

NORTHERN REGIONAL COLLEGE

GOVERNING BODY

Minutes of the meeting of the Governing Body held at 5.30 pm on 21 November 2012 at the Farm Lodge Ballymena Campus, Northern Regional College

Present Mr G Gilpin (Chairperson), Mr T Neilands (Principal), Mrs K Collins, Mrs I Allison, Mr S Davidson, Mr I Goldsworthy, Dr D Lennox, Alderman PJ McAvoy, Mr S McCartney, Mrs G McConnell, Mr M Murray and Mrs A Rankin.

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

UNRESERVED BUSINESS

42.1 Presentation Anti-Bullying Film

The Governing Body received a presentation of an anti-bullying film produced by 2011/12 2nd Year Media students who had now left the College. In presenting the film Mrs B Laverty, Head of Human Resources and Equality, informed Governors that the film had been commissioned by the Equality Unit. This film will be used as part of the equality module within the tutorial programme. The Principal stated that it was appropriate to show the film at this time as the current week had been designated as Anti-Bullying Week.

42.2 FE College Health Check

Mr Andy Cole, Head of FE Corporate Governance and Accountability DEL, gave a presentation to the Governing Body regarding the FE College Health Check for the 4th Quarter 2011/2012. He explained that the Report was in a new format and based on information available at the end of Quarter 4: 2011/2012. He said that the Report had been restructured to read more logically and highlight key issues.

Mr Cole took the Governing Body through the various sections of the Report and highlighted some of the significant issues pertinent to the College:

a) Section 1 Comparative Performance. He referred to the comparative ratios for the Sector contained in this section and drew attention to NRC's staff costs as a % of total income ratio, which was the highest (75%) in the Sector. He added that there were mitigating circumstances as some of the percentage difference was due to the fact that other colleges outsource activities such as cleaning and catering, which are mainly carried out in house at NRC.

The Director of Finance and Corporate Development informed the Governing Body that DEL had provided more focussed information to the College enabling it to make a comparison of income relating only to student related income against staff costs, excluding cleaning and catering staff. The exercise confirmed that NRC lecturing staff costs of 56% of student related income was still higher than the sector average of 46%.

b) Section 2 Performance against CDP Curriculum Targets. He stated that NRC had delivered 3,044 enrolments against a target of 3,233 during 2011/2012. He mentioned, however, that the College had an under-delivery of its FLU targets particularly in respect of the FE Level 3 provision.

c) Section 3 Retention, Achievement and Success. He stated that this section now provided a more comprehensive analysis of performance at Sector Subject Area, benchmarked across the sector. It was noted that the College had improved its performance in each area over the

period 2009/2010 to 2010/2011. Performance in respect of Essential Skills was still not as high as the sector average. A Governor raised a query regarding the Multiple Deprivation Measure and was informed that only 12% of NRC's enrolments were in the most deprived quintile.

d) Section 4 Steps to Work. He explained that Steps to Work was the Department's main adult return to work programme. He said that only three Colleges (NWRC, SERC and SWC) are involved in the programme.

e) Section 5 ETI Inspection Results. He reminded Governors that ETI had previously inspected the Priority Skills Areas Level 2 and Level 3 across all Colleges each year; these were included under ETI Historic Results. Results of the current ETI programme of Whole College Inspections, once every three years, were only available for two Colleges.

f) Section 6 Internal Audit. It was noted that the College had achieved an overall substantial rating for the year to 31 July 2012.

g) Section 7 Risk Management. Details are provided of the College's Risk Register and comparative information is supplied for the sector.

h) Section 8 Good Practice. This section showcases an area of good practice within a College to facilitate collaboration where possible. A case study is provided of the creation of a special forum called Student Case Conferences at SERC

The Chairperson thanked Mr Cole for an informative presentation.

42.3 Apologies

Apologies have been received from Alderman J Brown, Councillor J Currie, Mr J Clyde and Mr K Nelson.

42.4 Declaration of Interests

There were no declarations of interests.

42.5 Minutes of Last Meeting

The minutes of the last meeting of the Governing Body held on 10 October 2012 were approved subject the following adjustments:

a) Deletion of the following sentence from minute 41.15 paragraph 1: 'It was noted ----- repossession of the campus.'

b) Adjustment of Sentences 2 and 3 of paragraph 3 of minute 41.15 to read: 'He said that the College may find it difficult to recover possession of the premises as the lease is protected under the Business Tenancies Legislation. He also sought and was given assurance that the use of the building by AEL and sub-tenants was included in the proposed lease.'

42.5 Matters Arising

42.6.1 Search Committee for Appointment of Co-Opted Governor (minute 41.2)

The Governing Body (10 October 2012) agreed that a Search Committee should be established to bring a recommendation to the Governing Body regarding the appointment of a Co-Opted Governor. The Committee met on 14 November 2012 and agreed to pursue three lines of enquiry in relation to prospective candidates with an industrial/international/legal background. The Chairman stated that the Committee would still be interested with any suggestions from Members of the Governing Body.

42.6.2 ApprenticeshipsNI/Training for Success (minute 41.5.1)

The Director of Curriculum advised the Governing Body that the award of the contract had been suspended due to a legal challenge and indicated that there were likely to be further challenges in the near future. This has had and will have implications for recruitment at the College. It was agreed that a letter should be sent to DEL expressing the Governing Body's frustration regarding the continual delays in the implementation of the new training contracts.

42.6.3 Whole College Inspection (41.7 a))

The Governing Body noted that the Whole College Inspection had taken place over the last two weeks two-weeks, from 5-16 November 2012 and that the Inspectors had met with a small group of Governors on Thursday 8 November 2012. The Principal advised that the Inspectorate had still to conclude their deliberations and that full information regarding the outcomes of the Inspection would not be available until formal feedback was received at a meeting with ETI on 7 December 2012. It was hoped that the written report would be issued in time for the next meeting of the Governing Body on 23 January 2013.

42.6.4 HE Provision

The Governing Body received a response from DEL regarding criteria for the allocation of full-time Higher Education places in the FE Sector. The response indicates that allocations are reviewed annually and determined on an equitable and rational basis to secure maximum uptake of available places and to reflect evidence of existing demand. 'Hard' and 'soft' matrices are used in the review process. The Principal noted that the criteria, may be outdated and biased against the College. He mentioned in particular the 'hard' matrices criteria, which gave a 75% weighting for historic demand and only 25% for future potential. He pointed out that the weighting based on distance to a permanent University campus discriminated against the College.

The Principal informed the Governing Body that a question had been asked in the Assembly regarding the allocation of full-time HE places across the Sector. He proposed to circulate the answer to MLAs in the College's catchment area.

The Governing Body agreed that the Chairman should forward a letter to DEL challenging and requesting a review of the criteria used by the Department to determine the allocation of full-time HE places across the Sector.

The Chairman said that there was an opportunity to bid for extra HE places, which would be coming available for STEM subjects and Foundation Degrees. This had been mentioned at the recent accountability meeting with DEL representatives.

42.6.5 Vision 2020 (minute 41.7 c). The Principal informed Governors that the Minister wished to have a new or revised vision for the FE Sector to replace 'FE Means Business' by the end of November 2012. A consultation document would be forwarded in due course to Colleges.

42.6.6 Careers Academy for Engineering (minute 41.7 d). The Principal confirmed that a very successful event had been staged on 17 October 2012, with strong representation from Engineering employers.

42.6.7 INI Delegation to India (minute 41.7 h). The Principal reminded Governors that Ms C O'Neill had been part of Colleges Northern Ireland delegation to India in late October 2012. At least two potential initiatives were being pursued as a result of the visit.

42.6.8 Student Successes (minute 41.7.k). The Chairman questioned the efficacy of the current method of celebrating student success. He suggested that it would be better to have an annual event to recognise achievements rather than inviting students to meet Governors

for a short time before Governing Body meetings. He invited further comments from Governors regarding this matter.

42.6.9 Christmas Dinner (minute 41.7.1)). The Principal informed the Governing Body that there had been a good response to the invitation to attend the Christmas Dinner arranged for 29 November 2012.

42.6.10 Any Other Matters

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

42.7 Chairman's Communications

The Chairman indicated that he had attended a number of significant meetings and events since the last meeting. He mentioned in particular attendance at a Video Conference meeting between the College and Kansas State University, meetings of Future Search relating to the regeneration of the North Coast and the Accountability Meeting with representatives of the Department.

42.8 Principal's Report

The Principal highlighted a number of topics in his Report:

a) International Contract. The College has been successful in gaining an international contract to deliver a three-day strategic leadership conference for senior staff from the Iraq Technical Education System. The tender process was managed by the Association of Colleges (AoC) on behalf of the British Council. The event will take place in Kurdistan in January 2013. The College will be working for the British Council overseas for the first time and this will establish a track record, which will be useful for further bids for international work in the future.

b) Larne. It was noted that the lease had now been agreed and was awaiting signature, and the launch of the new partnership for the shared usage of the former Larne Adult Education Centre will take place on 7 December 2012. It is hoped that both the DEL Minister and the Minister for Enterprise, Trade and Investment will be in attendance.

c) Ballymena Skill Exchange Hub. Another impending launch involving the College has been arranged at the Ballymena Skill Exchange Hub on 27 November 2012. This is something of a coup for Ballymena as it will be the first of over 1200 of such Hubs in the UK that the Skill Exchange intends to establish. The Hub is intended to provide a means for employers to facilitate skill, mobility and talent transfer of employees in the area with the aim of reducing skill wastage from redundancy and layoff, thus driving employment growth.

The founding members of the Ballymena Hub are Michelin, Moy Park, JTI, Dunbia and Wrightbus, as well as NRC. The College would hope to utilise the Hub for student and staff placements. The Chairman welcomed NRC's participation in the Hub and suggested that the College should host one of its future meetings.

d) Shared Services. The Colleges and CNI are continuing to develop plans for Shared Services in the sector. Two priority areas with strategic significance have been identified and business cases developed for these. The areas are ICT/MIS and Procurement.

e) HE Graduation. The speakers for the two HE Graduations ceremonies on 13 December 2012 have now been confirmed. The speaker at the morning ceremony will be Mark Nodder, President of the NI Chamber of Commerce and Management Director of Wrightbus and in the afternoon Edel Doherty, Chair of Women into Business NI and Managing Director of Barrhead Travel Northern Ireland. It was noted that Governors would be invited to attend.

f) Student Successes. NRC students have been successful in a number of events:

(i) Worldskills. NRC was represented in the Mechatronics competition in Belgium, in October 2012 and at the UK Skillbuild event; six students competed at the Skills Show in Birmingham from 17-19 November 2012. The Principal announced that two students had won Gold medals in Mechatronics at the Skills Show and a group of Catering students from NRC had provided a demonstration at the event. He added that three students have been selected as part of the UK squad training for the next Worldskills in Leipzig in 2013. Alderman PJ McAvoy, the present Mayor of Ballymena Borough Council, stated that he would arrange a Council reception for the recipients of the Gold medals.

(ii) J P McManus Scholarships. NRC students have been successful in achieving JP McManus Scholarship Awards over the past two years. This year two students have received the awards. They are Nicola Gibson, who completed a BTEC Level 3 Extended Diploma in Business in June and who is now at the University of Ulster and Karen Cheung, who completed a National Diploma in Health and Social Care in June and who is now attending John Moore University in Liverpool.

(iii) Future Students of Business Awards (FSB). Three NRC students received Future Students of Business Awards at the annual event sponsored by the Federation of Small Businesses and Colleges NI.

g) Other Significant Meetings and Events. The Principal attended a number of significant meetings and events since the last meeting.

42.9 Correspondence

The Governing Body noted the following correspondence:

a) Correspondence from DEL, which was e-mailed to all Governors on 8 November 2012, regarding the Governors' Induction Training Seminar on 22 November 2012; and

b) Correspondence from the Shadow Secretary of State for Northern Ireland thanking the Principal for arranging an enjoyable visit to the College.

42.10 Audit Committee

The Governing Body received the minutes of the meetings of the Audit Committee held on 13 November 2012. Mrs Rankin, in presenting the minutes, referred to three issues:

a) 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 2012. The Comptroller and Auditor General had issued an unqualified audit opinion, without modification, as to the truth and fairness of the financial statements.

It was noted that the College had presented good quality accounts in a timely manner and that no significant issues in relation to regularity had been identified. The College had also adjusted the Accounts for all identified misstatements set out in the Report. It was also noted that the Principal would sign the Accounting Officer's Letter of Representation and submit it to the Department at the same time as the submission of the Annual Report and Financial Statements

b) Annual Report and Financial Statements. The Committee received the proposed final Annual Report and Financial Statements for the year ended 31 July 2012, which had been prepared in accordance with the DEL Accounts Direction (see more detailed information on the Accounts at minute 42.11 below). Following receipt of the opinion on the Report To Those Charged With Governance the Audit Committee had recommended to the Governing Body

that the Annual Report and Financial Statements for the year ended 31 July 2012 be adopted for submission to the Department by 30 November 2012.

The Governing Body agreed that the Annual Report and Financial Statements 2011/2012 be adopted and submitted to the Department by the required deadline.

c) Audit Committee Annual Report 2011/2012. Mrs Rankin advised the Governing Body that the Audit Committee Annual Report had been approved for her signature and submission to the Department by 30 November 2012.

The Governing Body noted the following issues arising from the minutes:

a) Accountability Meeting. The Chairman of the Governing Body, the Chair of Audit Committee, the Principal and the Director of Finance and Corporate Development attended the recent Accountability meeting with representatives from the Department. The Committee noted that the College had given a presentation to the Department, which was followed by discussion of the FE College Health Check and other accountability issues. Several issues were discussed including the staff cost ratios as a percentage of income, the College's Capital Development Plan and the closure of the Larne and Antrim Campuses.

b) Correspondence. The Committee received correspondence from DEL indicating that it is no longer necessary to submit an annual consultancy return to the Department as the College is now reporting quarterly.

c) Risk Management Group. The Committee received a Report from the meeting of the Risk Management Group on 29 October 2012. It was noted that the Group had made several amendments to the Corporate Risk Register and that the revised Register would be submitted to the next meeting of the Committee.

d) Outstanding Audit Issues. The Committee received a Report providing details of outstanding audit issues.

e) FE College Health Check. The Committee received the FE College Health Check Report prepared on information available at the end of the final quarter of the financial year 2012, as at 31 July 2012. It was noted that the Report contained two sections of particular interest to the Audit Committee: Section 6 Internal Audit and Section 7 Risk Management.

f) Internal Audit Strategy and Audit Plan. The Committee approved the following documents presented by the Internal Auditors:

(i) The Internal Audit Strategy (2012/2013 – 2014/2015) and the Annual Audit Plan (2012/2013);

(ii) The proposed Sector Key Performance Indicators

42.11 Annual Report And Financial Statements 2011/2012

Mrs Moore, the Director of Finance and Corporate Development, presented the final Annual Report and Financial Statements for the year ended 31 July 2012 and referred Governors to an additional document providing Observation Wording from DEL regarding the Capitalisation Threshold, which will be included in the final RTTCWG issued by the Northern Ireland Audit Office. She stated that the College had generated an historic cost outturn of a £1,129k deficit compared with the College's original estimated outturn, as per the Development Plan, of a £1,230k deficit. The Income & Expenditure reserve amounted to £1,923k (reflecting improvements in the position for 2011/2012 since the draft accounts) and cash balances of £3,170k.

Mrs Moore referred to the introductory section of the Accounts, which provided details of the implementation of the College's Strategic Plan, KPIs against targets, Curriculum Developments and the College Estate, which had been revalued at £55,869k. She made

mention of a number of other sections of the Accounts including the Remuneration Report detailing the revised management structure, Corporate Governance arrangements, Responsibilities of the Governing Body and the Accounting Officer's Report indicating that the College had received a substantial assurance rating from the Internal Auditors. She also referred Governors to the Notes to the Accounts.

42.12 Finance and General Purposes Committee

The Governing Body received the minutes of the meeting of the Finance and General Purposes Committee held on 14 November 2012. Dr Lennox highlighted the following issues arising from the minutes:

a) Terms of Reference. The Committee reviewed its Terms of Reference and agreed that revised Terms should be forwarded to the Governing Body for approval.

The Governing Body approved the revised Terms of Reference.

b) Estate Issues. The Committee received a Report regarding:

(i) Larne Adult Education Centre. The lease between the College and the Larne Adult Education Centre has now been agreed and was awaiting signing.

(ii) Disposal of Antrim Campus. One of the two interested parties, the Northern Health & Social Care Trust, had withdrawn its interest (at present) in the Antrim Campus. Site meetings were held on 10 October 2012 and 6 November 2012 with the other interested party, Fold Housing.

(iii) Land Disposal. The Principal stated that the reclassification of Colleges as Non-Departmental Public Bodies (NDPBs) may create difficulties in relation to the retention of proceeds from the disposal of surplus property and the subsequent use of such proceeds. It was anticipated that in future funds from the disposal of property may have to be invested in capital projects and not in maintenance items. The sector continues to work with the Department to ensure all capital funding is used.

(iv) Outline Business Case. The Principal advised that some delay had been experienced as a result of ongoing discussions, in relation to NRC and SRC base line student figures, by the Strategic Investment Board, which was acting on behalf of DEL. The Principal said that should the difficulty continue the Governing Body may have to express a view regarding the delay in progressing the Outline Business Case.

(v) Estate Maintenance. The Committee noted maintenance problems had been experienced at the Coleraine, Ballymoney and Newtownabbey Campuses as a result of roof leakage. It was further noted that a theft of lead to the value of approximately £30,000 had occurred at the Newtownabbey Campus.

c) Correspondence. The Committee considered a number of Departmental Circulars, which had been received since the last meeting.

d) Bad Debts. The Committee received a Report regarding Bad Debts. It noted that the reconciliation of Bad Debt Write Off indicates a total bad debt provision of £113,037.64. This represented a reduction from the previous year.

e) UK Border Agency (UKBA). The Committee noted that a number of Colleges, including NRC, had had their licences revoked by the Agency and that Colleges had appealed against the Agency's decision. There has been considerable correspondence with the Agency concerning this matter and the Agency arranged a pre-licence visit to the College on 15 November 2012 to assess the College's Migrant Policy and to assess whether NRC has been compliant with the Tier 4 Sponsorship arrangements and other immigration related legislation. Following the visit UKBA has reinstated the College licence to sponsor international students.

f) College Health Check. The Committee received the FE College Health Check Report based on information available at the end of Quarter 4, 2011/2012. The Committee noted that the Report refers to NRC's staff cost ratios, as a percentage of income, as the highest in the sector. The Report also indicates that NRC has the lowest estate costs in the sector. It points out that the College needs to be mindful that there may be significant consequences of a sustained reduction in infrastructure investment.

g) Finance and General Purposes Committee Action Plans (minute 30.12). The Committee received the:

(i) Finance and General Purposes Committee's Action Plan 2011/2012. The Committee noted that it had undertaken the majority of the actions indicated in the Action Plan during 2011/2012 and considered that it had performed its duties in a satisfactory manner.

(ii) Finance and General Purposes Committee's Action Plan for 2012/2013. The Committee agreed that the Action Plan 2012/2013 be approved subject to minor textual adjustments and forwarded to the Governing Body.

h) Annual Report 2011/2012 Finance and General Purposes Committee. The Committee agreed that the Annual Report be approved subject to minor textual adjustments for submission to the Governing Body.

i) New Bank Account. The Director of Finance and Corporate Development said that the College wished to open a new bank account with Santander to avail itself of better interest rates. The Committee agreed that the Chairperson and Secretary should sign the required mandate. A Governor made reference to the credit rating of the Ulster Bank and asked for the College to review its investments with the Bank. It was noted that investments were reviewed weekly and a penalty could be imposed for any premature withdrawal of funds.

j) Cheque Indemnity. The Committee agreed that the Chairperson and Secretary should sign a Cheque Indemnity to allow First Trust Bank to accept cheques made payable to NRC.

42.13 Staffing Committee

The Governing Body received the minutes of the meeting of the Staffing Committee held on 19 November 2012. In presenting the minutes Mr Davidson highlighted the following issues discussed at the meeting:

a) Correspondence. The Committee noted Circular FE 01/12, circulated by DEL on 12 September 2012, providing details of qualifications to teach in Institutes of Further Education. In response to a query the Principal advised that DEL/DE is currently consulting on extending General Teaching Council Northern Ireland (GTNI) powers to cover further education lecturers. The Principals have agreed that there will be a Sector response to this consultation.

b) College Health Check. The Committee received the FE College Health Check Report based on information available at the end of Quarter 4, 2011/2012. The Committee noted statistics relating to a number of staffing ratios

c) Sickness Absence Statistics 2011/2012. Members were reminded that the Staffing Committee (8 October 2012) had received a report on Sickness Absence and had noted that long-term absences had increased across all staff groups during 2011/2012. It was suggested that it would be helpful if details could be provided of the number of staff moving to and from the long-term absence list.

Mrs Laverty provided a Report indicating that there were 68 employees on long-term sickness absence totalling 6,143 days during 2011/2012. Of these 68 employees, 12 are no longer

employed by the College and only one of the remaining 56 employees is currently on sickness absence.

She stated that there are currently 24 employees who have incurred long-term sickness during 2012/13. Six employees who incurred long-term sickness absence during 2011/2012 have incurred long-term sickness absence in 2012/2013; five of these employees have returned to work.

d) Staff Survey. The Committee received a presentation by the Principal regarding the 2012 Staff Survey, which had been accessed by 430 (49%) of the staff.

Mr Neilands said that positive responses had been received in relation to questions regarding: enjoyment of work at the College; staff awareness of what is happening in their team and within their School/Department; attitude to working together with staff in their team and in their School/Department; support and appreciation of work by line managers; and knowledge of events in Schools and Departments. He said that there had been a less positive response to questions regarding respect and diversity between staff and the communication of management of change. A recent staff survey on equality has further explored the issues of respect and diversity within the College. The Principal stated that the Survey had also been discussed at staff meetings.

The Principal added that staff had been asked to rate the support services; 11 out of 18 services scored above 4 on a 5-point scale and were in the good to very good range.

The following conclusions were drawn from the Survey:

- Teaching and Learning must be the core focus
- There is a need for improved communication
- Managers must be more involved with their staff
- Respect for all is necessary
- Improvements are required in some support areas

The Committee noted that all members of staff had received the full Report and the Survey has been used to inform operational plans.

42.14 Balanced Scorecard

The Governing Body received an updated scorecard, indicating satisfactory progress in relation to targets in the Student Experience, Relationships, Staffing and Finance domains. It was noted that the College Operations domain had been colour-coded amber as external factors have led to a delay in producing the first draft of the Outline Business Case. The Principal stated that the Project Board was responsible for progressing the Outline Business Case. Should the difficulty continue the Governing Body may have to express a view regarding the delay.

The Governing Body expressed satisfaction with the presentation of the domains and related targets.

42.15 Any Other Notified Business

42.15.1 Monthly Management Accounts

The Director of Finance and Corporate Development presented the Monthly Management Accounts for the period up to 30 September 2012. The Accounts indicate that the College has an historic cost surplus of £532k, which is £318k behind budget. The Bank Balance as at 30 September 2012 was £3.4 million.

42.15.2 Annual Strategic Workshop

The Governing Body agreed that:

a) The Strategic Workshop should be separated from the scheduled meeting of the Governing Body on 23 January 2013; and

b) The Workshop should be held at an external venue at a date to be decided in February 2013. An afternoon would be devoted to the Workshop, which would be followed by a Dinner.

42.16 Date of the Next Meeting

The Chairman reminded Governors that the next meeting of the Governing Body is scheduled for 5.30 pm **Wednesday 23 January 2013** at the Farm Lodge, Ballymena Campus.