

## **NORTHERN REGIONAL COLLEGE**

### **GOVERNING BODY**

Minutes of the meeting of the Governing Body held at 5.30 pm on 10 October 2012 at Farm Lodge Ballymena Campus, Northern Regional College

Present           Mrs K Collins (Chairperson), Mr T Neilands (Principal), Mrs I Allison, Alderman J Brown, Mr J Clyde, Mr R Jay, Mr S McCartney, Mrs G McConnell, Mr M Murray and Mr K Nelson.

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

### **UNRESERVED BUSINESS**

#### **41.1 Apologies**

Apologies have been received from Mr G Gilpin, Councillor J Currie, Mr S Davidson, Mr I Goldsworthy, Dr D Lennox, Alderman PJ McAvoy and Mrs A Rankin. In the absence of Mr Gilpin, Mrs Collins took the Chair.

#### **41.2 Membership**

The Chairperson welcomed Mrs Isobel Allison and Mrs Gillian McConnell to their first meeting: they have been appointed as Governors from 1 August 2012 to 31 July 2016. Both new Governors have had a meeting with the Chairperson, Principal and Secretary during which Mrs Allison expressed an interest in serving on the Staffing Committee and Mrs McConnell on the Finance and General Purposes Committee.

**The Governing Body approved their allocation to these Committees.**

The Chairperson also welcomed Mr Jason Clyde, the student representative, who had been appointed from 1 August 2012 until 31 July 2013 or until the termination of his period of office as Student President.

The Governing Body reviewed its membership and noted that Mrs Cathy Taylor had resigned as a co-opted member of the Governing Body. **The Governing Body agreed that:**

- a) A Search Committee should be established consisting of Mr Gilpin, Mr Neilands, Mrs Collins and Mr Hunter to make recommendations to the Governing Body as to a replacement for Mrs Taylor;**
- b) Governors should e-mail the Secretary( [jimahunter@btinternet.com](mailto:jimahunter@btinternet.com)) with the names of persons with the requisite skills for consideration by the Committee;**
- c) The Committee should forward a recommendation to the meeting if the Governing Body scheduled for 21 November 2012.**

#### **41.3 Declaration of Interests**

There were no declarations of interests.

#### **41.4 Minutes of Last Meeting**

The minutes of the last meeting of the Governing Body held on 5 July 2012 were approved.

#### **41.5 Matters Arising**

##### **41.5.1 ApprenticeshipsNI/Training for Success Recontracting (minute 40.4.3)**

The Governing Body noted that the award of the contract had been suspended due to a legal challenge. The College was still awaiting final approval of the contract.

#### 41.5.2 Any Other Matters Arising

There were no other matters arising.

### 41.6 Chairman's Communications

The Governing Body noted that there had been a meeting of the Chairs of Committees on 8 October 2012 when several issues were discussed informally.

### 41.7 Principal's Report

The Principal in presenting his Report stated that following the restructuring exercise his post had been renamed 'Principal and Chief Executive' and his communication would now be referred to as the 'Principal's Report' rather than the 'Director's Report'. He highlighted the following in his Report:

- a) The Whole College Inspection. The Whole College Inspection will take place over a two-week period from 5-16 November 2012. The Inspectors have indicated that they wish to meet with a small group of Governors on Thursday 8 November 2012 at 3.30 pm.
- b) VIP Visit. The College hosted a visit by HRH the Duke of York on 6 September 2012 and the Shadow Secretary of State, Mr Vernon Coker, on 21 September 2012. The Principal said that a letter of thanks had been received from the Private Secretary to HRH the Duke of York.
- c) Vision 2020. The Minister has indicated that he wants a new or revised vision for the FE Sector to replace 'FE Means Business'.
- d) Careers Academy. NRC will be launching a Careers Academy for Engineering at an event on 17 October 2012.
- e) Graduations. Dates have been set for the Higher Education Graduation Ceremonies at Tullyglass Hotel (13 December 2012) and Further Education Graduations (17,18 and 19 December at Corr's Corner Hotel, Tullyglass Hotel and the Lodge Hotel respectively).
- f) Investors in People. The Principal and the Director of Curriculum were present at a ceremony to receive the College's Investors in People awards. The Governing Body congratulated the College on this prestigious achievement.
- g) Acumen, Chartered Management Status. The College has completed the first stage of the process of being recognised as an Assessment Centre for the delivery of Chartered Management Institute qualifications. The Governing Body noted that the Principal and Mr S Bell, Head of Faculty within whose remit this area resides, had both completed successfully the Chartered Management Institute's qualification.
- h) INI Delegation to India. Ms Clare O'Neill, Head of Business Development will be part of Colleges NI delegation to India in late October 2012.
- i) Northern Ireland Chamber of Commerce. The College has joined the Northern Ireland Chamber of Commerce.
- j) Meetings and Events. The Principal has attended several significant meetings and events in recent weeks. The Principal drew attention to the visit of Sir Robert Salisbury, Chair of the Independent Review of Common Funding Scheme for Schools, to discuss collaborative work between NRC and Schools.
- k) Student Success. Aidan Glass had achieved a silver medal in the UK Skill Build finals in Bricklaying. James Overend and David Cargill were awarded Medallions of Excellence in the

Euroskills Mechatronics competition. Both are in the UK squad for the World Skills competition in Germany in July 2013.

i) Christmas Dinner. The Christmas Dinner has been arranged for Thursday 29 November 2012 at the Ballymoney Campus. Ms Brannigan would be contacting Governors during the forthcoming week to gauge the level of interest

#### **41.8 Correspondence**

The Governing Body noted the following correspondence received from DEL:

a) Letter from the Department for Employment and Learning, dated 21 March 2012, regarding the Review of Governance. The Principal reminded Governors that the Department had been taking forward the recommendations of the Review of Governance. A Code of Governance had been issued to all Governors but there were still some remaining recommendations to be addressed such as the composition of Governing Bodies and the operation of the Governors' Council. The Principal suggested that if any Governor had comments on this correspondence, they should be forwarded to the Chair of the Governing Body.

It was noted that a letter had been issued by the Department for Employment and Learning, dated 8 October 2012, inviting Governors to the first meeting of the Governors' Council on Wednesday 28 November 2012 at 6.30 pm in the Hilton Hotel, Templepatrick.

b) Letter from the Department for Employment and Learning, dated 1 August 2012 and addressed to the Chairman, regarding the process for appointing members to Governing Bodies.

c) Letter from the Department for Employment and Learning, dated 19 September 2012, regarding the revised Health Check document. The Principal advised Members that Mr Andy Cole would be attending the meeting of the Governing Body to discuss the revised format.

d) Letter from the Department for Employment and Learning, dated 23 September 2012, regarding Assembly Questions. The College was preparing a response.

e) Letter from the Department for Employment and Learning, dated 10 October 2012, regarding the remuneration of Members of Governing Bodies. DEL will be commencing work on a business case, which will advocate the remuneration of Governors. To build a robust case various requests for information will be made through Secretaries.

#### **41.9 Audit Committee**

The Governing Body received the minutes of the meetings of the Audit Committee held on 26 June 2012 and 20 September 2012. The following issues arising from the minutes were highlighted:

##### **26 June 2012**

a) Departmental Risk Register. The Committee received a presentation from Mrs J Kerr, Head of MIS and Exams regarding her Departmental Risk Register.

b) Internal Audit Tender Exercise. The Committee noted that NRC had carried out the procurement process for the provision of Internal Audit Services on behalf of all six Colleges. KPMG had been appointed as Internal Auditors for the entire sector;

c) Risk Management Group. The Committee noted the minutes of the meeting of the Risk Management Group on 23 April 2012, when the College Risk Register was revised.

d) Internal Audit Follow-up Review. The Internal Auditor reported that work had commenced with regard to the implementation of 5 of the 32 recommendations issued

to the College, work was not due on 2 of the recommendations and 25 had been completed.

e) Annual Internal Audit Report to Audit Committee 2011/2012. On the basis of Audit work performed during the year the Internal Auditors have provided a **SUBSTANTIAL** assurance in relation to the adequacy of the systems of control in place and their operation during the period of the report.

f) Outstanding Audit Issues. The Committee received a progress report regarding outstanding Internal Audit recommendations.

g) Audit Strategy Memorandum. The Committee received a memorandum from the Northern Ireland Audit Office indicating how it plans to carry out the audit of the financial statements for the year ending 31 July 2012.

## **20 September 2012**

a) Evaluation of Internal Audit Service. The Committee agreed that the overall Internal Audit Service provided by PwC had been Satisfactory for 2011/2012;

b) Terms of Reference. The Committee agreed that revised Terms of Reference should be forwarded to the Governing Body for approval. **The Governing Body endorsed the revised Terms of Reference.**

c) Draft Annual Report and Financial Statements. The Committee received the draft Annual Report and Financial Statements for the year ended 31 July 2012, which indicates that the College had reported an historic cost deficit of £1,187k compared with the original estimated deficit of £1,230k. It was noted that the Annual Report and Financial Statements would be finalised by the Audit Committee on 13 November 2012 and forwarded to the Governing Body on 21 November 2012.

d) Audit Committee Annual Report 2011/2012. The Committee agreed that the Annual Report should be revised to reflect Members' comments and reconsidered at the next meeting.

e) Annual Assurance Return. The Committee noted the Annual Assurance Return for submission to DEL by 30 November 2012.

f) Internal Audit Plan. The Committee agreed that:

(i) The Internal Audit Plan 2012/2013 to 2014/15 be approved;

(ii) The Director of Finance and Corporate Development should agree a timetable for Reviews with KPMG and should prepare KPIs to review the supplier's performance.

## **41.10 Education Committee**

The Governing Body received the minutes of the meeting of the Education Committee held on 2 October 2012. In presenting the minutes, Mr Jay, the Chairperson, highlighted the following matters:

a) Terms of Reference. The Committee agreed that the revised Terms of Reference should be forwarded to the Governing Body for approval. **The Governing Body approved the revised Terms of Reference;**

b) Funding Learning Units. The Committee noted that the Principal had received a response from DEL regarding criteria for the allocation of MaSN caps to Colleges. This matter and other related issues are addressed at minute 41.14.

- c) Curriculum Management Structure. The Committee noted that two strands had been addressed during the second and final phase of the realignment of the Curriculum Management Team: the transfer of existing permanent post holders (senior lecturers) to curriculum posts each with an identified number of responsibility points; and the recruitment of 14 permanent responsibility point posts, the majority of which had been carried out on a temporary basis for some three years;
- d) Further Education Student Success Rates. The Committee discussed the recent presentation by the Analytical Services Branch DEL regarding research in relation to FE Student Success Rates based on 2010/2011 figures. The Principal suggested that no precipitate action should be taken until performance data for 2011/2012 becomes available in November 2012;
- e) Balanced Scorecard. The Committee received two papers detailing: Retention, Achievement and Success targets by type of provision for 2012/2013; and planned enrolments for FE full-time, HE full-time and Training Provision full-time for 2012/13. It was noted that planned enrolments were as follows: FE Full-Time (3,359), HE Full-Time (266) and Apprentices Full-Time (883).
- f) College Business Development Plan. The Committee received a paper regarding Business Development activities.
- g) Whole College Inspection. The Committee received a paper indicating the extensive preparations for the forthcoming Whole College Inspection, scheduled to commence on 5 November 2012; the Inspection will last for approximately two weeks.
- h) Annual Report Student Services. The Committee received the Annual Report for Student Services 2011/2012, which provided details of funding arrangements and procedures in relation to Children and Vulnerable Adults and Student Discipline. The Committee appointed Mr R Jay as the Designated Governor, who has responsibility for Child and Vulnerable Adult Protection.
- i) Education Committee Action Plan. The Committee considered and agreed its revised Action Plan.
- j) Absenteeism in Schools. The Committee noted that the Principal had arranged to meet Mr Beggs MLA, on 4 October 2012, to discuss his statement regarding educational problems in Protestant deprived areas particularly in relation to absenteeism. The Principal had informed Mr Beggs of the College's Community Strategy, which had targeted four Council areas with a view to overcoming the lack of interest in education.

#### **41.11 Finance and General Purposes Committee**

The Governing Body received the minutes of the meeting of the Finance and General Purposes Committee held on 12 September 2012. Mrs Collins, the Chairperson, highlighted the following issues arising from the minutes:

- a) Estates Issues. The Committee noted that the Outline Business Case consultants had been appointed and that they would be keeping to the agreed timetables;
- b) Disposal of Antrim Campus. Two public sector parties had been interested in the property. The Director of Planning and Customer Services informed the Governing Body that one of the parties had withdrawn. A site meeting has been held with the remaining party, which is now to carry out a feasibility study.
- c) Larne Adult Education Centre Leasing Arrangements. It was agreed that NRC should proceed with Option 3 for the use of the Larne Adult Education Centre (LAEC):

*OBC identified that LAEC is surplus to NRC's estate requirements. Lease could be offered to Acceptable Enterprises (Larne) Limited for period until NRC disposes of surplus building. NRC and AEL agree on an exit strategy prior to disposal of the building eg AEL to be given six months' notice to vacate building.*

The Committee agreed that a draft Risk Analysis should be drawn up and circulated to its members for comment and that subsequently recommendations should be made to the Governing Body regarding leasing arrangements with AEL (see minute 41.15).

#### **41.12 Staffing Committee**

The Governing Body received the minutes of the meeting of the Staffing Committee held on 8 October 2012. In presenting the minutes Mr Jay highlighted the following issues discussed at the meeting:

- a) Terms of Reference. The Committee agreed a number of changes to its Terms of Reference and forwarded them to the Governing Body for approval. **The Governing Body approved the revised Terms of Reference.**
- b) Sickness Absence Statistics 2011/2012. The Committee received the Sickness Absence Report for 2011/2012, which indicates that the percentage days lost for the College is 3.85% (3.21% in 2010/2011) and the average days lost per employee is 10.06 (8.38 in 2010/2011). Support Staff absence rates have shown a small increase but there has been a more marked increase for academic staff. The average cost of working time lost as a direct result of sickness absence for 2011/2012 was £986,223. It was noted that stress, anxiety and hospitalisation are the most common reasons for absence.

Long-term absences have increased across all staff groups. A total of 6,143 days were lost due to long term absences in 2011/2012 compared to 4,403 in 2010/2011. Short and Medium Term sickness rates have decreased across all staff groups by 1,039 days. The Committee noted that the College had several strategies for dealing with long-term absenteeism.

The Sickness Absence Target for 2012/2013 is set at a maximum of 3.5% working days lost or 9.1 days lost per employee. This is the UK average for the public sector for 2010/2011 and represents a reduction of nearly 0.4% on the College's 2011/2012 rates.

- c) Annual Progress Report to the Equality Commission. The Committee received an Executive Summary of the Annual Progress Report, which has been submitted to the Equality Commission. The full Report can be viewed on the College website. The summary highlighted several activities undertaken during the academic year 2011/2012. The Committee noted in particular that Media students had produced three anti-bullying films. The Committee agreed that one of the films should be shown to the Governing Body (21 November 2012) and that the student production team should be invited to attend.

#### **41.13 Balanced Scorecard**

The Governing Body received an updated balanced scorecard, which displays revised domains linked with strategic targets. The Director of Finance and Corporate Development stated that targets would be colour coded green, amber and red to denote progress in achieving objectives. She reminded Governors that there were sub-lists of targets relating to each target detailed in the Balanced Scorecard, which would be made available to Committees.

#### **41.14 Higher Education Provision**

It was noted that, following discussion at the June meeting of the Governing Body, the Principal had been asked to request from the Department for Employment and Learning the criteria currently used for the allocation of full-time Higher Education places in the FE sector. The Principal advised that a response had been received from DEL, which states that allocations are reviewed annually and determined on an equitable and rational basis to secure maximum uptake of places and to reflect evidence of existing demand. 'Hard and Soft

Matrices' are used in the review: the Hard Matrix is based on a 75% weighting for historic demand and 25% for future potential demand as well as on additional weightings based on distance to a permanent University campus; the Soft Matrix takes into account the ratio of College enrolments on STEM courses to non-STEM programmes. The Principal advised that NRC was always going to be at a disadvantage in respect of weightings relating to historic demand and distance from a permanent University Campus.

The Principal referred to statistical work undertaken by Mrs Rankin regarding the allocation of FLUs to Colleges over the past six years, which indicates that NRC's proportion of the allocation has gone down

The Principal informed the Governing Body that DEL had allocated an additional 14 places to NRC for 2012/2013, although this was less than the College's bid for 30 additional places. The Principal explained that the College's MaSN total is now 266.

The extra places allocated were used to support the launch of an additional HND programme in Electrical/Electronic Engineering. Recruitment to this programme has been adversely affected by the University of Ulster's decision to offer a Foundation Year Programme in Engineering as a response to the problems experienced with recruitment to Engineering, which received substantial media coverage recently. The College lost 4 potential students, who took up places at the University of Ulster.

The Principal also informed the Governing Body that a local MLA has agreed to ask an Assembly Question regarding the distribution of full-time places across the Colleges and the criteria used. The response to this question will be sent to other MLAs in the area and will be discussed at any meetings the Principal will have with MLAs over the coming months.

#### **41.15 Lease of Larne Adult Education Centre**

The Governing Body noted that the Finance and General Purposes Committee (17 September 2012) had asked the Director of Finance and Corporate Development to draw up a Risk Analysis in relation to the three-year lease to Acceptable Enterprises Larne (AEL) and to circulate it to members of the Committee for comment.

The Risk Analysis had been forwarded subsequently to Members for consideration and comment. The Committee is of the view that the commercial, financial, strategic partnership and business development benefits outweigh the risks identified. The Committee recommends to the Governing Body that a lease be signed between NRC and AEL for the interim use of the LAEC for the period from 1 November 2012 to 31 July 2015.

A Member raised a number of concerns in relation to the lease. He said that the College could find it difficult to recover possession of the premises as the lease may not be protected under the Business Tenancies Legislation. He also sought and was given an assurance that the use of the building by AEL and sub-tenants was included in the proposed lease. In response to a query regarding capital works undertaken by the tenant, it was noted that AEL is required to return the premises to the College in the same state as on occupation. The Director of Finance and Corporate Development stated that NRC and AEL had established a Strategic Partnership Board, which would review the lease at its half-yearly meetings with a view to resolving the fore-mentioned difficulties.

The Principal explained, particularly to the new Governors, the reason why the College had become involved in this complex situation. NRC, in an attempt to rationalise its estate had proposed the disposal of the property at Larne but had had to reconsider the situation as a result of opposition from the local community and from DEL. He said that this three-year lease had been recommended on the understanding that there was a risk but that this course of action offered the best option for the College.

**The Governing Body agreed that a lease be signed between NRC and AEL for the interim use of the LAEC for the period 1 November 2012 to 31 July 2015.**

**41.16 Any Other Notified Business**

There was no further unreserved business to transact.

**41.17 Date of the Next Meeting**

The Chairman reminded Governors that the next meeting of the Governing Body is scheduled for 5.30 pm **Wednesday 21 November 2012** at the Farm Lodge, Ballymena Campus.