management Account. The Committee received the Monthly Management Accounts for the six months ended 31 December 2010. The Accounts indicate that the College has a surplus of £17k on continuing operations and an historic cost surplus of £432k, which is £371k ahead of budget. It was also noted that the bank balance at 31 December 2010 was £3.9m.

e) Northern Ireland Executive's Draft Budget. The Committee received copies of the Northern Ireland Executive's Draft Budget and DEL's response. The Committee noted that Colleges Northern Ireland was preparing a Sectoral response to the DEL response, as the Department was seeking assistance from the Sector to strengthen its case. The Director undertook to e-mail the NRC response to Members for comment prior to submission to CollegesNI.

f) Revised Equality Scheme/Action Plan. The Committee noted the following Documents:

i) Correspondence from the Equality Commission regarding statutory duties under Section 75 of the Northern Ireland Act. The Commission has recently published a Revised Guide in relation to statutory duties under Section 75. The Commission has requested that the College's new Equality Scheme be submitted on or before 1 August 2011, following consultation on the revised Scheme.

ii) NRC paper setting out the key changes resulting from the Revised Guide and detailing the College's arrangements for fulfilling the revised Equality Scheme.

The Committee agreed that the revised Equality Scheme should be circulated to Members for comment and subsequently the Equality Officer should progress consultation in relation to the new Equality Scheme.

g) Fees Policy and Regulations 2011/2012. The Committee received the draft Fees Policy and Regulations for 2011/2012 and agreed a number of adjustments to the document. It also agreed that the College should proceed with the proposed 20% increase in fees, subject to favourable comparison with fees proposed by other colleges.

28 February 2011

a) College Accounts 2007/2008. The Committee received a copy of DEL Circular FE 02/11, dated 4 February 2011, which sets out summary information from college accounts for the year ended 31 July 2008. The Director advised that the accounts were dated, as one of the Colleges had been unable to produce accounts for the financial year 2007/2008.

The Committee noted that eleven key accounting ratios had been calculated for each college allowing comparisons to be made with other colleges and the sector as a whole at 31 July 2008. Attention was drawn to two main ratios (current ratio and cash days in hand), which are calculated to give a measure of the solvency of the sector and individual colleges. The Department recommends that colleges should aim for a current ratio in the range 1.5:1 to 2.5:1. NRC had a ratio of 1.58:1. The ratio of cash days in hand for the sector as a whole was 82 days; NRC with 79 days was near the sector average.

The Committee also noted a copy of draft Key Performance Indicators for Northern Ireland Colleges for the year ended 31 July 2010. The Director stated that the gap between NRC and

other Colleges in the Sector had narrowed and it was now occupying a central position in the Sector with a current ratio of 1:1.54 and 58 cash days in hand.

The Director of Finance stated that NRC had the highest Payroll to Income and Payroll to Expenditure ratios in the Sector. DEL was currently investigating this matter to ensure that like was being compared with like. The Director of Finance advised that information relating to payroll would be available for the next meeting of the Committee. It was also intended to bring a KPI for payroll to this meeting.

b) Catering Arrangements. The Committee noted that the Catering Review Team had met on 28 February 2011 and had agreed to proceed to market testing for in-house catering. It was also noted that the Finance and General Purposes Committee would be kept informed of developments.

c) Monthly Management Accounts. The Committee received the Monthly Management Accounts for the six months ended 31 January 2011. The Accounts indicate that the College has a deficit of £106k on continuing operations and an historic cost surplus of £392k, which is £401k ahead of budget. It was also noted that the bank balance at 31 January 2011 was £3.4m.

The Director of Finance stated that she and the Director had met with budget holders and line managers to discuss budgetary positions at the half-year stage. Although some adjustments were required between cost centres, the College Budget was still on target.

d) Northern Ireland Executive's Draft Budget. The Committee noted:

i) The Northern Regional College's response to the Northern Ireland Executive's Draft Budget, which had been forwarded to both DEL and Colleges Northern Ireland.

ii) The Colleges Northern Ireland co-ordinated sector response to the Draft Budget, which had been submitted to DEL.

e) Fees Policy and Regulations. The Committee approved the revised Fees Policy and Regulations 2011/2012.

f) FLU Bid 2011/2012. The Director explained that the College's Annual FLU bid had to be submitted to DEL on 24 February 2011. The bid would then be subject to discussion at the bi-lateral meeting between the Chair of the Governing Body and the Director and DEL officials on 16 March 2011.

It was noted that NRC has bid for 6,509 FLUs: Further Education 5,400 FLUs; Essential Skills 487 FLUs; and Higher Education 622 FLUs. The Director explained that ES was in reality not a bid as the Department gave the College an ES target to deliver.

The Committee noted the monetary value of the bid amounted to £21.419m. The Director explained that this figure was an estimate as it is anticipated that DEL would impose a 3% efficiency reduction on Colleges.

The Committee approved the College's FLU Bid for 2011/2012.

g) Public Holiday. The Committee noted that 29 April 2011 has been designated as a Public Holiday. The grant of an extra day's leave was subject, however, to approval by the College. The Committee agreed that staff should be given an extra day's leave.

31.11 Staffing Committee

The Governing Body received the minutes of the meeting of the Staffing Committee held on 22 February 2011. The Governing Body had no action to take or comments to make in relation to the minutes.

The minutes indicate that the following matters were considered at the meeting:

- a) Continuous Professional Development. The Committee received the Continuous Professional Development Activity Report 2009/2010, which details professional development activity that has been delivered in the academic year 2009/2010. It also contained comparative information regarding internal and external activity from 2008/2009 and 2009/2010.

In presenting the Report Mrs Crotty, the Deputy Director Support and Development, stated that during the academic year 2009/2010 staff had attended 499 different internal and external events; this was a significant increase from 282 events in 2008/2009.

- b) Investors in People. It was noted that the College was working its way towards the IIP award. External assessors would be visiting the College on 20 April 2011 to interview a range of staff and members of the Governing Body.

- c) Committee Action Plan. The Committee examined its Action Plan. The Director advised that it would no longer be possible to consider an item relating to the Staff Listening Survey, which had been prepared in the past by LSDA. Colleges would now be responsible for devising their own reports. The Committee agreed that the Committee should address the following issues at forthcoming meetings: Health & Safety Accidents and Trends (5 April 2011); and Staff Absenteeism (24 May 2011).

31.12 Corporate Targets 2010/2012

The Governing Body received a Progress Report on Corporate Targets 2010/2011. It noted that good progress had been made in relation to the implementation of corporate targets and that some of the targets had already been achieved since the last progress report in November 2010.

During discussion the following matters were raised:

- a) Curriculum Development and Delivery of Curriculum. It was noted that planning for 2011/2012 was underway and that modelling had been carried out on the impact of efficiency measures such as the reduction of course hours and savings required as a result of budgetary cuts. Concern was expressed that reduction of course hours could affect learning.
- b) Appraisal Scheme. It was noted that the sector staff appraisal scheme was cumbersome and time consuming. The Director advised that the scheme had been drawn up by the Joint Negotiating Committee. The Committee noted that CollegesNI had discussed whether in future such matters should be subject to collective or individual college bargaining. In response to a query from the Chairman, it was noted that there was no link between appraisal and salary increments.
- c) Estates Strategy. The Governing Body noted that there had been a lack of progress in regard to the development of an approved estates strategy, as a response was awaited from DEL regarding the Strategic Outline Case.

31.13 Planning 2011-2014

The Director drew Governors' attention to the following documents:

- a) Key Principles/Parameters for Planning.** The Director explained that the draft paper had been prepared on the basis of discussion at the Governors' Strategic Planning Workshop on 1 February 2011. He indicated that following this meeting these principles and parameters would be used in the planning process. The Governing Body made a number of observations regarding the three sections of the paper:

Curriculum

- i) Blended Learning. The Chairman suggested that reference should be made to the delivery of blended learning.
- ii) Community Education. Mr Houston stated that there had been less emphasis on community education over the last few years as DEL had only allowed up to 5% of the total FE FLUs for non-vocational provision. It was noted that the College would fund this provision from alternative sources, where possible. Delivery would make use of College staff, particularly part-time lecturers.
- iii) Priority Skills Areas. It was noted that Priority Skills Areas would be given priority over other areas. In response to a query regarding the continuation of construction as a priority area it was confirmed that a review of PSA was current being undertaken to determine priority areas.
- iv) Full-Time Higher Education. A member suggested that the statement regarding the MASN cap should be adjusted to indicate that it was the College's ambition to increase the recruitment ceiling.

Estates

- i) Four Campus Model. The Director stressed that the overall goal remains a four- campus model. He expressed disappointment that DEL had still to respond to the College regarding the Business Improvement Plan. If the promised letter did not arrive within the next week then the Director would respond to the draft letter received from the Department.
- ii) Buildings Condition Survey. A Buildings Condition Survey was required as a matter of urgency to enable the College to take advantage of any funding that may become available. In this context it is necessary to have projects earmarked for development. It was hoped that DEL would contribute to the cost of the Survey.
- iii) Realisation of Assets. The Governing Body was of the view that the assets derived from the sale of property should remain with the College and assist with the cost of any new build. It was noted that a precedent had been set when funds from the sale of Galgorm had been factored into the cost of the new build at Newtownabbey.

Staffing

- i) Staffing Costs. The Governing Body noted that a plan would be drawn up to bring staffing costs into line with income over a five-year period. It was considered that staffing costs could not be looked at in isolation but in terms of curriculum and estates.
- ii) Voluntary Redundancy. The principle of voluntary redundancy should be retained as a means of effecting staffing changes. The Director stated that there had still been interest in voluntary redundancy during the current year despite a reduced offer. It was noted that the Staffing Committee would give consideration to this matter.
- iii) Phraseology. A Member stressed that use should be made of 'will' rather than 'should be' in the wording of the document.

Finance

- i) Historic Surplus. The Director indicated that one of the principles was the return to an historic surplus by 2016.
- ii) Sector Benchmarking. The Director stated that full use would be made of benchmarking and alternative funding sources.

The Governing Body agreed that The Key Principles/Parameters for Planning be approved subject to the adjustments indicated above.

b) Statement of Aspiration. It was noted that the Governing Body had agreed the Statement of Aspiration for inclusion in the Business Improvement Plan in 2010.

A Governor stated that the links between the initial bullet points in the Statement and the textual expansion were not always obvious. She said that the Statement should make it clear that NRC was a learning organisation not only for students but also for staff.

The Governing Body agreed that the Statement should remain essentially unchanged.

c) Strategic Aims 2011/14. The Governing Body received a draft set of Strategic Aims, which had been prepared for 2011-2014. The Director advised that these Strategic Aims would be incorporated into the College's Corporate Targets. He drew attention to changes to the Strategic Aims, which had been made necessary due to changed circumstances.

A Governor stressed the need for the College to have a more succinct/visual statement of its Strategic Aims. The Director stated that the College was now in a position to produce its own Corporate Plan and would welcome suggestions from Governors.

The Governing Body approved the Strategic Aims for 2011/14.

31.14 Calendar of Meetings 2011/2012

The Governing Body received the draft Calendar of Meetings for 2011/2012, which follows the same format as the schedule for the current academic year. A Governor made reference to the fact that most members of the Governing Body were members of two committees as well as the Governing Body. This, she said, was a considerable commitment and she asked if, in future, Governors could be assigned to only one Committee. It was noted that there was an insufficient number of Governors to form effective and quorate committees if this suggestion were implemented. It was also suggested that the number of Committee meetings should be reduced to alleviate the commitment of Governors. It was further noted that there was a statutory requirement for the schedule of meetings for the Audit Committee and the Finance and General Purposes Committee to remain as set out in the Calendar.

The Governing Body agreed that the Director and the Secretary should give further consideration to the Calendar with a view to reducing the number of meetings of the Education and Staffing Committee. It was also agreed that consideration should be given to scheduling the Finance and General Purposes Committee and Staffing Committee on the same evening to facilitate Governors with dual membership of these committees.

31.15 Any Other Notified Business

31.15.1 First Trust Bank Mandate.

The Director of Finance informed Governors that the College intended to appoint the First Trust Bank to act as its banker for euro projects and euro investments. The Northern Bank would remain the College's main Bank. Mrs Moore stated that it would be necessary for the Chairman and Secretary to sign a First Trust Bank mandate.

The Governing Body agreed that the Mandate be signed by the Chairman and Secretary.

31.16 Date of the Next Meeting

The Chairman reminded Governors that the next meeting of the Governing Body is scheduled for 5.30 pm Wednesday 20 April 2011 at the Magherafelt Campus.