

## NORTHERN REGIONAL COLLEGE

### GOVERNING BODY

Minutes of the meeting of the Governing Body held at 6.00 pm on 5 October 2011 at the Farm Lodge Ballymena Campus, Northern Regional College

Present Mr G Gilpin (Chairman), Mr T Neilands (Director), Mrs K Collins (Vice Chair), Ms S Cassidy, Mr S Davidson, Mrs R Handley, Mr I Goldsworthy, Rev T Jamieson, Mr R Jay, Dr D Lennox, Alderman P J McAvoy, Mr S McCartney, Mr P McCudden, Mr K Nelson, Ms A Rankin and Mrs C Taylor.

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

### SELF-EVALUATION REVIEW (SER)

Prior to the meeting Governors undertook a Self Evaluation Review (SER) on the performance of the Governing Body during 2010/2011. Suzanne Kennedy, Head of Quality Improvement, acted as a facilitator for the session. She advised Governors that the SER documentation and the three sections within it were derived from the Improving Quality:Raising Standards (IQ:RS) publication

She reminded Governors that the Governing Body had undertaken its first SER on 23 June 2010. An overall grade 3 (good) was awarded and two key action areas were listed for the attention of the Governing Body in 2010/2011:

a) *The creation of more opportunities for Governors to meet with staff and students at each campus.* It was noted that the Governing Body had availed itself of the many opportunities to meet with staff and students during 2010/2011 and **it was agreed that it had met this key objective.** It was suggested that during the current academic year it would be important for representatives of the Governing Body to meet with the Student Council.

b) *The use of the Education Committee to monitor KPIs.* It was noted that performance management had been monitored by the Education Committee throughout the year. It was further noted that KPIs had also been monitored by the Audit Committee, Finance & General Purposes Committee and the Staffing Committee. Governors expressed the need, however, for more benchmarking across the sector. **The Governing Body agreed that it had partially achieved this objective.** It was noted that DEL was now issuing a Quarterly Health Check, which provides a range of information on various KPIs from the financial, economic, staffing and learning categories This information would allow each college to monitor its performance against other colleges, both on an individual and on a sector-wide basis. The Director advised that this was an evolving process and the Department was endeavouring to capture information in a consistent manner allowing more meaningful comparisons to be made.

The Governing Body proceeded to discuss its main strengths and areas for quality improvement in the three main sections of the SER document: Leadership and Management; Achievement of Standards; and Quality of Provision of Learning. The Governing Body selected the under-mentioned key priority areas for Quality Improvement during 2011/2012:

- a) Ensuring the achievement of Investor in People (IIP) award;
- b) Receiving feed-back from Student Surveys and creating opportunities to hear the voice of students;
- c) Analysing and monitoring KPIs relating to student drop-out and retention;
- d) Reviewing SER targets at the mid-year point; and

e) Continuing the pursuit of improved working relationships with DEL.

**At the conclusion of the SER the Governing Body agreed that the Head of Quality Improvement and the Secretary should:**

**a) Complete the SER Report to reflect the views of Governors;**

**b) Insert, at the conclusion of the Report, the key priority areas to address Quality Improvement in 2011/2012, as indicated above;**

**c) Forward the draft SER Report to the next meeting of the Governing Body.**

## **SAFEGUARDING**

The Governing Body received a presentation from Mrs Jenny McKay, Head of Student Services and Marketing, regarding training for Governors on safeguarding procedures at the College. She traced the development of legislation from the 1989 United Nations Convention, which stressed the rights of the child, to Safeguarding Vulnerable Groups (NI) Order 2007 and the Sexual Offences (NI) Order 2008. She detailed the designated Safeguarding Officers at the College and the actions taken to comply with the legislation. She mentioned the requirement for a questionnaire, with a 28-point check-list, to be completed prior to every ETI inspection. She said that the College had been found to be in compliance with all requirements. She also advised Governors of the Safeguarding publications, including posters, and intra-net facilities available to students.

In response to queries Mrs McKay advised Governors in regard to training for staff, the identification of vulnerable young persons and adults, and procedures for dealing with students on the sexual offenders register.

The Chairman thanked Mrs Kennedy and Mrs McKay for informative presentations.

## **UNRESERVED BUSINESS**

### **34.1 Apologies and Membership**

a) An apology was received from Mrs U O’Kane.

b) The Chairperson welcomed Mrs Rose Handley, Dr David Lennox and Mr Stephen McCartney to their first meeting of the Governing Body.

c) The Governing Body received a copy of the suggested committee membership list, which had been drawn up to reflect, where possible, the first and second preferences of Governors.

**The Governing Body agreed the following membership of its Committees:**

#### **Audit Committee**

Mr I Goldsworthy  
Mrs R Handley  
Rev T Jamieson  
Alderman PJ McAvoy  
Mr S McCartney  
Ms A Rankin

## **Education Committee**

Ms S Cassidy  
Mr R Jay  
Mr T Neilands  
Mr K Nelson  
Mrs U O'Kane  
Mr A Watt/Staff Representative

## **Finance & General Purposes Committee**

Mrs K Collins  
Mr S Davidson  
Dr D Lennox  
Mr P McCudden  
Mr T Neilands  
Mr A Watt/Staff representative

## **Staffing Committee**

Mr S Davidson  
Mr T Jamieson  
Mr R Jay  
Mr I Goldsworthy  
Mr T Neilands  
Mrs C Taylor

A Governor advised that the membership of committees was flexible and it was possible for Governors to change committees at any time if they felt they could contribute better in another committee.

### **34.2 Declaration of Interests**

The Chairman advised Governors that they are required to complete a declaration of interests pro forma annually. The Secretary indicated that he had now received Declarations from all Governors.

### **34.3 Minutes of Last Meeting**

The minutes of the last meeting of the Governing Body held on 15 June 2011 were approved subject to a minor spelling error at minute 33.8 b).

### **34.4 Matters Arising**

#### **34.4.1 Catering Arrangements (minute 32.4)**

It was noted that the Catering Review was now complete and had gone to the Unions for consultation. The Director of Finance advised that none of the options in the report identified a break-even position based on current information. Further information was required on the financial impact of outsourcing in order that a preferred option could be identified. She advised that a marketing testing process would be undertaken for outsourcing of four campuses in order to assess the financial impact of this option. This process would begin by the end of October 2011.

#### **34.4.2 Hands Off Campaign (minute 33.15.1)**

It was noted that the College is participating in the Hands off Campaign. It is hoped that the College may become a reporting organisation within the scheme.

### 34.5 Chairman's Communications

The Chairman referred to the following events in his communications:

a) Meeting of Chairs of Committees. The Chairman reported that he had had a meeting with the Director and the Chairs of the four Committees at the Newtownabbey Campus on Monday 26 September 2011, when he had given a report on the issues discussed at the recent Colleges Northern Ireland meeting. He advised Chairs to pass on this information, as appropriate, to members of their committees. The Director suggested that the Chief Executive of Colleges Northern Ireland should be invited once a year to report on College Northern Ireland developments.

b) The Chairman informed the Governing Body that he and the Vice Chairperson had met with the Director regarding his annual appraisal. He added that they had been pleased with the Director's leadership.

c) The Chairman reported that he would be accompanying the Director to the Annual Accountability meeting on 11 October 2011, when the Director would meet with the Permanent Secretary DEL to review the past year. They would also be attending a pre-meeting with DEL representatives on 10 October 2011.

### 34.6 Director's Report

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

a) Worldskills Competition to be held in London from 5-8 October 2011. The College has three competitors in the UK squad for the Worldskills Competitions; no other college in the United Kingdom has more than one member in the 36-strong squad. The Governing Body has sent a message wishing the competitors success in the competition. The College will have a further 21 students, supported by 6 members of staff, taking part in Showcase events. It was noted that the Director would be attending the event. **The Governing agreed that all staff and students participating at the event should be invited to a small reception, prior to the next meeting of the Governing Body, to enable Governors to pass on their congratulations.**

**NOTE:** The Town Clerk and Chief Executive of the Ballymena Borough Council has written to the Director to congratulate the students on their selection for the Competitions.

b) The College had noted the Investors in People Report, which indicates that the College has fallen short of the IIP standard in 4 of the 45 criteria.

c) The Quality Assurance Agency, responsible for quality standards in HE, will be visiting the College from 18 – 20 October 2011 to conduct the Developmental Engagement Stage of the Integrated Quality and Enhancement Review. It was noted that there will be no Whole College Inspections this term as ETI and DEL intend to amend the model for this kind of inspection following its first use at SERC during the last academic year.

d) Higher Education Graduation ceremonies will take place on 15 and 16 November 2011 at the Tullyglass Hotel, Ballymena.

e) Following an offer made when Colleges Northern Ireland gave a presentation to the Assembly's Employment and Learning Committee in June, the Committee will sponsor a Showcase event for the FE Colleges at Stormont on 24 October 2011.

f) NRC, as the lead College for the Foundation Degree in Retail, will be holding a Showcase event at Junction One, Antrim on 25 October 2011 to promote the degree course.

g) The Director listed a number of significant meetings that he has attended since the last meeting of the Governing Body.

## 34.7 Audit Committee

The Governing Body received the minutes of the meetings of the Audit Committee held on 13 June 2011 and 20 September 2011. In presenting the minutes the Chair of the Audit Committee highlighted the following issues:

### Meeting 13 June 2011

a) Faculty Risk Registers. The Committee received a presentation from Mr S Bell, Head of Professional and Leisure Studies, regarding his Faculty Risk Register.

b) External Auditors. The Committee received correspondence from the Northern Ireland Audit Office, dated 27 May 2011, advising that NIAO had awarded the external audit of the Northern Regional College to Moore Stephens for a three year period, starting with the audit of the 2010/2011 accounts, with an option to extend for a further two years.

c) Annual Internal Report to Audit Committee. The Committee received the Annual Internal Audit Report to the Audit Committee, which summarises the findings from the work performed by PwC Internal Auditors in 2010/2011 and provides assurance to both the Audit Committee and ultimately the Governing Body in relation to the effectiveness of the internal controls in the areas reviewed during the current year.

During 2010/2011 the Internal Auditors issued nine reports, including a follow-up review of all outstanding recommendations in June 2011. On the basis of the audit work performed during the year, the Internal Auditors were able to provide a **Satisfactory Assurance** in relation to the adequacy of the systems control in place within the organisation and their operation throughout the period under review.

d) College Internal Audit Needs Assessment 2011/2012.

The Committee received the Audit Needs Assessment Report 2011/2012, the purpose of which is to assess the internal audit needs of the Northern Regional College and to provide the College with an Internal Audit Plan covering the twelve-month period ending 31 July 2012. The Committee agreed that the Internal Audit Plan 2011/2012 be approved.

e) Reports. It was reported that mention had been made of Fast Reports and the Business Improvement Plan in a draft document circulating within the Northern Ireland Audit Office. The Committee noted that consideration had been given to the FAST Report at a previous meeting and that the BIP had been subsumed into the College Development Plan. It was suggested that the Governing Body may wish to decide whether it wishes to have an Internal Audit Review of the CDP. The Governing Body considered the suggestion and **agreed that it did not wish to have a CDP Review by the Internal Auditors.**

### Meeting 16 September 2011

a) Risk Presentation. Ms C O'Neill, Head of Economic Engagement, presented her Departmental Risk Register to the Committee;

b) Procurement. The Committee received a procurement analysis indicating that during the financial year 2010/2011 the College used 962 suppliers with total payments amounting to £9,384,503; 191 of these suppliers had payments of over £5,000. A review was undertaken regarding the procurement process for these 191 suppliers.

The Director of Finance stated that it was intended to review the following areas in 2011/2012; purchase of food products; procurement of minor estate services; and the procurement schedule.

Attention was drawn to a transaction, which related to a learning support service, provided by a self-employed person. Assurance was given that all persons being engaged on a self-employed/consultancy basis were being engaged in accordance with HMRC regulations.

c) Joint Procurement of Internal Audit and Banking. The Committee noted that a team from BMC, SERC and SWC would take forward the joint procurement of Banking and a team from NRC, NWC and SC would be responsible for the joint procurement of internal audit services. The Director of Finance stated that an Evaluation Panel for Internal Audit Services would be established consisting of a Director, a Director of Finance and a Chair of an Audit Committee. Ms Rankin agreed to sit on the Evaluation Panel.

d) Risk Management Group. The Group reported that all Departmental Risk Registers had been received and approved by the Executive Management Team. The Group considered and amended the College Risk Register.

e) Outstanding Internal Audit. The Committee received a progress report regarding outstanding PwC recommendations 2010/2011 and Report To Those Charged With Governance recommendations.

f) Draft Annual Report and Financial Statements 2010/2011. It was noted that the College had achieved an historic cost outturn of a £302k deficit compared with the College's original estimated outturn of a £1,382k deficit. The College has accumulated income and expenditure reserves, excluding pension reserves, of £3,108k (£3,066k in 2010) and cash balances of £4,530k (£5,272k in 2010).

#### **34.8 Finance & General Purposes Committee**

The Governing Body received the minutes of the meeting of the Finance and General Purposes Committee held on 27 June 2011. The Chair of the Committee highlighted the following issues discussed at the meeting:

a) College Health Check Report. The Committee noted correspondence from DEL regarding the issue of a College Health Check Report and agreed that the document should be forwarded to the Governing Body for consideration.

b) Monthly Management Accounts. The Committee received the Monthly Management Accounts for the period up to 31 May 2011. The Accounts indicate that the College has an historic cost surplus of £1,291k, which is £1,158k ahead of budget. The Governing Body noted that the College had achieved an historic cost outturn at the year end of a £302k deficit (see minute 34.7 e) above).

c) Draft Budget 2011/2012. The Committee, at the request of the Governing Body, received and endorsed a detailed breakdown of the Budget 2011/2012 and agreed that it be submitted to the Department. It was noted, however, that it would be necessary to seek approval from the Department for the Budget deficit, which exceeded turnover by more than 2 %. DEL approved the Budget on 18 August 2011.

The Committee noted that the following measures were required to achieve the financial strategy within the agreed BIP timescale:

i) The Finance & General Purposes Committee should monitor Monthly Management Accounts to ensure that performance is in line with Budget;

ii) The Education Committee should monitor enrolments/retention/success and other relevant KPIs in line with the Curriculum Plan;

iii) The Finance & General Purposes Committee should monitor the Economic Appraisal of the Ballymoney/Coleraine Campuses;

iv) The Staffing Committee should identify proposed staff reductions and initiate redundancy procedure in line with the Staffing Plan;

v) The Finance & General Purposes Committee should market test catering arrangements with a view to outsourcing; and

vi) The Chairs Committee should monitor the overall situation.

d) Economic Appraisal Antrim Campus (minute 22.9). The Committee noted that the Economic Appraisal on 24 June 2011 had been received and had been circulated for comment to Governors. The Chairman, in accordance with the decision of the Governing Body, had confirmed that the Economic Appraisal had Governing Body approval and had submitted it to DEL.

The Director advised Members that the College was unlikely, at this late stage, to receive formal approval from DEL for the closure of the Antrim Campus by 30 June 2011. In such circumstances the Department had promised a 'letter of comfort'. The Committee noted that the Chairman had indicated that he would contact the Permanent Secretary DEL on 1 July 2011, if the college had not received a formal approval or a letter of comfort.

The Director referred to the Economic Appraisal for the Larne Campus, which would be completed during August 2011. He suggested and the Committee agreed that the College should adopt the same method of progressing the Economic Appraisal for the Larne Campus as had been used for the Antrim Appraisal.

e) Student Successes. The Committee noted student successes in the Worldskills Competition, Showcase Events and the Vocational Learner of the Year Award.

#### **34.9 Draft College Development Plan 2011/2014**

The Governing Body noted that it had approved the draft College Development Plan (CDP) 2011/2014 at its last meeting, subject to the inclusion of an Executive Summary to be agreed by Governors. The Governing Body received a copy of the revised version and noted that it was more succinct and would be accessible on the web site. Comments were made regarding the need for adjustments to the text on page 7 and to the tables at page 11. It was also suggested that acronyms should be spelled out.

**The Governing Body agreed that the revised CDP be approved, subject to minor adjustments, and submitted to the Department.**

The Director advised Governors that it would be possible to consider the CDP at an earlier stage in the forthcoming year, given that its format had now been agreed.

#### **34.10 Student Enrolments**

The Governing Body received a Report regarding enrolment trends for 2011/2012 for full-time Further Education, full-time Higher Education and Training provision.

a) Full-Time Further Education. The College has failed to reach its enrolment target (3,428) by 249 but has reduced the number of full-time classes by 7 compared with 2010/2011, which should lead to lower delivery costs. Achieving the agreed retention rates for 2011/2012 can improve the situation but the College will fall short of its full-time FLU target by approximately 7%. The shortfall has been due to increased competition from schools at 16+ and the loss of students between 1<sup>st</sup> and 2<sup>nd</sup> years. The Governing Body noted that these enrolments would be converted into Funded Learning Units (FLUs), which are used to determine College funding. It was suggested that this could lead to a shortfall in funding in the region of £1 million for 2012/2013. The Director advised the Governing Body that the closure of the Antrim campus had not been a factor in the lower than expected recruitment, as the closure had resulted in a net loss of only 14 students. The Chair asked if there were any measures that could be taken to address this problem. He was advised that the College was attempting to retain all recruited students in order to maximise its income. An effort would also be made

to maximise part-time FE enrolments. The situation was being closely monitored by the Executive Management Team.

**It was agreed that enrolments/retention should be a regular item on the agenda-of the Governing Body as well as the Education Committee and other KPIs presented to relevant Committees.**

b) Full-Time Higher Education. NRC has achieved its quota of full-time HE places allocated to it by DEL; the College has been given a MaSN cap of 252 places. It was noted that NRC has the lowest number of HE places in the sector and has the capacity to fill at least 30 more places. It was suggested that the disparity in the allocation of MaSN places between the 6 colleges should be investigated. The College should make a stronger case for additional HE places and should continue to lobby DEL representatives and MLAs to achieve its goal.

c) Full-Time Training Provision. Figures at the beginning of October 2011 indicate a decline in enrolments on the Apprenticeships Northern Ireland/Training for Success programme; in October 2011 there were 767 enrolments compared with 1,011 in 2010. Enrolments are approximately 100 lower than target (901) on the Training Plan for 2011/2012 and this could lead to a reduction of approximately £330k in income. It was hoped to claw back some of the losses by further improving the retention/success rates against the target set for 2011/12. Additional cost recovery income from employers supporting employees on Apprenticeships will also help.

There has been a noticeable decline in the new intake enrolments over the last number of years. The Deputy Director Support & Development stated that the College had been disadvantaged by the postponement of the allocation of the new DEL Training Contract in regard to recruitment and delivery of Electrical Installation and Plumbing, as it does not at present have a contract to delivery Level 3 Apprenticeships in these areas. Both the Electrical Training Trust (ETT) and the Plumbing and Mechanical Services Trust (PMST) have successfully secured the addition of another sub-contractor to their portfolio; both organisations have indicated that they intend to prioritise this new contractor over the colleges. As a result NRC has had a limited allocation of Apprentices sub-contracted to it in these areas. This matter has been discussed at the recent Directors Group meeting and is under review. A Governor pointed out issues relating to the allocation of contracts to other providers; he reminded the meeting that on a previous occasion the service provided by an external provider had had to be withdrawn by DEL. The Deputy Director Support & Development stated that the Governing Body may need to give consideration to the retention of appropriate College staff, during the interim period, in order to be in a position to deliver future Training.

#### **34.11 DEL College Health Check Review**

The Governing Body received a report on the background and purpose of the Quarterly College Health Check Report. This report included the Quarter 2 Health Check, issued by DEL on 23 June 2011 as an example of the format of the reports.

A view was expressed that DEL was undertaking what the Governing Body was performing in terms of performance management. Reference was made to the covering letter (23 June 2011) to the DEL Report, which stated that the health check was initiated 'to improve and enhance its oversight role'. It was hoped that the forthcoming Review of Governance would help to clarify roles and responsibilities of DEL and Governing Bodies.

**The Governing Body agreed that a representative from DEL should be invited to a future meeting of the Governing Body to discuss this matter and other aspects of the Health Check report.**

It was noted that a Health Check for the third quarter had just been received and would be considered by the Education Committee at its meeting on 11 October 2011. The Director of Finance advised that the fourth quarter Health Check would be issued in the near future.

**34.12 Any Other Notified Business**

There was no other notified business to discuss.

**34.13 Date of the Next Meeting**

The Chairman reminded Governors that the next meeting of the Governing Body is scheduled for 5.30 pm Wednesday 23 November 2011 at the Farm Lodge, Ballymena Campus.