

## **NORTHERN REGIONAL COLLEGE**

### **GOVERNING BODY**

Minutes of the meeting of the Governing Body held at 6.00 pm on 23 November 2011 at the Farm Lodge Ballymena Campus, Northern Regional College

Present Mr G Gilpin (Chairman), Mr T Neilands (Director), Mrs K Collins (Vice Chair), Mrs R Handley, Mr I Goldsworthy, Mr R Jay, Dr D Lennox, Alderman P J McAvoy, Mr S McCartney, Mr P McCudden, Mr K Nelson, Mrs 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

Prior to the meeting the Governing Body hosted a small reception to acknowledge the achievements of students and staff, who participated in the Worldskills Competition in London from 5-8 October 2011.

### **UNRESERVED BUSINESS**

#### **35.1 Apologies**

Apologies were received from Ms S Cassidy, Mr S Davidson, Rev T Jamieson and Mrs U O'Kane.

#### **35.2 Declaration of Interests**

There were no declarations of interests.

#### **35.3 Minutes of Last Meeting**

The minutes of the last meeting of the Governing Body held on 5 October 2011 were approved subject to the deletion of 'been encouraged by' and the insertion of 'noted' at minute 34.6 b).

#### **35.4 Matters Arising**

35.4.1 Health Check Reports (minute 34.11). It was noted that the Finance and General Purposes Committee and the Staffing Committee (8 November 2011) had had a joint discussion of Health Check Reports 3<sup>rd</sup> Quarter and 4<sup>th</sup> Quarter 2010/2011, and the Education Committee had discussed the 3<sup>rd</sup> Quarter Report at its meeting on 11 October 2011.

35.4.2 Self Evaluation Review 2010/2011. Prior to the last meeting of the Governing Body, Governors undertook a Self Evaluation Review (SER) on the performance of the Governing Body during 2010/2011.

During the session the Governing Body discussed 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 a number of key priority areas for Quality Improvement during 2011/2012.

At the conclusion of the SER the Governing Body agreed that the Head of Quality Improvement and the Secretary should complete the SER Report to reflect the views of Governors and forward it to the next meeting of the Governing Body.

During discussion of the SER it was noted that it would be necessary to complete the document by inserting the 'Governing Body' as being responsible for addressing the 'Key Priority Areas for Quality Improvement', in the final section of the Report.

**The Governing Body agreed that the SER 2010/2011 be approved, subject to the insertion of 'Governing Body' in the final section of the Report.**

35.4.3 Catering Arrangements (minute 34.4.1). It was noted that the Catering Review had recommended that the College should market test the feasibility of outsourcing the provision of catering services at four of its campuses, Farm Lodge, Newtownabbey, Coleraine and Magherafelt. It was also noted that a draft tender document had been circulated for consultation and an update would be provided at the next meeting of the Finance and General Purposes Committee.

### **35.5 Chairman's Communications**

The Chairman referred to the following events in his communications:

a) Meeting of Chairs of Committees. The Chairman referred to the recent meeting of the Chairs of the four committees at the Newtownabbey Campus on 14 November 2011, when several issues were discussed. Mrs Collins, who chaired the meeting of the Chairs' Committee in the absence of Mr Gilpin, advised Governors that the Committee had suggested that, inter alia, a presentation on Finger Print Learning should be made to a future meeting of the Governing Body.

**It was agreed that a presentation on Finger Print Learning should be given at a forthcoming meeting of the Governing Body.**

b) Recent Engagements. The Chairman provided details of the engagements he had fulfilled since the last meeting. He referred in particular to the College Accountability meeting which he had attended with the Director, the Chair of the Audit Committee and the Director of Finance. He said that the Department was content with the account that the College had presented. He also advised that he had had a preliminary discussion at DEL on the day prior to the Accountability meeting, when he had raised concerns about the Department's decision to countermand the College's decision in relation to the conduct of the Coleraine/Ballymoney Option Appraisal.

c) Colleges Northern Ireland. The Chairman reported that the Minister would be attending the next meeting of Colleges Northern Ireland with a view to discussing shared services.

d) Appointments to Governing Body. The Chairman advised that he had received formal notification from the Department regarding the appointment of Ms S Cassidy and Mr S McCartney as Governors.

### **35.6 Director's Report**

The Governing Body drew the Governing Body's attention to a number of issues:

a) UTV Witness Eye Award. The Director reported that the College had gained the UTV Business/Education Award for its work in forging links with industry.

b) Quality Assurance Agency. The Director informed Governors that the QAA had visited the College from 18-20 October 2011 to conduct the Development Engagement Stage of the Integrated Quality and Enhancement Review. It was noted that the team had made no essential recommendations.

c) ETI Follow Up Inspection. ETI had conducted a recent follow-up Level 3 Priority Skills Inspection. Construction, which had been awarded a Grade 4 in the initial inspection, had been upgraded to Grade 3 (Good).

d) Graduation Ceremonies. The Director reported that Higher Education Graduation ceremonies had taken place on 15/16 November 2011 at the Tullyglass Hotel, Ballymena. He thanked Members of the Governing Body for their attendance.

e) Christmas Dinner. The Director indicated that the Christmas Dinner will be held at the Ballymoney Campus on Thursday 15 December 2011 at 6.00 for 6.30 pm. He advised Governors to let Ms Brannigan know whether or not they will be able to attend.

### **35.7 Correspondence**

The Director provided a copy of a letter he had received from DEL, dated 6 September 2011, that had been delivered to his office on 2 November 2011. He stated that the letter had been backdated to coincide with a press release regarding the closure of the Antrim Campus. He expressed surprise that the Chairman of the Governing Body had not been informed.

The Governing Body indicated that it was perturbed by its treatment and **agreed that the Director should write to DEL expressing the Governing Body's displeasure.**

### **35.8 Audit Committee**

The Governing Body received the minutes of the meeting of the Audit Committee held on 14 November 2011. In presenting the minutes the Chair of the Audit Committee highlighted the following issues:

a) Faculty Risk Register. The Committee received a presentation from Mr Tom Knox, Head of the Faculty of Creative Technologies, regarding his Faculty Risk Register.

b) Membership of Committee. The Committee noted its revised membership and appointed Mrs A Rankin as its Chairperson and Mrs R Handley as Vice Chairperson. The Committee reviewed its Terms of Reference and suggested a number of adjustments. It was agreed to bring revised Terms to the next meeting.

c) College Accountability Meeting 11 October 2011. The Chairperson reported that she had attended the College Accountability meeting with the Director, the Director of Finance and the Chairman of the Governing Body. She said that the Department was content with the account that the College had presented.

d) FAST Inspection of Apprenticeship NI, Training for Success and PLA programmes administered by NRC (Ballymena Campus). FAST provided a satisfactory assurance on the College's system of control.

e) Good Practice in Risk Management Report issued by the Comptroller and Auditor General. It was noted that this document had been discussed in detail by the Risk Management Group and relevant issues had been included in the Risk Management Policy.

f) Risk Management Group. The Committee received the minutes of the meeting of the Risk Management Group held on 27 October 2011. It was noted that the following topics were discussed: the Internal Audit Review of Risk Management, which received a substantial assurance rating; the publication 'Good Practice in Risk Management'; and the Risk Management Policy.

g) College Risk Register. The Committee considered and forwarded a copy of the revised College Risk Register to the Governing Body. **The Governing Body endorsed the revised Risk Register.**

h) Risk Management Policy. The Committee agreed that the updated College Risk Management Policy be approved and forwarded to the Governing Body. **The Governing Body endorsed the Risk Management Policy.**

i) Outstanding Internal Audit Recommendations. The Committee noted that the PwC Outstanding Audit Recommendations 2011/2012 and the Report To Those Charged With Governance (RTTCWG) recommendations 2010/2011 had been implemented. Four of the 12 PwC Outstanding Internal Audit recommendations have been implemented and 8 have been

partially implemented. The Committee reviewed all partially implemented recommendations and the Chair stressed the need for a speedy implementation of recommendations arising from audit reviews.

j) Draft Annual Report and Financial Statements. The Committee received the draft Annual Report and Financial Statements for the year ended 31 July 2011. It was noted that during the financial year 2010/2011 the College had generated an historic cost outturn of £322k deficit compared with the College's original estimated outturn, as per the College Development Plan, of £1,382k deficit.

k) Report To Those Charged With Governance. The Committee received the Report To Those Charged With Governance from the Northern Ireland Audit Office on the audit of the Annual Report and Financial Statements for the year ended 31 July 2011. It was noted that the Comptroller and Auditor General is likely to provide an unqualified opinion on the regularity of financial transactions.

Following receipt of the opinion in the Report To Those Charged With Governance, the Audit Committee recommended to the Governing Body that the Annual Report and Financial Statements for the year ended 31 July 2011 be adopted for submission to the Department by 30 November 2011 (see minute 35.12 below).

l) Annual Assurance Return 2010/2011. The Committee noted the Annual Assurance Return 2010/2011 for submission to the Department by 30 November 2011.

m) Internal Audit Review of Risk Management. The Committee noted the Internal Audit Review of Risk Management, which had received a substantial rating from the Internal Auditors.

n) Audit Committee Annual Report 2010/2011. The Committee approved the Audit Committee Annual Report 2010/2011 for submission to the Governing Body and subsequently to the Department for Employment and Learning.

o) Annual Consultancy Statement 2010/2011. The Committee received the Annual Consultancy Return and noted that there had been four items of consultancy expenditure amounting to £58,514 during 2010/2011. The Committee noted that the Return also provided details of Single Tender Action (STA). It was noted that DEL had been requested to revise the format of the return to comprise two sections, one dealing with Consultancy expenditure and the other with STA expenditure.

p) Internal Audit Report to Audit Committee. The Committee received the Internal Audit Report, which provides an update on progress against the 2011/2012 Internal Audit Plan. The Report indicates that fieldwork is on-going in respect of the Review of Procurement, and that work is scheduled for the Review of Operating Expenses for the week commencing 28 November 2011.

### **35.9 Education Committee**

The Governing Body received the minutes of the meeting of the Education Committee held on 11 October 2011. In presenting the minutes the Mr Nelson, Vice Chair of the Audit Committee highlighted the following issues:

a) Presentation Student Services and Marketing. The Committee received a presentation from Mrs J McKay, Head of Student Support & Marketing in which she provided an overview of developments, key achievements and challenges facing her Department.

b) Membership of Committee. The Committee noted its revised Membership and agreed that Mrs U O'Kane be appointed as Chairperson and Mr K Nelson as Vice-Chairperson.

c) Terms of Reference. The Committee agreed that its Terms of Reference be approved and forwarded to the Governing Body subject to discussion with the Staffing Committee whether

staff development should be included under its remit or that of the Staffing Committee. **The Governing Body endorsed the revised Terms of Reference.**

d) College Health Check 3<sup>rd</sup> Quarter 2010/2011. The Director advised the Committee that there were issues in relation to the data used by DEL in compiling the Report. The document states that the overall retention, achievement and success rates for NRC are below the sector average. The Chairperson stressed the necessity for the College to have an appropriate strategy in place should this information reach the media. The Committee noted that the majority of the ETI inspections in Priority Skills Level 2 in 2009 and Priority Skills Level 3 in 2010 had been graded 3 (good). The Director said the College must aspire to higher grades.

e) Recruitment Performance. The Committee received a paper providing details of student enrolment in 2011/2012:

(i) Further Education. There have been 3,194 full-time FE enrolments against a target of 3,428 for 2011/2012. The dip in enrolments was caused by increased competition from schools and a decrease in the number of students returning for their 2<sup>nd</sup> year.

(ii) Higher Education. The College has reached its MASN cap, which currently stands at 252.

(iii) Essential Skills. The FLU target for Essential Skills is set by DEL.

(iv) Entitlement Framework. The College has met its target of 2,400 students.

(v) Training Provision. The new intake enrolments are down 76 on target.

f) Annual Report Student Services. The Report provides details of the allocation of Hardship Funds, Additional Support Funds, Can I Learn Funds and the number of students in receipt of Educational Maintenance Allowance. The document also provides an overview of safeguarding policy, procedures and documentation and indicates the number of disciplinary offences recorded during 2010/2011.

g) Economic Engagement Report. The Committee received details of the following: Centres of Excellence; Employer Support programme; Programme for Government; Interreg Funds; LSDA/ESB e-developments; Worldskills; Big Idea programme; Big Lottery application; STEM/Matrix activity; International activity; Colleges into Industry Initiative; and strategic developments planned for 2011/2012.

h) Quality Improvement. The Committee received a report regarding Quality Improvement. The Committee noted:

(i) Improving Quality Raising Standards (IQRS) – Scrutiny Inspection. It was noted that the IQRS report was assessed at the Grade 3 level.

b) Performance Management. Members of staff have participated in a number of master classes, seminars and modules relating to performance management. The Chairperson stressed the need to invest in middle management and to ensure that they participated in performance management classes and seminars.

c) NRC KPIs. It is intended to review, revise and further develop a number of KPIs in relation to financial, estate, staffing, curriculum and strategic matters.

d) Quality Assurance Agency (QAA). A preparatory meeting, in relation to the Integrated Quality and Enhancement Review, Northern Ireland (IQERN), took place in August 2011, involving QAA officials and senior management.

e) Pastoral Care. It was noted that ETI had carried out a Pastoral Care Survey on 11 October 2011.

f) PGCE (FE). Suzanne Kennedy, Head of Quality Improvement, has been nominated as the College representative on the Advisory Board for the PGCE (FE).

### **35.10 Finance and General Purposes Committee**

The Governing Body received the minutes of the meeting of the Finance and General Purposes Committee held on 8 November 2011. In presenting the minutes the Chair of the Finance and General Purposes Committee highlighted the following issues:

a) Membership of Committee. The Committee noted that the revised membership of the Committee consisted of: Mrs K Collins, Mr S Davidson, Dr D Lennox, Mr P McCudden, Mr T Neilands and Mr Watt/Staff Representative. The Committee appointed Mrs Collins as its Chairperson and Mr P McCudden as Vice-Chairperson.

b) Terms of Reference. The Committee reviewed its Terms of Reference and agreed that the Terms be approved subject to a minor revision of the section dealing with attendance at meetings and that the revised Terms should be forwarded to the Governing Body for endorsement.

#### **The Governing Body endorsed the revised Terms of Reference of the Finance and General Purposes Committee.**

c) Correspondence. The Committee received:

(i) Correspondence from DEL regarding return dates for 2011/2012; and a

(ii) Press Statement issued by DEL on 6 September 2011 regarding the closure of the Antrim Campus. It was noted that the College had received a formal letter from DEL on 2 November 2011 in relation to the closure of the Campus and would be proceeding to dispose of the property in line with the guidance detailed in the letter.

d) Monthly Management Accounts. The Committee received the Monthly Management Accounts for the period up to 30 September 2011, which indicate that the College has a surplus of £178k on continuing operations and an historic cost surplus of £300k, which is £114k lower than budget. The Bank Balance as at 31 May was £ 4.2 million.

e) Economic Appraisal Larne Adult Education Centre. The Committee noted that the Governing Body had agreed at its last meeting that the Economic Appraisal Larne Education Centre (LAEC) should be presented to the Finance and General Purposes Committee for approval on behalf of the Governing Body for final submission to DEL.

The Economic Appraisal LAEC sets out options for the use of the LAEC, pending the outcome of the Outline Business Case, to alleviate the financial burden for the College. Following an appraisal process Option 5 (leasing the building out to a third party on a short term basis and rent back the space that the NRC would need to deliver courses) has been selected as the preferred option.

The Committee agreed that the Economic Appraisal Larne Adult Education Centre be approved for submission to the Department.

f) Catering Services. It was noted that the Catering Review had recommended that the College should market test the feasibility of outsourcing the provision of catering services at four of its campuses, Farm Lodge, Newtownabbey, Coleraine and Magherafelt.

g) Bad Debts. The Committee noted that the College Bad Debt provision for 2010/2011 amounted to £125,178.50. During the course of the financial year 2010/2011 the College has been assiduous in the collection of debts and as a result it has been necessary to write-off only £11,908.57. DEL approval has been sought for the write off of individual debts greater than £750. There were two such debts in 2010/11.

h) Anti-Fraud Policy. The Committee received an updated version of the College's Anti-Fraud Policy, the aim of which is to promote a culture, which actively aids the prevention and detection of fraud. It was noted that the revised Policy had been drafted to include procedures to reflect the new Bribery Act. The Committee agreed that the Anti-Fraud Policy be approved and forwarded to the Governing Body, subject to additional comments from PwC.

**The Governing Body endorsed the Anti-Fraud Policy.**

i) Treasury Management Policy. The Committee received a copy of the revised Treasury Management Policy, which sets out a framework for cash management, long-term investment and borrowing by the College. The aim of the Policy is to ensure that the College maintains proper financial controls, safeguards its assets and secures value for money. The Committee agreed that the Treasury Management Policy be approved and forwarded to the Governing Body.

**The Governing Body endorsed the Treasury Management Policy**

j) Annual Equality Progress Report. The Committee received the Annual Equality Progress Report 2010/2011, which had been submitted to the Equality Commission to meet a deadline of 31 August 2011. The Director of Finance drew attention to the progress report, as at 1 June 2011, in relation to the Disability Action Plan 2010/2011.

**The Committee endorsed the Annual Equality Progress Report.**

k) Committee Action Plans. The Committee reviewed its Action Plan for 2010/2011 and noted that it had undertaken all activities detailed in the Plan. It also considered and approved its Action Plan for 2011/2012.

l) Annual Report 2010/2011 Finance & General Purposes Committee. The Chair presented the Committee's Annual Report 2010/2011. The Committee agreed that it be approved and submitted to the Governing Body.

m) Single Tender Action. The Director of Finance explained that, in accordance with paragraph 113 of the Financial Memorandum (Version 1.2- July 2008), all single tender actions must be approved by the Governing Body and the College Accounting Officer. She advised Members that single tender actions are currently approved by the Director, as Accounting Officer, for STAs under £5,000 and by the Director of Finance and the Director for STAs over £5,000. In order to comply with paragraph 113 of the Financial Memorandum, that "all single tender actions must be approved by the Governing Body", the Director of Finance has suggested and the Committee has recommended that the Governing Body delegates the approval of single tender actions as follows:

- Value of £0 and £5,000 to be approved by Director on a monthly basis;
- Value of £5,001 and £50,000 to be approved by Budget Holder, Director of Finance and Director on an individual basis, with accompanying evidence of reason for STA from Budget Holder;
- Value over £50k to be approved by Director of Finance and Director and Chair of Finance and General Purposes Committee; and
- Details of all STAs approved by above process are to be presented to each Finance and General Purposes Committee meeting.

**The Governing Body approved the recommendation relating to Single Tender Action**

n) UK Border Agency. The Director informed the Committee that a number of Colleges, including the NRC, had had their sponsorship licences for overseas students revoked by the Agency. He explained that the College had missed the deadline for renewal, of which it had been unaware; the College had applied again for the renewal of its licence.

### **35.11 Staffing Committee**

The Governing Body received the minutes of the meeting of the Staffing Committee held on 11 October 2011. In presenting the minutes the Mr Jay, Vice Chair of the Staffing Committee, highlighted the following issues:

- a) Membership. The Committee appointed Mr S Davidson as its Chairperson and Mr R Jay as Vice-Chairperson.
- b) Terms of Reference. The Committee made a minor adjustment to its Terms and forwarded them to the Governing Body for endorsement.

#### **The Governing Body endorsed the Terms of Reference of the Staffing Committee.**

c) Investors In People (IIP) Award. The Committee received the Investor in People (IIP) Final Report, which details a number of strengths and good practice existing at the College. After considering the evidence gathered during the on-site visits the assessor has indicated that the College does not currently meet the standard required for the award of IIP and has recommended that the assessment process should continue. The Director advised the Committee that the College was in the process of developing an Action Plan, which would address the development areas specified by the assessor.

d) Deloitte Leadership and Management Programme (minute 20.9). The Director provided an update regarding the Deloitte Leadership and Management Leadership Programme, which consists of six modules. Each module has a lead College; NRC is the Lead College for the Financial Accountability and Governance module. It was noted that all Colleges have been asked to identify projects according to their needs; NRC has opted to focus on the use of data in performance management.

e) Staff Absenteeism Report. The Committee received the 2010/2011 Sickness Absenteeism Report, indicating that an average of 8.37 working days–were lost per employee at NRC, which was 3.21 % of total days available. This represents an improvement on the 2009/2010 figures of 11.07 days lost, 4.24% of the total days available.

It was noted that the 2011/2012 College target for sickness absence is set at 7.7 working days lost; this is the average UK workforce sickness absence rate from the CIPD Annual Survey 2010.

In response to a request the Director of Finance agreed to provide a costing of absence for a future meeting of the Staffing Committee,

### **35.12 Annual Report and Financial Statements 2010/2011**

The Director of Finance presented the Annual Report and Financial Statements for the year ended 31 July 2011 and the Report To Those Charged With Governance (RTTCWG). It was noted that the Audit Committee (14 November 2011) had given consideration to the Annual Report and Financial Statements and following receipt of the opinion in the Report To Those Charged With Governance, the Committee had recommended to the Governing Body that the Annual Report and Financial Statements, for the year ended 31 July 2011, be adopted for submission to the Department for Employment and Learning by 30 November 2011.

#### **The Governing Body agreed that the Annual Report and Financial Statements 2010/2011 be adopted and forwarded to the Northern Ireland Audit Office for submission to the Department for Employment and Learning by 30 November 2011.**

During discussion Governors made a number of observations. Referring to the achievement of targets for 2010/2011, a Governor expressed the view that the statements 'achieved/not achieved' were too terse and some narrative would be desirable in future Reports. A Governor drew attention to the fact that 8 of the 10 risks facing the College had been

identified as high risks. He considered that this was a heavy load to place upon Management. The Director of Finance said that the College had a strategy for dealing with this situation.

### **35.13 Student Enrolments**

The Governing Body received a paper providing figures for part-time enrolments FE for 2009/2010 to 2011/2012, on 1 November of each of the years for comparative purposes. FE enrolments for 2011/2012 show a decrease of 5% compared with 2010/2011. The Deputy Director Curriculum stated that a major contributory factor in the decrease was the closure of the Antrim campus, where it was hoped that students would take up courses at other locations in Antrim and elsewhere. Despite widespread publicity anticipated transfers did not take place.

It was noted that current enrolments would generate approximately 850 FLUs compared with 895 in the previous year. The Deputy Director Curriculum advised Governors that the College has plans to counteract the decline by increasing the number of enrolments for courses starting in the second half of the year and by maintaining the marked improvement in student retention

It was also noted that figures for part-time HE show a strong increase in 2011/2012 and should produce FLUs above target. The Director stated that the College's MaSN allocation for HE was too low and he would be seeking Governing Body support for a bid to DEL for an increased allocation for 2012/13.

The target enrolment for Entitlement Framework courses was also on target; there were currently 2,409 enrolments against a target of 2,400.

### **35.14 Any Other Notified Business**

There was no other notified business to discuss.

### **35.15 Date of the Next Meeting**

The Chairman reminded Governors that the next meeting of the Governing Body is scheduled for 5.30 pm Wednesday 11 January 2012 at the Farm Lodge, Ballymena Campus.