

NORTHERN REGIONAL COLLEGE

GOVERNING BODY

Minutes of the meeting of the Governing Body held at 5.30 pm on 29 April 2015 at the Farm Lodge Ballymena Campus, Northern Regional College

Present Mrs C McKinney (Chair), Professor T Scott (Principal), Mrs I Allison, Mr C Chan, Mr S Davidson, Mrs J Eve, Mr R Jay, Mr A Kennedy, Dr D Lennox, Mr S McCartney, Alderman P J McAvoy, Mrs G McConnell, Mr M Murray, Mr K Nelson and Mrs A Rankin

In Attendance Mrs B Crotty, Mrs C Moore, Dr C O'Mullan and Mr J Hunter. Mr D Jones (KPMG), Ms B Munro (NRC) and Ms J Small (Deloitte) attended for minute 60.7.

UNRESERVED BUSINESS MEETING COMMENCED AT 7 PM

The Chair welcomed the following staff members, Mr C Chan, Mr S McCartney and Mr M Murray to the meeting and thanked them for their attendance at the later time.

The Chair asked for conflicts of interests to be declared. There were none.

60.9 Minutes of Last Meeting

The minutes of the meeting of the Governing Body held on 11 March 2015 were approved subject to the deletion of 'Mr M Durkan' at minute 59.5 a) and the insertion of 'Mr D Durkan'

60.10 Matters Arising

60.10.1 ETI Inspection Continuous Professional Development (minute 59.6 h))

It was noted that ETI had undertaken a CPD focus inspection on 25-26 March 2015 and had provided oral feedback to the College on 27 March 2015 highlighting what was 'going well' and what needs to be done going forward. NRC was awarded a '**Good**' grade for its CPD provision and activity.

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

60.11 Chairperson's Communications

The Chair thanked Governors for their concerns and best wishes during her recent illness. She stated that she had had an exceptionally busy time attending meetings and events over the last month.

She had attended the annual bi-lateral meeting on 1 April 2015 and had spent four days interviewing candidates for five places on the new Governing Body – one more day of interviews remained. Ms McKinney informed Governors of a number of forthcoming events: Employer Showcase on 19th May, meeting of Chairs with the Minister on 21 May 2015 to discuss the Budget; the BEST Awards ceremony has been arranged for 27 May 2014. She also made mention of the Worldhost training accreditations at the Lough Neagh Discovery Centre, Craigavon.

All events would be circulated to governors through Mr Hunter. The Chair also advised that she had copies, from her attendance at the seminar, of the NIAO Conflict of Interests document. This document had been referred to at the Audit committee of the evening before.

60.12 Principal's Report

The Principal reported on the following developments since the last meeting:

a) Strategic Improvement Plan. The Principal stated that the Change Team is working with KPMG to prepare the 3 year Strategic Improvement Plan. She said that two sub-groups of the Governing Body

have been established to enable more detailed discussion and input from Governors outside of the scheduled GB meetings: Group 1: To advise on strategic direction and KPIs in relation to business/stakeholder engagement and income generation (Mr Kennedy, Mr Nelson, Mrs Allison and Mrs McConnell); and Group 2: To advise on internal restructuring and related financial matters (Mrs Collins, Mrs Rankin, Mr Jay and Mr Davidson). The Chair will have oversight and attend as required/available. The Principal stated that all Governors are free to join any of the sub-group meetings.

b) Bilateral Meeting with DEL. The annual 'Bilateral meeting took place on 1 April 2015. Feedback from DEL indicated that the HE MaSN would not be increased in 2015/16. Notwithstanding the proposed reduction for the FE sector, NRC made a request for additional HE places. A meeting with DEL to discuss HE provision has been requested. The FLU allocation for 2015/16 is 237 less than the outturn for 2014/15 (4,967).

c) OBC. DEL and ETI have confirmed that the new Curriculum plan has been appropriately strengthened and linked to other key strategies. They have also confirmed that the proposed Schedule of Accommodation (SOA) for Coleraine/Ballymoney and Ballymena meets with their approval. Accordingly agreement has now been given to appoint Deloitte to update the business case, on which work will commence at the beginning of May.

d) Infrastructure Investment. Following a successful bid to DEL for the first phase of the STEAM investment, expenditure on capital, amounting to £2.34m, has been concluded on schedule by 31 March 2015.

60.13 Correspondence

The Governing Body noted that the Principal had written to all members of staff on 26 March 2015, copy to Governors, regarding the Voluntary Exit Scheme (VES). Members of staff have been asked to express an interest in being considered for voluntary exit

60.14 Balanced Scorecard

The Governing Body received a copy of the Balanced Scorecard, which provides details of progress against targets as at 29 April 2015. Mrs Moore highlighted a number of issues arising from the following domains:

a) Student Experience. The College has achieved or is predicted to achieve by the year-end targets in respect of recruitment, retention, student satisfaction and quality. The predicted FLU total is 6,215, which is 387 less than target.

b) Staffing. Staff costs to income and staff costs to student related income are projected to be achieved by the year-end as is the target for absenteeism. The lecturer staff utilisation, currently 94.13%, is less than the 97% target. 7.04 FTE redundant lecturer posts and 0.8FTE redundant support posts have been identified as a result of under-utilisation.

c) College Operations. It is predicted that all targets and milestones relating to the OBC will be achieved by the year-end.

d) Relationships. All targets have been met with the exception of the target for the Learner Access & Engagement as the LAE programme has been terminated by DEL.

e) Finance. All targets are projected to be met by the year-end. The College is on target to achieve an historic cost surplus of £0.4k at the year end.

60.15 Health Check Issue 1 2014/2015

The Governing Body received a copy of the Health Check Report prepared on the 2013/2014 Final Accounts and the Quarter 1 Management Accounts for the year ending 31 July 2015. It was noted that the Report had been circulated to all four committees, who have scrutinised the appropriate sections and forwarded comments to the Governing Body. Concern was expressed with regard to a number of elements pertaining to NRC performance and that these had been matters of concern for the governing

body for a considerable time. It was agreed that with the work currently underway led by Professor Scott, the opportunity was now there to effect the necessary improvement going forward.

60.16 Audit Committee

Mrs Rankin, Chair of the Audit Committee, provided an oral report from the meeting held on 28 April 2015. She highlighted the following issues:

a) Revised Financial Memorandum. It was noted that the revised Financial Memorandum would be applicable from 1 August 2015.

b) Correspondence from KPMG, dated 24 March 2015, regarding KPMG's Financial Statement Benchmarking Exercise for 2013/2014, which shows how NRC performs against KPMG's clients in the FE Sector. As part of the service for its Further Education (FE) clients, KPMG conducts an annual financial statements benchmarking exercise across its FE client base, 72 colleges with revenues ranging from approximately £4 million to £87 million. Some 18 measures relating to income, expenditure, balance sheets and pensions have been calculated for each participating FE institution. The Committee noted the performance of the College against these measures. Governors emphasized to the management team the need to improve in the underperforming areas.

c) College Risk Register. The current Risk Register will continue until the Strategic Improvement Plan is introduced, which will require the development of a new Register.

d) Internal Audit Progress Report. The Committee received an Internal Audit Progress Report, which provided details of the status of the programme of work detailed in the Annual Plan for 2014/2015. No new reviews were considered at the meeting and it was noted that reviews relating to Data Integrity, Payment of Part-Time Lecturers and Training for success will be presented to the June 2015 meeting and the VFM review deferred to 2015/16.

e) Progress Against Outstanding Audit Recommendations. The Chair of the Audit Committee impressed upon management the need to ensure the implementation of all outstanding recommendations before the next meeting scheduled for 16 June 2015.

f) National Fraud Initiative. Since 1996 the Audit Commission has run the National Fraud Initiative (NFI), a sophisticated data matching exercise, which matches electronic data within and between participating bodies to prevent and detect fraud. The College has submitted Payroll and Trade Creditors core data sets. NFI has returned 157 matches for 2014/15 and recommended that at least 9 specific matches are investigated.

g) Purchase Order Direct Award Contracts. The Committee received details of Direct Award Contracts for 2015 and noted two contracts of less than £1k each. It was also noted that there were NIL returns for February and March 2015.

h) Further Education Sector Procurement. A Business Delivery Proposal was prepared by the FE Sector Shared Services Working Group in 2012-13 detailing the future procurement arrangements for FE colleges. The overarching outcome of the project was the development of a Local Operating Agreement between the Colleges and CPD, under the Service Level Agreement between CDP and the Department, and the transfer of procurement activities above £30,000 to CPD by 1 April 2015

i) Audit Strategy. The Committee received a copy of the Audit Strategy, which indicates how the Northern Ireland Audit Office plans to audit the financial statements for the year ending 31 July 2015. The College is required to comply with the DEL timetable for producing and laying audited accounts. Key target dates include: the production of draft financial statements to NIAO for audit by 18 September 2015; and the issue of the Final Report to those Charged with Governance on 27 November 2015.

60.17 Education Committee

Mr Jay presented the minutes of the meeting of the Education Committee held on 24 March 2015. He highlighted the following issues:

a) Presentation on Marketing Activities. The Committee received a presentation from Mrs B Crotty, Director of Planning and Customer Services, regarding Marketing Activities. Mrs Crotty informed the Committee that the Marketing Budget is £250k for 2014/2015. She indicated the main spend categories such as PR/Public Information (£25k), Design/Brand Consultancy (£60k) and Print Charges (£40k).

b) Level 2 Pearson Examinations. The Committee noted the recently received disappointing results from the Level 2 Pearson examinations (across the sector). This is the first year that the NI FE colleges have used this particular Pearson qualification, which differs from the previous award as it has an examination component as opposed to 100% assessment. In the circumstances until NRC addresses the problem, it was proposed and the Committee approved that the College covers the costs of a first resit for students, who have failed the exam.

c) Student Council. The Committee received a detailed Report regarding Student Council activity.

60.18 Finance & General Purposes Committee

Dr Lennox, the Vice-Chair of the Committee presented the minutes of the meeting of the Finance & General Purposes Committee held on 30 March 2015. The Committee discussed a number of issues including the following:

a) Monthly Management Accounts. The Committee received the Monthly Management Accounts for the period up to 28 February 2015. The Accounts indicate that the College has an historic cost surplus of £2,539k, which is £561k ahead of budget. The Bank Balance as at 28 February 2015 was £4.9 million.

b) Non-Departmental Public Body (NDPB) Submission. The Committee received a copy of the NDPB Forecast Schedule for February 2015, which has been forwarded to the Department. The return has been reconciled with the Monthly Management Accounts and there is no variation between the Accounts and the NDPB return.

c) Health & Safety. The Committee received a presentation on Health & Safety by Mr K Leckey, Health & Safety Coordinator. He reported that there had been a significant decrease in reported staff and student accidents/incidents over the last three years. Mr Leckey indicated that he had initiated staff training and intended to include online training within the College mandatory training cycle during the period April-June 2015. The Internal Auditors had issued a 'satisfactory' assurance rating for Health & Safety in March 2014.

60.19 Staffing Committee

Sam Davidson, Chair of the Staffing Committee, provided an oral report from the meeting held on 27 April 2015. The Committee discussed a number of issues including the following:

a) Presentation on Continuing Professional Development. Mrs Kennedy, Head of Quality Improvement, provided a presentation on Continuous Professional Development. At the outset she detailed the seven key CDP priorities, which are articulated in the CPD Policy and reviewed annually. She explained the various drivers contributing to the CPD plan and stated that the College had provided some 13,500 hours of CPD activity (9,500 internal and 4,000 external) during 2013/2014. She added that there was a considerable amount of training undertaken in the College that staff had not recorded as CPD. There was therefore a need to raise awareness of this omission. The overall cost of CPD amounted to £450k during 2013/2014

b) Staffing Committee KPIs & Health Check Issue 1 2014/2015. The committee received two documents: Staffing KPIs which provided progress in relation to the Staffing KPIs for 2014/15; and the Colleges Health Check.

c) Fair Employment Monitoring Return. The Governing Body received a copy of the Fair Employment Monitoring Return 2014/2015. It was noted that the composition of the workforce had not altered dramatically from 2014 to 2015: 69% Male Protestant and 27% Male Roman Catholic; and 64% Female

Protestant and 31 % Female Roman Catholic. The Community Background composition of the workforce is not disproportionate based on catchment areas for different posts and the location of campuses.

d) Salisbury Report. It was noted that the Task Force had had its seventh meeting. Mrs Laverty informed the Committee that a sub-group had been established to develop a draft constitution for the new industrial relations framework.

60.20 Estates

In response to a query the Principal advised that two sites were being explored at Coleraine, one at Union Street and the other at Coleraine High School. The High School site would be coming available sooner than anticipated. She also explained that three sites were being investigated at Ballymena – Farm Lodge, Ballee and St Patrick's Barracks. It was noted that Deloitte were undertaking the costings of developments at these sites.

60.21 Monthly Management Accounts

The Governing Body received the Monthly Management Accounts for the period up to 31 March 2015. The Accounts indicate that the College has an historic cost surplus of £2,654k, which is £705k greater than budget. The Bank Balance as at 31 March 2015 was £5.0 million. A surplus of £270k was now being projected for 2014/2015. It was suggested that this surplus should be devoted to infrastructure enhancement. During discussion Governors raised a number of queries relating to HE Tuition Fees, Teaching Staff costs and maintenance expenditure.

The Chair expressed concern at the presentation of the Accounts including 'typo' and photocopying errors. She considered that this should have been checked before governors had been circulated with the papers. After discussion Governors agreed to accept the Accounts, however the Chair requested the paper to be re circulated to governors when the errors were corrected and that in future all papers presented to the governing body should be checked before circulation.

During discussions governors raised queries regarding contradictory information presented in the Board pack specifically in respect of the Balanced Scorecard and the financial report in respect of LAE income and FLU targets. The Chair of the Audit Committee asked that these fundamental errors be investigated as a matter of urgency to provide assurance to governors that appropriate financial controls were being executed.

60.22 Curriculum Plan 2015-2018

The Governing Body received a copy of the Curriculum Plan setting out the curriculum strategy for 2015-2018 and identifying the type of provision offered at the College, by level, by campus and in response to local and regional demand. The Plan is presented under Further Education, Higher Education, Work-Based Learning, Business Development, Staffing and Technology Enhanced Learning. The College's Curriculum will be delivered across 15 distinct vocational areas. The Plan provides a brief synopsis of the rationale for the provision and relevant development in these areas.

Dr O'Mullan, Director of Curriculum, provided an update on the Curriculum Review process 2015/2016. She outlined the priorities for curriculum rebalancing, which take into consideration several factors such as relevance, market demand and financial sustainability. Dr O'Mullan said that during the review process all new courses have been scrutinised for approval and a Curriculum Review Board will convene from 5-9 May 2015 to decide on the viability of high-risk FLU provision. Dr Lennox sought information in relation to the consultation process in respect of 12-13 courses, which may have to be withdrawn. He was advised that discussions will commence with key staff during the forthcoming week. The Chair requested a timeline and completion date for these discussions.

The Governing Body agreed that the Curriculum Plan be approved

60.23 Any Other Notified Business

There was no other notified business.

60.24 Next Meeting

It was noted that the next meeting of the Governing Body is scheduled for 5.30 pm Wednesday 27 May 2015 at the Farm Lodge, Ballymena Campus.

As there was no further unreserved business the meeting closed at 8.25pm.

C McKinney, Chair

Date

JA Hunter, Secretary