

NORTHERN REGIONAL COLLEGE

GOVERNING BODY

Minutes of the meeting of the Governing Body held on 3 September 2007 at the Ballymena Campus – Trostan Avenue, Northern Regional College.

Present Mr T Neilands (Director Designate), Mrs A M Campbell, Professor W Clarke, Mrs K Collins, Mr S Davidson, Alderman P J McAvoy, Mr P McCudden, Ms A Rankin, Mrs L Wallis

In Attendance Mrs B Crotty, Mr A Hall, Dr S Hanna, Mr I Houston, Mrs C Moore, Mr J A Hunter

RESERVED BUSINESS

3.1 Chair of Meeting

Mrs Collins, The Vice-Chairperson, informed the Governing Body that she would chair the meeting in the absence of a Chairperson.

3.2 Appointment of Director

The Chair explained the background to the appointment of the Director. She indicated that only Principals/Directors of the three institutions within the new college area were eligible for consideration for the post of Director Designate of the Northern Regional College. The Hay Group provided the Temporary Executive Committee (TEC) with assistance with the selection process.

The TEC appointed the following Selection Panel: three Chairs of the Governing Bodies of Causeway, East Antrim and North East Institutes, three members from the TEC (one from each institute) to enable a gender and community balance to be achieved, and Mr T Walsh from the Hay Group as an external representative. It was agreed that Ms G McNamara from the Hay Group would act as Recording Secretary.

Application documents were forwarded to candidates on 7 July 2006 and by the date for receipt of applications only one had been received from Mr T Neilands.

The Selection Panel met on 21 September 2006 and consisted of Dr B Caul (Chair), Dr R J Hanna, Mrs A Rowe Mrs A Murray, Mrs K Collins and Mr T Walsh. Mr T Martin (Chair EAI) was unable to attend as was his reserve Mr T Lyttle.

After a rigorous process the Panel reached a consensus agreement and recommended that Mr T Neilands be appointed as Director Designate

The TEC (25 September 2006) unanimously agreed that Mr Neilands be appointed as Director Designate.

The Governing Body **ratified** the appointment of Mr T Neilands as the Director of the Northern Regional College.

3.3 Appointment of Temporary Secretary

The Governing Body noted that the Secretaries to the Governing Bodies of the Causeway Institute, East Antrim Institute and the North East Institute had been requested, on 30 May 2007, to inform PriceWaterhouseCoopers if they wished to be

considered for the role of Temporary Secretary to the Governing Body for the period 1 August to 31 October 2007. Subsequently PWC requested potential candidates to forward CVs.

Following consideration PWC appointed Mr J Hunter to the position of Interim Secretary to the Governing Body for a period of three months from 1 August 2007.

The Governing Body **agreed** that Mr Hunter's appointment should be extended until 31 December 2007 in case there might be a delay in appointing a Permanent Secretary.

3.4 Transfer of Staff into the New Area-Based College

The Governing Body received a copy of the Human Resources Framework Document, which sets out overarching and general guidance on staffing issues resulting from the implementation of "The Further Education Means Business" review. The Director explained that the HR Working Group had developed the Framework Document from guidelines produced by ANIC. The Governing Body noted that the Temporary Executive Committee, at its meeting on 21 March 2007, had approved the document.

In response to a query it was noted that there was a Sector Redundancy Policy in place, which was currently being re-negotiated.

3.5 Second-Tier Appointments

The Governing Body **agreed** that:

- a) An Appointment Sub-Committee be established consisting of the seven members, who had recently attended the HR training session, in order to progress second-tier appointments.
- b) Authority be granted to the Sub-Committee to take the necessary decisions to progress these appointments.
- c) The Sub-Committee should meet at 4.00 pm on Tuesday 2 October 2007 at the Antrim Campus.

The Director advised Ms Wallis, who had been unable to attend the training course, that on the appointment of an HR Manager it would be possible for her to have a personal induction session.

3.6 Suspension of Member of Staff

The Director informed the Governing Body that he had suspended a member of staff following information from the Public Prosecution Services that that they were investigating an offence of a serious sexual nature alleged to have been committed by the member of staff outside the College. He advised that the member of staff had the right to appeal the suspension after three weeks.

UNRESERVED BUSINESS

3.7 Resignation of Chair Designate

The Director referred to the recent resignation of Dr B Caul, the Chair Designate; he thanked him for his outstanding contribution to the pre-merger planning process and asked for it to be recorded in the minutes.

3.8 Interim Senior Management Team

The Director welcomed to the meeting: the three Deputy Directors from the three former institutes, Mrs B Crotty, Dr S Hanna and Mr I Houston; and the Heads of Corporate Services from EAI and NEI, Mr A Hall and Mrs C Moore. The Director advised the Governing Body that, pending the appointments to the College's new Senior Management Structure, he and these members of staff would form the Interim Senior Management Team.

3.9 Apologies

An apology was received from Ms J Fullerton.

3.10 Minutes

The Governing Body **approved** the minutes of the meeting held on 20 June 2007 and of the special meeting held on 21 August 2007.

The Governing Body also received the minutes of the final meetings of the Governing Bodies of the Causeway Institute, the East Antrim Institute and the North East Institute. It was noted that it was necessary to approve these minutes in order to bring business to a formal conclusion. Alderman P J McAvoy and Mr P McCudden, past members of the NEI and EAI Governing Bodies, confirmed that their minutes gave a true account of their respective meetings. Mr I Houston, the Deputy Director CI, assured the Governing Body that the Causeway minutes gave an accurate record of proceedings. The Governing Body **approved** the three sets of minutes.

3.11 Matters Arising

3.11.1 Industrial Action (Minute 1.7)

The Director informed Members that the Minister, Sir Reg Empey, was still attempting to find a resolution to the continuing industrial action. The Minister had arranged to meet employers' representatives later in the week and union representatives during the following week to discuss the situation.

The Governing Body **agreed** that it would wish to be consulted regarding any change to the way the employers were dealing with the effects of the industrial action.

3.12 Statutory Documents, Standing Orders and Code of Ethics

The Governing Body received copies of the Articles and Instrument of Government, which had been signed by the Department on 31 July 2007.

It also received draft Standing Orders and a Code of Ethics. Members noted that the Instrument of Government requires the Governing Body to adopt a Code of Conduct to underpin the governance and management of the College.

The Governing Body **approved** the Standing Orders and the Code of Ethics subject to the inclusion the College's Mission Statement, which is still in the course of development.

3.13 Membership of Governing Body

Members received a paper recommending that:

a) The Governing Body should include two members of staff, one from the teaching and one from the non-teaching staff;

b) Nominations should be sought from both categories of staff making use of the recommended nomination papers;

c) If elections are necessary, voting papers should be distributed using the recommended voting papers.

The Governing Body **approved** the recommendations and **agreed** that the Director should select suitable dates for the election process, which will require an extensive mailing exercise.

It was noted that it would also be necessary to appoint a Student representative to the Governing Body. It was understood, however, that the National Union of Students were endeavouring to assist with the process.

3.14 Formation of Sub-Committees

The Governing Body noted that the Articles of Government require the establishment of an appropriate committee structure to assist the Governing Body and the Director in the exercise of their responsibilities.

The Governing Body **approved** a recommendation that the following sub-committees should be established:

Audit Committee

Anne Marie Campbell, Kay Collins, Janine Fullerton and P J McAvoy. Mr T Neilands will normally attend meetings.

Finance and General Purposes Committee

Bill Clarke, Pat McCudden, Alison Rankin, Lesley Wallis and Trevor Neilands.

Staffing Committee

Anne Marie Campbell, Bill Clarke, Sam Davidson, Lesley Wallis and Trevor Neilands.

3.15 Director Designate's Report

The Director highlighted the following issues contained in his Report:

a) Corporate Branding and PR

The NRC logo and the aspects of corporate design have been completed and came into use over the summer.

b) Launch of College

The official launch, which will take place on 27 September 2007, will consist of an event for staff, students and stakeholders held simultaneously on each of the nine campuses. A DVD for use at the launch, is currently being prepared; this will contain a message from the Minister for Employment and Learning, Sir Reg Empey.

c) Pre-Merger Planning

A report has been published detailing the outcomes of the various working groups and identifying those issues requiring further attention.

d) College Successes

The College has had a number of significant successes over the summer holidays: Michelin has confirmed the renewal of its training partnership for a further three years with the North East Institute; the Causeway Institute has received the Excellence in People Development and Training Practice Award; and the East Antrim Institute has been highly commended for its entry "Connect "2IT" in the 2007 National Training Awards. The Director said that these successes illustrate some of the main aspirations of the new College.

e) Enrolments

The Governing Body received oral reports from Mrs Crotty, Dr Hanna and Mr Houston regarding initial enrolments at their campuses. It was noted that the Governing Body would receive a report on enrolments at its next meeting.

3.16 Approval of Policies

The Director advised that an attempt had been made to prioritise the policies forwarded to the Governing Body. He stated that in future sub-committees would consider many of these policies.

The Governing Body received the following policies:

- a) Equal Opportunities Policy
- b) Recruitment and Selection Policy
- c) Vetting Policy
- d) Non-Compliance Complaints Policy
- e) Fees Policy
- f) Support Funds Policy
- g) Interim Health and Safety Policy
- h) Anti-Fraud Policy
- i) Hospitality and Gifts Policy.

It was noted that:

- a) The Temporary Executive Committee had already approved the first four of these policies at its meeting on 25 April 2007:
- b) The Fees Policy was currently being reviewed;
- c) It had been necessary to end concessionary fees for vocational courses as a result of Age legislation;
- d) Although the Fees Policy made reference to student debts a separate Student Debt Policy would be forwarded to the next meeting of the Governing Body.

The Governing Body **agreed** that the policies be approved. It also agreed that these policies should be brought to the relevant committees for further consideration and review and could then be taken to the Governing Body for approval.

3.17 Finance

a) Management Accounts at 31 July 2007

The Governing Body noted that the combined income for the three colleges for the year ended 31 July 2007 was £34 million and the combined expenditure £35 million. Taking historic cost depreciation into consideration the combined colleges had a historic cost surplus of £44k.

b) Financial History of Component Colleges

It was noted that income had risen for the component colleges by 12% over the first five years of the period 2001/2002 to 2006/2007 due to increased enrolments and increased grants from DEL. Income had risen steadily at Causeway, significantly at NEI and had remained static at EAI during this period. The decrease in funding in 2006/2007, however, has caused significant hardship across the sector.

Expenditure had also risen by 11% over the first five years of this period due in the main to increasing staff costs. Expenditure at Causeway and EAI had remained in line with income, whereas expenditure at NEI had decreased initially but had increased since 2003/2004 to allow controlled development of the curriculum.

The historic cost surplus/deficit for the three colleges had varied over the past six years; the combined colleges have a historic cost surplus of £44k for 2006/2007.

The NRC has a lack of reserves compared with other colleges in the sector. The projected reserves for the combined colleges as at 31 July 2007 amounted to approximately £4 million. This included £1.4 million, which is to be used for capital re-development.

Mrs Moore stated that the key financial issues facing the college included: exceptional merger costs; continuing industrial action; accommodation not "fit for purpose"; increasing staff costs; static DEL grants; and uncertainty over Training for Success Programme.

c) Proposed Budget 2007/2008

The main aim of financial management at the College is to ensure stability and continuity in its first year. Extra costs arising from the merger process will be met from existing reserves. The Governing Body received the draft budget for 2007/2008, which forecasts an historic cost deficit of £598,648. It was noted that a deficit budget requires the approval of the Department.

The Governing Body also noted two letters from DEL, one dated 29 June and the other dated 25 July 2007, providing information pertaining to expenditure on restructuring and the recurrent budget allocation for 2007/2008. The budget allocation was based on the FLU projections submitted to DEL in Phase 1 of the 2007/08 CDP.

The Governing Body **agreed** that interim approval be provided for the draft budget subject to approval by the Department

d) Financial Systems

The Governing Body noted that the NRC is currently running three separate financial systems. These are due to merge into one system by February 2008.

Interim financial control arrangements require the line managers of budget holders, who were in place in each of the constituent colleges at 31 July 2007, to report on variances to budget on a monthly basis to the three Deputy Directors. The Deputy

Directors will be responsible for reporting any significant variances and the action taken to the interim Senior Management Team. The output from the three systems will be combined on a monthly basis to produce Management Accounts, which will be reported to the Governing Body or appropriate sub-committee.

3.18 Appointment of Bankers

The Governing Body received a paper indicating that the East Antrim Institute had dealt with the tender for the provision of a banking service for the NRC. The Finance Working Group and the Director Designate had carried out the evaluation of the contract and had recommended that the Northern Bank Limited should be appointed to provide the banking services for the Northern Regional College for a three-year period with a potential extension of two years.

It was noted that the Governing Body of the East Antrim Institute had approved the recommendation on 4 July 2007.

The Governing Body **authorised and ratified** the opening of bank accounts with Northern Bank Ltd for the College under the terms of the tender dated 23 May 2007.

3.19 Calendar of Meetings

The Governing Body received a copy of the revised Calendar of Meetings, which had been made necessary by the need to adjust dates to enable the Governing Body to approve the College Development Plan and the Financial Accounts.

The Governing Body **approved** the revised Calendar.

3.20 Any Other Business

3.20.1 Next Meeting

The next meeting is scheduled for Wednesday 17 October 2007 at 6.30 pm at the Ballymoney Campus.

Kay Collins, Vice Chair

17 October 2007

J A Hunter, Secretary