

NORTHERN REGIONAL COLLEGE

GOVERNING BODY

Minutes of the meeting of the Governing Body held on 28 November 2007 at the Newtownabbey Campus, Northern Regional College.

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

In Attendance Mrs B Crotty, Dr S Hanna, Mr I Houston, Mrs C Moore, Mr JA Hunter

UNRESERVED BUSINESS

5.1 E-Governance Pilot Project

Prior to the meeting Members of the Governing Body received a briefing from Mr Keith Kilpatrick, LSDA, concerning the e-governance pilot project. He explained how the internet and other information technologies could support the process of governance.

The Governing Body agreed that Mr Kilpatrick should take the following action in order to facilitate the governance process:

- a) Assess the ICT skills of Members;
- b) Determine their training needs;
- c) Identify the governance processes that could be delivered;
- d) Make recommendations to the Governing Body regarding the piloting of these governance processes.

5.2 Apologies

An apology was received from Mrs K Collins.

5.3 Declaration of Interests

There were no declarations of interests.

5.4 Minutes of the Last Meeting

The minutes of the last meeting of the Governing Body held on 17 October 2007 were approved subject the insertion of "Wednesday 28 November" for "Wednesday 24 November" in minute 4.15 d).

5.5 Matters Arising

5.5.1 Industrial Action (minute 4.7.1)

The Director informed the Governing Body that Sir Joseph Pilling had commenced his negotiations with College employers and union representatives with a view to facilitating an agreement to the dispute, which would be acceptable not only to both parties but also to DEL and DFP. He advised that considerable progress had been made towards the resolution of the dispute and there was now a realisation that there was little to be achieved in challenging the Treasury Policy in regard to salaries. Any

pay deal would have to be based on efficiency savings and attention was being focussed on the annualised hours of teaching staff.

5.5.2 Staff Membership of the Governing Body (minute 4.7.2)

The Governing Body received a paper indicating that Ms C O'Neill had been the successful candidate in the non-teaching staff election to fill a vacancy on the Governing Body; she had received 112 votes and Mr J Carey 95 votes. There was only one nomination for the teaching staff vacancy, Mr A Watt, and an election was unnecessary.

The Director advised Members that the name of the Students' Union representative to the Governing Body should be available during the first week in December 2007.

The Governing Body **agreed that the name of the Students' Union representative should also be forwarded to the Department for approval.**

5.5.3 External Audit Service (minute 4.10 d))

The Governing Body noted at its last meeting that the Comptroller and Auditor General of the Northern Ireland Audit Office would assume responsibility for the external audit of the Further Education Sector and that it would be necessary for the College to formally invite the Audit Office to assume responsibility for the external audit of the College until such time as legislation makes it compulsory. The Director advised that an invitation was subsequently forwarded to the Audit Office and he had had discussions with Mr McCormack of the Audit Office during which arrangements were made for he and Mrs Collins to meet Mr McCormack with a view to discussing future audit provision. Mr McCormack has also indicated that he will be attending the meeting of the Audit Committee, scheduled for 26 February 2008.

5.5.4 College Development Plan (minute 4.12 e))

The Governing Body noted that detailed consideration would be given to the College Development Plan, including planning objectives and targets, at its next meeting on 16 January 2008.

The Governing Body **agreed** that the Director should investigate the possibility of devoting a full day workshop to the planning process on 16 January 2008. A suggestion was made that there should be dinner/overnight stay on the evening prior to the workshop to develop group cohesion.

5.6 Chairperson's Communications

5.6.1 Economic Development Forum

The Chairman informed Members that the Director had been appointed to membership of the Economic Development Forum, a body established to advise Ministers in the Assembly on issues relating to the Northern Ireland economy. The Governing Body congratulated the Director on this prestigious appointment.

5.7 Director's Report

The Director highlighted the following topics from his Report:

a) Northern Ireland Draft Budget. DEL held a meeting for Chairs and Directors on 9 November 2007 to discuss the impact on the Department of the outcomes of the Comprehensive Spending Review. There will be an overall requirement to deliver 3% per annum efficiency savings on all budgets. The FE budget is likely to show a

decrease over the next three years. College planning will have to take account of this.

The Director stated that it was intended to look in more detail at the information provided by DEL at the Finance and General Purposes meeting in December.

b) Graduation. Successful Graduation ceremonies took place in Ballymena on 26 October 2007 with over 200 students graduating. The guest speakers were Declan Billington, Chair of CBI and Gordon Topping, Chief Executive of NEELB.

There will be a further HE Graduation Ceremony in Coleraine on 13 December 2007.

c) NRC Award. NRC has won its first award. This took place at the Ballymena Borough Business Excellence Awards on 25 October 2007 when we won the Business Education Partnership award.

d) Skillbuild. The College has been successful in the UK Skillbuild finals when Neal Houston won first place in the British Plumbing Employers Federation Sheet Leadwork Competition.

e) Centres of Excellence. DEL has begun a review of the role of the current Centres of Excellence in the FE Sector. NRC has two Centres of Excellence, located at Ballymena, in Manufacturing Engineering and Construction and the Built Environment. The College is represented on the review group and any proposals emanating from the review will go back to colleges for consultation.

f) Learning and Skills Network Merger Research. NRC will be working with LSN, which is the UK parent body of the local LSDA, in some research activity on mergers. This is an attempt to capture some of the experience of managing a merger, provide a record of the significant work undertaken and identify some of the lessons learned. It is intended that the outcomes will form part of the programme of a national conference on mergers in the FE sector, which will take place next spring.

g) Lifelong Learning UK. The Director is currently a member of the FE Panel of LLLUK. Following some re-organisation of Directors' representational roles, the Director will now be the Northern Ireland representative on the LLLUK Council and as a consequence he will be relinquishing membership of the FE Panel.

h) School Prize Day. The Director was guest speaker at the Coleraine College Prize Day on 31 October 2007. He advised Members that this was a useful means of developing relationships with schools in the College catchment area.

5.8 Correspondence

The Governing Body noted the following correspondence received from DEL, which Members had been asked to access on the DEL web site www.delni.gov.uk and to forward any comments to the Director's PA to assist with College responses:

a) Further Education Means Business Consultation Document;

b) DEL Consultation Document on the Review of Higher Education in Further Education including Foundation Degrees;

c) Careers Guidance, Information, Advice and Guidance Strategy for Northern Ireland Consultation Document.

The Director advised Members that it would be beneficial to read the first two documents prior to the next meeting of the Governing Body, which would be devoted to the College Development Plan.

5.9 Audit Committee

The Governing Body received the minutes of the following meetings of the Audit Committee:

16 November 2007

The Governing Body noted the following issues:

a) Appointment of Internal Auditors. The Committee had agreed that the evaluation process relating to the appointment of Internal Auditors should be conducted as a desk-based exercise and that only two or three of the eight providers should be invited for interview.

b) Terms of Reference. The Committee had agreed its Terms of Reference.

c) Correspondence. The Committee had noted that the College had invited the Comptroller and Auditor General to assume responsibility for the external audit of the College until such time as legislation makes it compulsory.

20 November 2007

The Governing Body noted the following issue:

a) Appointment of Internal Auditors. Four providers had been short-listed and had been invited for interview on 29 November 2007.

5.10 Annual Internal Audit Report of the Causeway Institute 2005/2006 and 2006/2007

The Governing Body noted that the Helm Corporation had completed its internal audit work for 2005/2006 and 2006/2007 within the Causeway Institute. The Director advised that the Annual Internal Audit Report with supporting area audits were not available to forward to the final meetings of the Audit Committee and the Board of Governors of the Causeway Institute and as a consequence they had been forwarded to the Audit Committee and Governing Body of the Northern Regional College.

The Director further advised that the Due Diligence Report, which had been produced in preparation for the merger, had identified problems with the conduct of the internal audit function at the Causeway Institute. Similar problems had been referred to in the Statement of Internal Control for 2005/2006. Internal Auditors were engaged and a work plan agreed in May 2007. Given the absence of internal audit during the year 2005/2006, the scope of the auditors' work and the audit testing included the two years, 2005/2006 and 2006/2007.

The Governing Body noted that the Internal Auditors had indicated in their Report that the current framework of controls within the Institute provides a substantial level of assurance that objectives will be met. They had also indicated that no evidence had been found of fraud/irregularity, although where appropriate, they had raised recommendations to help reduce the risk of fraud or detect it at an early stage. The Director stated that the recommendations raised by internal audit would be responded to within the structures of the NRC.

5.11 Annual Reports and Financial Statements

The Governing Body noted that the Audit Committee, at its meeting on 20 November 2007, had considered the Annual Reports and Financial Statements from the College's three predecessor institutions (the Causeway Institute, the East Antrim

Institute and the North East Institute) and had agreed to recommend them to the Governing Body for approval and submission to the Department by 30 November 2007.

Attention was drawn to the situation pertaining to Little Friends (Causeway Childcare Ltd), during discussion of the Causeway Institute's Annual Report and Financial Statements); the company had accumulated losses of £73k since incorporation. In order to wind up the company the outstanding loans due to the Institute from Little Friends had been waived to leave Little Friends with £Nil net assets as at 31 July 2007.

It was noted that the Institute had received grants towards Little Friends that may be repayable, as the crèche had closed prematurely. During the year the Institute repaid £55k of New Opportunities Fund capital grant monies in full and final settlement of any liability in this regard. It was also noted that no formal settlement had been reached with Ballymoney Borough Local Social Partnership. The Institute had received £40k in grant funding from this body and a provision of £30k has been made to cover any future payments in this regard.

The Governing Body agreed that the Annual Reports and Financial Statements of the three predecessor institutions be approved and forwarded to the Department by 30 November 2007.

5.12 Monthly Management Accounts

The Governing Body received the Monthly Management Accounts for the period up to 30 September 2007. It was noted that the College had achieved a surplus of £553k on continuing operations and an historic cost surplus of £778k.

Attention was drawn to staff costs, which were £103k less than budget, as 5 FT Lecturers and 1 Associate Lecturer have still to be appointed. In addition, there are 4 members of teaching staff, who have left the College but have not been replaced.

5.13 Student Enrolments

The Governing Body received a paper providing details of enrolments on the following courses and programmes:

a) Part-time Enrolments. The College has currently 11,095 part-time enrolments for 2007/2008 but this will increase as courses are recruited throughout the year. Early indications are that numbers will be down compared with last year.

b) Higher Education Enrolments. Higher Education enrolments, 254 part-time and 729 full-time, will continue to be funded by SPURS rather than by the new funding model. Every effort would be made to reach the ceiling agreed by DEL in order to strengthen the College's bargaining position for the next academic year.

c) Vocational Education Programme. The College has submitted bids worth £1,859.943, based on 2,570 VEP enrolments, to the Department for funding.

d) Training for Success. Training for Success has replaced Jobskills as the main Vocational Training Programme for school leavers; 448 school leavers are enrolled in Training for Success compared with 492 for Jobskills at the same stage in 2006/2007.

Mr Houston, who had prepared the paper, informed the Governing Body that he should have a clearer idea in regard to enrolments during the next few weeks and he would be in a position to provide firmer statistics for the next meeting in January 2008.

5.14 Estates Strategy

The Director gave a presentation on the College's Estate Strategy. He explained to Members what the College had inherited from its predecessor institutions. Referring to the Felden Campus he advised that it would be replaced by a new build Skills Centre, at a cost of £9m, at Newtownabbey; the planned single campus at Coleraine and the single site development at Ballymena had been delayed due to the merger. He stressed the need for the College to develop a new single Schedule of Accommodation as a prelude to preparing a Business Case for submission to the Department. In the meantime the College must be prepared to represent its case for top priority treatment to be given to a comprehensive, rather than a piecemeal, NRC estates solution: the Director has already highlighted the College's concerns to DEL.

The Governing Body also received a report on estate funding and expenditure. It was noted that the Department had allocated earmarked funds to colleges over the past number of years to be spent on estates work in three specific areas: minor works, health and safety, and facilities for students with learning difficulties and disabilities. This funding had allowed the predecessor institutes to carry out major improvements to buildings.

The College has been allocated £596k for 2007/2008 and has identified several areas within estates, which will need attention in the immediate future. The Director informed Members that in future estate funding would come from within college budgets and not as earmarked grants from DEL.

5.15 Any Other Business

5.15.1 Travel Expenses

It was noted that Members had been asked to submit a pro forma giving details of their bank accounts to the Finance Office to facilitate the direct payment of expenses. At each meeting of the Governing Body and its Committees and on other occasions such as Interview Panels, Members would be asked to sign a form indicating their attendance. This will be forwarded to the Finance Office for processing.

5.15.2 Contribution to Work of College

The Director informed the Governing Body that this would be Dr Sam Hanna's last meeting. He thanked him for his outstanding contribution to the work of the College as part of the Interim Management Team. Mrs Moore also expressed her thanks on behalf of the staff of the former North East Institute.

The Governing Body agreed that its thanks be recorded.

5.15.3 Christmas Dinner

The Director reminded Members that a Christmas Dinner had been arranged for the Governing Body at the Newtownabbey Campus on Wednesday 12 December 2007. He said that members of the Senior Management Team would also be invited to attend.

5.15.3 Next Meeting

The next meeting of the Governing Body is scheduled for Wednesday 16 January 2008 at the Antrim Campus.