

## **NORTHERN REGIONAL COLLEGE**

### **GOVERNING BODY**

Minutes of the meeting of the Governing Body held at 6.30 pm on 16 September 2013 at the Farm Lodge Ballymena Campus, Northern Regional College

Present Mr G Gilpin (Chairperson), Mr T Neilands (Principal), Mrs I Allison, Mrs K Collins, Mr S Davidson, Mr R Jay, Dr D Lennox, Mr S McCartney, Mr M Murray and Mrs A Rankin

In Attendance Mrs B Crotty, Mrs C Moore, Dr C O'Mullan, Mr T Redmond (DEL representative for minute 48.1) and Mr JA Hunter

### **UNRESERVED BUSINESS**

#### **48.1 Outline Business Case (OBC)**

The Principal reminded the Governing Body that it had discussed the draft Outline Business Case and, in particular, the possible location of the planned new build for the Coleraine/Ballymoney area at its last meeting on 21 August 2013. The Governing Body discussed the suitability of the Brook Street site in Coleraine, which is owned by the College as well as a number of alternative sites. It was agreed to defer a decision on the identification of a preferred location until the meeting on 16 September 2013 to allow Members to visit the Brook Street site. It was also agreed to invite a DEL representative to the meeting to discuss the options and other aspects of the OBC.

The Chairman welcomed Mr Redmond, who detailed a number of issues in relation to the new build:

a) Ballymoney/Coleraine Campuses. It was noted that a decision had been made to construct a single building at Coleraine to replace the Ballymoney and Coleraine Campuses;

b) Sites Owned by College. The College owns two locations in Coleraine, the present site of the College in Union Street and a football pitch in Brook Street. The College needs to decide urgently whether they are suitable and meet its needs. It will be necessary to obtain technical advice from architects and planners as to whether the total space requirements (15,507 sq metres) can be delivered at Union/Brook Streets. If the architects and planners are satisfied with the site it may be difficult to persuade the Department to consider a move elsewhere. It was noted that the College is currently conducting a PAD process, which will provide a decision as to the suitability of the Union Street/Brook Street site. Mr Redmond advised that a schematic drawing would be required as part of the PAD process. If both sites are capable of delivering the project the next step would be to appoint a design team to prepare a planning application. In due course it would be necessary for the College to tender for a contractor. If the PAD exercise concludes that both sites are unsuitable it will be necessary for the College to seek an alternative site.

Governors showed a lack of enthusiasm for the Union Street/Brook Street; the site was restricted, unattractive and access was difficult. A Member stated that the College should not be compelled to build in an undesirable location. The new build was a 40-50 year project and the location had to be right.

A Member proposed and **the Governing agreed that an early November completion date should be placed on the PAD process.** This would allow the Governing Body (20 November 2013) to consider the findings of the PAD exercise.

c) Alternative Sites. Consideration has been given to a number of other sites at Coleraine including the Ramparts and the Leisure Centre. The Ramparts has a preferred developer, which may give rise to difficulties, and the Leisure Centre site is unlikely to be available until 2018.

d) Restructuring of Phases. If the College is unable to find an appropriate site in the short term at Coleraine it will have to consider a rephasing process with Phase I at Ballymena, Phase II at Coleraine and Phase III at Ballymena.

The Chairman thanked Mr Redmond for his contribution to the discussion.

#### **48.2 Membership and Apologies**

The Chair reported that Mr Kennedy has been appointed as the NEELB representative on the Governing Body for the period from 13 May 2013 to 12 May 2017 and Mr Stephen Kelly, the Student Governor for the academic year 2013/2014

Apologies were received from Alderman J Brown, Mrs Judith Eve, Mr I Goldsworthy, Mr S Kelly, Mr A Kennedy, Alderman PJ McAvoy, Mrs G McConnell and Mr Ken Nelson

#### **48.3 Declaration of Interests**

There were no declarations of interests.

#### **48.4 Minutes of Last Meeting**

The minutes of the last meeting of the Governing Body held on 21 August 2013 were approved.

#### **48.5 Matters Arising**

##### **48.5.1 College Vision Post Business Improvement Plan (minute 47.8)**

The Principal referred the Governing Body to a letter that he had written to the Department regarding the development of a renewed Vision for the Future for NRC. He advised Governors that Mrs Catherine Bell and Dr Mary McIvor would come to the next meeting of the Governing Body (16 October 2013) to discuss this matter.

##### **48.5.2 Strategic Workshop**

A Governor asked and was advised that it would be appropriate to hold the Strategic Workshop in November after the discussion with DEL representatives regarding the College's Vision for the Future.

##### **48.5.3 Any Other Matters**

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

#### **48.6 Correspondence**

The Governing Body noted a letter from the Ballymena Borough Council, dated 4 September 2013, congratulating the College on being presented the Education Partner Award with Equiniti ICS Limited at the 2013 Northern Ireland Impact Awards.

#### **48.7 Chair's Communications**

There were no communications from the Chair

## **48.8 Draft Budget 2013/2014**

It was noted that the Governing Body (21 August 2013) had given consideration to the Draft Budget 2013/2014 and had agreed that it would require further consideration by Management.

The Director of Finance and Corporate Development presented the revised budget, which projects an historic cost surplus of £2k for 2013/2014, £19k for 2014/2015 and £69k for 2015/2016. The Governing Body received a further document, providing background information concerning the actions taken by Management since the last meeting in relation to generating income and cost reductions in regard to the Curriculum. It also detailed proposals from Support Departments to reduce costs.

During discussion Governors made a number of observations in relation to the documents:

- Budget Holders must be made aware of the seriousness of the financial situation and must agree to the revised targets. A performance agreement should be in place for budget holders. Training should be provided for all budget holders and line managers.
- Concern was expressed regarding the consequences of not filling the Information Services Post, given the need to prepare reports and data for ETI and QAA visits. The Governing Body was assured that Mrs Crotty would be responsible for the prioritisation of work in this section and for ensuring that material was available for ETI and QAA
- Unease was expressed that income continues to decline and there was only marginal change in the reduction of expenditure. The College must look for additional sources of savings and income generation should be addressed at the Governing Body Workshop. Staff should be encouraged to provide ideas for both savings and income generation
- There was disquiet that there had been little change in the Staff/Income ratio. The Principal reminded the Governing Body that the College had expended some £3.4 million on redundancies over the past five years to reduce staff costs. He stated that he would look at Support Staff and Management with a view to making further savings.
- A query was raised regarding whether the College is obtaining Value for Money in respect of initiatives such as the development of Acumen, hosting NI Skillbuild, engaging in Worldskills and developing Sporting Academies.
- There was a need for the College to have flexibility to deal with potential criticism from students regarding the student experience. The Principal indicated that unless funding is found for redundancies it would be necessary to impose cuts on Student Services.
- The development of an NRC Vision for the Future is critical to the future success of the College and would need to be completed before the next funding bid. The Principal stressed the need for the exercise to produce recommendations for the way forward for the College
- The imposition of 5% savings across the College will penalise the more efficient Faculties and Departments. Sanctions should be imposed on areas failing to meet targets. A Governor stated that redundancy is not the only way to effect savings. Consideration should be given to options such as flexible hours, four-day weeks and term-time employment.
- Insufficient attention has been given to the generation of income. The College should aim at achieving a surplus rather than a break-even position during the Financial Year 2013/2014.
- Inadequate attention has been given to the reduction of overhead costs.
- The emphasis on savings could have an adverse effect on staff morale.

**The Governing Body approved the revised Budget for 2013/2014 for submission to the Department. It also agreed that the EMT should set targets with a view to achieving a budget surplus rather than a break-even position.**

#### **48.9 Financial Out-Turn 2012/2013**

The Governing Body gave consideration to the Financial Out-Turn for 2012/2013 at its last meeting on 21 August 2013 and agreed that a Report should be forwarded to the next meetings of the Finance and General Purposes Committee and the Governing Body providing reasons for the greater than expected deficit.

Mrs Moore stated that, since 21 August 2013, FRS17 information had become available and some adjustments had been made to the accruals and repayments. She advised the Governing Body that the revised draft out-turn for 2012/2013 is a deficit of £1,595k.

Mrs Moore provided Governors with a Report on the Financial Out-Turn 2012/2013, which set out:

- a) The Budget setting and financial monitoring process;
- b) Reasons for the additional budget pressures during 2012/2013 and an explanation as to why they were not identified at an earlier stage; and
- c) Recommendations in order to address the events and processes, which led to budgetary pressures in 2012/2013.

The Governing Body noted that the Finance & General Purposes Committee had given detailed consideration to both sections a) and b) of the Report and agreed that it should concentrate on section c), which deals with recommendations to address the greater than expected deficit during 2012/2013.

Governors, who had attended the F&GPC meeting, stated that they were content with the reasons for the overspend but were still unhappy that the seriousness of the situation had not been identified until June, when it was too late to take adequate corrective action. The Chairman stated that there had been no warnings throughout the year. A Governor stated that Budget-holders had not taken responsibility for their budgets and should have been reprimanded for their failure.

Mrs Moore considered in turn the various recommendations to ensure that the College delivers a financial out-turn each year within an agreed budget:

- a) Re-establish clear lines of responsibility and improve the budget setting process. Governors impressed the need for a Schedule of Delegated Responsibility to be in place. It was noted that the EMT had planned to address this matter at its next meeting on 23 September 2013. It was hoped to have the scheme in place by October 2013.
- b) Increased focus on monthly forecasting. The Governing Body concurred that realistic forecasts would ensure issues are identified and action taken at an early stage.
- c) Finance would become a standing item on the SMT agenda. A collective approach would be taken by SMT to quarterly variance adjustments.
- d) Review of Documentation to collect information for additional resources or surrender of resources. It was suggested that a Business Case should be presented to support requests for additional resources.
- e) Training for Budget Holders and Line Managers. Governors stressed the need for training in relation to budget setting and accurate projections.
- f) Internal Audit to revisit budget setting and monitoring. Governors considered that this recommendation should be removed.

- g) Responsibility for training income and payments to be transferred to the Faculty, where there will be closer links between the income and delivery.
- h) Unplanned staff hours to be authorised in advance by the Head of Faculty/Director of Curriculum.
- i) Closer monitoring of Additional Support Fund. The Governing Body stressed the need for better forecasting of total expenditure to enable additional funds to be requested throughout the year.
- j) Budget for Staff absence. A Governor expressed concern that cover may not be available for long term absences.
- k) Travel expenditure to be limited to essential travel only. A Governor stressed the need for consistency in applying this ruling.
- l) Advertising to adhere to budget. It was noted that an evaluation was being undertaken to determine the impact of advertising.
- m) An electronic PTL payroll system is being implemented to identify contracted and non-contracted work on a timely basis. This would help with projections.
- n) Estates Work. Work to be prioritised and a full expenditure forecast to be completed monthly.

**The Chairman suggested and the Governing Body agreed that:**

- a) Responsibility for the implementation of the recommendations should be allocated to members of the EMT rather than to Heads of Faculty and Heads of Departments.**
- b) The F&GPC should be responsible for monitoring the implementation of the recommendations**

#### **48.10 Any Other Notified Business**

##### 48.10.1 Governor Assessment Forms

The Department has reminded the College that Governor self-assessment forms are due back no later than 30 September 2013. It was noted that several Governors had still to forward their forms to the Department.

##### 48.10.2 First Trust Bank

The Director of Finance and Corporate Development informed the Governing Body that the First Trust Bank had withdrawn its service from Ballymoney. She said that this was in breach of its contract with the College. She added that the matter was being investigated.

There was no other notified business.

#### **48.11 Next Meeting**

It was noted that the next meeting of the Governing Body is scheduled for 5.30 pm Wednesday 16 October 2013 at the Farm Lodge, Ballymena Campus.