

NORTHERN REGIONAL COLLEGE

GOVERNING BODY

Minutes of the meeting of the Governing Body held at 5.30 pm on 21 August 2013 at the Farm Lodge Ballymena Campus, Northern Regional College

Present Mr G Gilpin (Chairperson), Mr T Neilands (Principal), Mrs I Allison, Alderman J Brown, Mr S Davidson, Mrs J Eve, Mr I Goldsworthy, Mr R Jay, Alderman PJ McAvoy, Mr S McCartney, Mr M Murray and Mrs A Rankin

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

UNRESERVED BUSINESS

47.1 Membership and Apologies

Apologies were received from Mrs K Collins, Mr A Kennedy, Dr D Lennox, Mrs G McConnell and Mr K Nelson

47.2 Declaration of Interests

There were no declarations of interests.

47.3 Minutes of Last Meeting

The minutes of the last meeting of the Governing Body held on 26 June 2013 were approved.

47.4 Matters Arising

47.4.1 World Skills (minute 46.6 d))

The Principal reported that the Mechatronics team representing the UK at the World Skills at Leipzig in July had come 9th in the worldwide competition and had received a Medallion of Excellence. The Team was made up of two NRC students, David Cargill and James Overend, and managed by a member of staff, David Russell. It was noted that the Minister would be having a reception for participants from the Sector. The Governing Body congratulated the Team and Manager on their success.

47.5 Correspondence

The Governing Body noted correspondence from DEL, dated 8 August 2013, regarding the payment of progression-related increases in the Further Education Sector. The Sector is currently working with DEL on business cases to be submitted to DfP for the payment of all increases to staff salaries and it will be necessary to delay payments until approval has been obtained. It was noted that this may result in a delay in the receipt of such payments across the Sector.

47.6 Draft Budget 2013/2014

The Governing Body received two documents: the Budget 2013/2014 for submission to the Department; and a further document providing background information. Mrs Moore, Director of Finance and Corporate Development, in presenting the Budget stated that it was a challenging budget. An historic deficit of £516k was projected for 2013/2014, which included a £260k investment in staff to ensure that the FLU target was met and £250k investment in redundancy costs to allow further restructuring and rebalancing of staff. The Budget reflected a well planned strategic curriculum to ensure the delivery of the FLU target and avert the claw back of £400k for under-delivery against FLU target in 2011/12. Reserves will remain in the region of £174 - £283k during the period 2013/2014 to 2015/2016.

Mrs Moore advised that two thirds of the College's income is derived from DEL grants for FE, HE and Essential Skills; any increase or decrease in recurrent grant funding will have a more significant impact on the financial projections of the College than an increase or decrease to funding from other types of provision. It was noted that HE provides the highest contribution to income per £ of direct delivery cost, followed by the FE provision. This fact may be relevant when the Governing Body is considering the most appropriate type of provision in which to invest to generate future income. She mentioned that income related to Entitlement Framework accounts for 5% of the College income but future plans to remove the ring fenced nature of the funding within schools may impact on the demand for this provision. Reference was also made to the fact that the College had extended its income generation activities during 2012/2013, particularly in the areas of Hospitality, Leadership and Management and Engineering. Greater emphasis would be placed on relating the curriculum to industry and commerce during 2013/2014.

The Principal referred to the relationship between the Budget 2013/2014 and the Budgets for 2014/2015 and 2015/2016. He said that there was a need for a change of direction, which made it difficult to make projections for 2014/2015 onward. He said that he would address this matter when presenting his Vision for the Future paper (see minute 47.8)

Governors made a number of observations:

- The Budget was based on the assumption that staff costs would rise by 1% each year yet the Financial Forecast 2013-2016 indicates increases in excess of this
- The Budget showed no significant increase in income
- There is a need to address the staff/income ratio and reduce in particular staff costs. It was suggested that staff costs could be reduced by the introduction of unpaid holidays and 4-day weeks
- Further consideration needs to be given to Estates Maintenance costs
- The budget earmarks funding for lecturing staff redundancies; consideration should also be given to support staff
- It was suggested that it was important to have some one responsible for corporate sponsorship
- It was essential to set challenging targets for categories of provision such as Bespoke Training
- It would be useful to have full details of income and expenditure
- Concern was expressed regarding the reserve levels

The Governing Body agreed that:

a) The Budget, as presented was not challenging enough and would therefore require further consideration by Management;

b) A small group, as suggested by Mrs Moore and which would include Mrs Rankin, should be established to meet with Mrs Moore in the forthcoming week to give further consideration to the Budget. The Secretary was to make the necessary arrangements;

c) There should be a full meeting of the Governing Body following the Finance and General Purposes Committee meeting to consider and approve the revised budget.

47.7 Outline Business Case

The Governing Body received a copy of the full and amended Outline Business Case. The Principal drew attention to a number of key issues:

a) The recommended phasing of the proposed new build. The OBC recommends a two-phase approach: Phase I at Coleraine and Phase II at Ballymena. During the development of Phase I it would be important for the College to keep to the fore the Phase II development at Ballymena;

b) The total space requirement at Coleraine 15,507 (sq.m) and at Ballymena 22,704 (sq.m) with the project cost of Coleraine £38.5m and Ballymena £58.1m. The Principal advised that DEL would be bidding for the funding for Phase 1;

c) The rationales provided for the options, particularly the justification of the choice of location at Coleraine rather than Ballymoney. It was noted that this development would go out to Public Consultation

d) The outcome of the separate economic appraisal for Larne and its preferred option contained in the Appendix to the document.

The Principal stated that there had been significant developments in the last week regarding the OBC and as a consequence the Governing Body was now required to make a decision regarding the possible location of the new build at Coleraine. The College owned two sites at Coleraine: its current site and one at Brook Street. It would be necessary, however, to clarify ownership of title and any planning issues, which might preclude the use of the Brook Street site. If the College opted for this site it would then move to the next stage, the procurement of a design team. It was also noted that consideration was being given to a number of other locations such as the Ramparts' site. The Governing Body noted a number of advantages of the Brook Street site for the new build including the fact it was wholly owned by the College and had a town centre location, easily accessible to rail and bus.

The Governing Body agreed that

a) Governors should, if possible, visit the proposed Brook Street site at Coleraine;

c) A final decision should be made regarding the preferred location of the new build at Coleraine at the next meeting of the Governing Body on 16 September 2013; and

d) A representative from the Department, Mr Tom Redmond, should be invited to the meeting.

The Principal referred to the minutes of a previous meeting of the Governing Body regarding Governors' concern in relation to the delay in the processing of the OBC. He clarified the process involving the College, ETI and DEL. The College was required to identify the curriculum need, ETI then scrutinised this and related it to the Schedule of Accommodation. DEL had a challenge role particularly in relation to value for money. The outcome should be a plan acceptable to all parties.

47.8 College Vision Post Business Improvement Plan

The Principal presented a paper, which he had prepared, regarding the College Vision for the Future. He stated that, as the College enters the fourth year of its Business Improvement Plan, it has become clear that the BIP objectives have changed significantly since they were drawn up in 2010. He said that attempts had been made to address underlying issues such as high staffing costs and it has become apparent that the problem has been as much one of generating income as of reducing costs. He mentioned that it had also become apparent that curriculum changes will require a level of investment that the College will find difficult to provide.

He informed Governors that DEL officials are aware of these difficulties through the BIP monitoring process and have discussed the following areas of immediate assistance:

a) Support of an external resource to assist the Principal in conducting the College Vision exercise;

b) Support for the appointment of an Estates Project Manager with the technical expertise to manage the proposed new build;

c) Support to further develop the work currently undertaken by the South Eastern Regional College as part of the inspection follow-up action plan to improve data management and access; and

d) Support for the creation of a Science, Technology, Engineering and Mathematics (STEM) Centre at the Newtownabbey Campus.

Referring to the procurement of an external source to assist with the development of a Vision for the Future Exercise, the Principal advised that the Department would undertake the procurement process but it would consult with the College. He anticipated the exercise would develop not only a vision but would make recommendations for its implementation.

The Governing Body agreed that the College should seek support from DEL for the procurement of an external source to assist the Principal in developing a College Vision for the Future.

47.9 Project Team

Mr Sam Davidson, Chair of the Project Team, provide a verbal report from the meeting of the Project Team on 26 July 2013. He reported that during the meeting the Team had discussed a number of issues including:

- a) The difference between the projected outturn at 31 July 2013 and the Initial Budget;
- b) Strategic Workshop to be scheduled for October 2013 instead of January/February 2014.

47.10 Any Other Notified Business

There was no other business to discuss.