

NORTHERN REGIONAL COLLEGE

GOVERNING BODY

Minutes of the meeting of the Governing Body held on Wednesday 27 January 2016 at the Farm Lodge Ballymena Campus **commencing at 5.30 pm.**

Present Mr H Crossey (Chair), Professor T Scott (Principal). Mrs I Allison, Councillor J Brown, Mr K Chambers, Mrs J Eve, Mr B Hutchinson, Mr R Jay, Mr A Kennedy, Dr D Lennox, Mrs G McConnell, Mr B McCluggage, Ms Y Mallon, Mr K Nelson and Ms K Reilly

In Attendance Mr S Brankin, Mr M Higgins, Dr C O'Mullan and Mr J Hunter

UNRESERVED BUSINESS

67.1 Apologies & Membership

Apologies were received from Ms C McKinney. Mr Crossey stated that in the absence of the Chair he, as Vice-Chair, would be chairing the meeting. An apology was also received from Mr Murray and Mr Bradley.

Mr Crossey advised the meeting that the Chair of the Governing Body had asked for thanks to be conveyed to all Governors, who had written to or phoned her to express their sympathies on the death of her mother. She also wished to thank the following who attended the funeral: the Principal, the Secretary and Office Manager; Dr McIvor (DEL); and Gerry Campbell and Karen Lennon (Colleges NI). She has indicated that letters of sympathy were received from all the other Colleges in the Sector.

67.2 Declaration of Interests

There were no declarations of interests.

67.3 Minutes of Last Meeting

The minutes of the last meeting held on 25 November 2015 were approved subject to the addition of 'This was agreed by the Governing Body' to the final paragraph of minute 66.8

67.4 Matters Arising

67.4.1 Membership of Committees (minute 66.12)

The Governing Body (25 November 2015) noted that there was a need for someone with finance and auditing experience to be co-opted as a member of the Resources Committee. A person with finance and auditing experience has been approached and has confirmed that he would be willing to serve on the Resources Committee for a period of up to one year. **The Governing Body agreed that Mr Higgins should progress this matter.**

67.4.2 Staff Development Safeguarding Refresher Training (minute 66.16).

The Governing Body received a presentation from Mr S McCartney (Head of Student Services) regarding safeguarding refresher training. He referred to on-line safeguarding training for all members of staff, which had been developed by the College. The system is bespoke to the FE Sector and aligned with Northern Ireland legislation. He advised that the programme was user convenient and assisted record keeping. Members of staff were required to obtain an 80% pass rate and were awarded a certificate on completion. Mr McCartney made reference to ongoing enhancements to the system to include items such as domestic violence and transgender issues. During discussion Governors made a number of comments. It was suggested that the Audit Committee should monitor safeguarding training to ensure full staff participation. It was also suggested that Governors should have access to the online training programme.

The Chair thanked Mr McCartney for an informative presentation.

67.5 Communication from Chair

a) Strategic Workshop. The Chair reminded Governors that a Governing Body Strategic Workshop has been arranged for Wednesday 24 February 2016 at the Farm Lodge Ballymena Campus from 2.00 - 4.00 pm. Lunch will be served prior to the commencement of the session at 1.00 pm. The Workshop will be followed by a meeting of the Governing Body at 4.30 pm.

b) New Appointments. Attention was drawn to the following new appointments: Mr Steve Brankin, Vice Principal Business Development & Transformation, Mr Mel Higgins, Chief Operating Officer and Mr Vincent Taggart, Head of Corporate Challenge.

67.6 Principal's Report

The Principal referred to the following issues contained in her Report:

a) Change Programme. The Change Team continues to meet weekly. The work streams and related projects identified within the Strategic Improvement Plan are progressing as planned. She indicated that the next monthly 'Improvement Meeting' with DEL to discuss progress will take place on 28 January 2016.

b) Restructuring. The Principal provided details of recent appointments and forthcoming interviews for the Vice Principal Teaching and Learning, Head of Finance, Head of Estates, Head of IT and Examinations Manager posts. She stated that two members of staff had been appointed as EF Co-Ordinators: Ms C McDowell for the Newtownabbey area and Ms M McLaughlin for the Ballymena/Coleraine/Magherafelt areas. She said that an interim Catering Manager needed to be appointed and indicated that there was a medium term plan to take catering, cleaning and caretaking to the market.

c) Voluntary Exit Scheme. 112 members of staff are leaving the College under the VES. The Principal provided the Governing Body with details of the restructuring and interim arrangements to support curriculum delivery and business needs; some of these posts would be filled from the internal succession pool but in certain instances there was no internal succession pool and external recruitment may be necessary. It was noted that temporary cover may be required until the revised Support Management Structure is in place.

d) Staff Conference. Three hundred members of staff attended the Staff Conference at the Farm Lodge Campus on 7 December 2015. The Principal and four new Heads of Department gave presentations on the Change programme and highlighted future areas of focus linked to KPIs from the SIP.

e) ETI Visit. A team of three inspectors from ETI will undertake a Scrutiny Visit of the Whole College SER/QIP from 1-3 February 2016.

f) Campus Developments, The Outline Business Case for two new campus developments has been approved by DEL and is currently awaiting approval from DFP. The Chair advised that there may be additional costs if the delay in getting approval continued. He said that it may be necessary to incur additional costs to upgrade the current estate if approval to proceed was not forthcoming soon. It was suggested that DEL should be informed regarding the risk of incurring this potentially nugatory expenditure.

g) Stakeholder Engagement. The Governing Body received details of a number of stakeholder engagements at which the College had participated in recent weeks.

h) External Meetings and Events. The Principal indicated a number of external events and meetings, which she had attended since the last meeting.

67.7 Correspondence

The Governing Body received a copy of the Governor Remuneration Circular FE13/15 dated 18 December 2015. The Circular indicates that Chairs will be remunerated at a rate of £20,000 per year and Governors will receive remuneration at the following rates: £250 for a Governing Body meeting and £150 for a committee meeting or an event sanctioned by the Chair. It will be necessary for

Governors to submit a pro forma each month detailing their attendance at meetings and events to the Secretary and the Chief Operating Officer for authorisation. Mr Higgins stated that there would be a cap of £3,500 on remuneration per Governor in any one academic year. Where Governors are asked to participate in meetings regarding staffing matters remuneration may be granted to Governors, notwithstanding any limit set. Governors will be paid one month in arrears through the College payroll and will be subject to tax and national insurance. Clarification is being sought across the Sector in relation to a pension scheme.

In response to a query Mr Higgins confirmed that DEL had paid £15,937.50 to the College Bank Account in respect of remuneration for the period January 2016 to March 2016.

It was noted that where Governors are employed as civil or public servants they may be entitled to receive payment if their duties as a Governor are outside of their normal working hours. It was further noted that Governors will continue to be eligible to claim travelling and subsistence expenses in respect of any activities carried out while fulfilling their duties. Travel time would not be included as part of the duration of a meeting.

The Governing Body endorsed the remuneration arrangements.

67.8 Monitoring Report Implementation of Strategic Improvement Plan

The Governing Body received a copy of a Report regarding the implementation of the Strategic Improvement Plan. The Governing Body reviewed and monitored progress in relation to the following KPIs:

KPI 1 Recruitment) is colour coded amber; the College has met its full-time FE and HE targets but has still to reach part-time and ES targets. The Principal reported that projections have been calculated to the year-end, taking into account of retention rates, which show a potential shortfall of 235 FLUs. The Curriculum Management Team has reviewed this position and has identified a number of actions to mitigate against these potential shortfall. She said that in the circumstances it would be even more important to retain enrolments;

KPI 5 has been colour coded green; the staff costs/income ratio is lower than expected as a result of higher than anticipated recurrent grant income as well as lower than anticipated staff costs. Mr Higgins said that the College is projecting to make a loss of £346k at the end of the financial year. This is slightly less than the projected loss in the initial budget of £415k and results from lower than projected staff costs post VES Tranche 3. It was noted that 2015/2016 was the first year of a three year recovery plan; a break even was projected for 2017/2018.

KPI 7 is amber; two of the five targets have been achieved, one is progressing well and action is being taken in relation to the remaining two relating to completion and self assessment of CPD. It was noted that three additional mandatory staff development days have been planned, two in February and one in August. Induction and Training programmes will be delivered for all new HODs, AHODs and new managers throughout the year.

KPI 10 (Strategic Partnerships) is shown as green; the College has made good progress by entering in to 6 strategic partnerships in the year to date out of a target of 8.

KPI 11 is amber; the Governing Body noted that the College is projecting a 1% below target for income diversification and plans are being made to mitigate the erosion of the target. Mr Brankin stated that the diversification of income would come from generating a higher level of business activity with industry in the region. This involves the matching of capabilities of the College with the business needs of the area. He indicated that there were two primary threads of activity at present:

a) A portfolio of propositions is being developed detailing what the College can bring to the market and sell to businesses;

b) The College has been investigating the use of Customer Relationship Systems to manage customer contacts, customer needs and sale leads. It has been decided to opt for a SPICE platform currently in use at SERC.

Attention was drawn to a section of the Report dealing with actions being taken to address deviations of KPI targets in relation KPIs 1, 7, 8 and 11.

In response to observations by a Governor **it was agreed that a number of adjustments should be made to the format of the Reporting Schedule.**

67.9 Risk Register for Change Programme

The Governing Body received a copy of the revised Corporate Risk Register. It was noted that the Corporate Risk Register will be circulated to every meeting of the Audit & Risk Committee and quarterly to the Governing Body.

The revised Risk Register outlines the five key risks facing the achievement of the outcomes within the NRC Change Programme. It is aligned to the College's agreed risk management process and the purpose of the document is to detail management's assessment of the key risks, associated controls and actions required to minimise the risk occurring. The Governing Body noted that all five risks were colour coded green as controls are in place to mitigate any occurrence of risks. A Governor expressed the view that some of the risks appear to be overstated and should be reviewed.

It was also noted that Heads of Departments/Schools will be giving presentations at forthcoming Audit & Risk Committee meetings on their Departmental/School Risk Registers

67.10 Audit & Risk Committee.

Dr Lennox presented the minutes of the meeting of the Audit & Risk Committee held on 13 January 2016. He highlighted the following issues considered by the Committee:

a) Risk Register Workshop. It was noted that the College is organising a half-day Risk Register Workshop in late January/early February for the Senior Leadership and Senior Management Teams. The Internal Auditors have identified 3.75 days within the Audit Plan to devote to the Workshop.

b) Audit Committee Training. It was noted that all members of the Audit & Risk Committee had attended a training session for Audit Committees at SWC Dungannon on 21 January 2016

c) Internal Audit Review of Procurement. The Internal Auditors have issued a 'Satisfactory' assurance for Procurement Processes with one Priority 2 and one Priority 3 recommendation.

d) Statement of Recognised Practice (SORP). Colleges of Further and Higher Education in Northern Ireland are public benefit entities and as such are required to apply FRS 102 for accounting periods beginning on or after 1 January 2015. The financial statements of Colleges of Further and Higher Education are prepared in accordance with the SORP: Accounting for Further and Higher Education. Work has been completed to update the SORP to take account of the requirements of FRS 102 and in particular IFRS.

67.11 Resources Committee

Mr Crossey presented the minutes of the meeting of the Resources Committee held on 25 January 2016. He highlighted the following issues considered by the Committee:

a) Membership of Audit & Risk Committee. The Committee agreed that Mr Higgins would progress the appointment of a person, with accounting experience, for a one year period to the Committee (see minute 67.4.1 above)

b) Monthly Management Accounts. The Committee received the Monthly Management Accounts for the period up to 30 November 2015, indicating that the College has achieved an historic cost surplus of £1,699k, which is £637k ahead of budget. The bank balance on 30 November 2015 was £2.7m (DEL target £1.7m - £3.3m)

Mr Higgins informed the Committee that income was ahead of budget due in the main to additional DEL Grants. Expenditure is below budget as staff costs were lower than anticipated. He mentioned

that there would be increased future expenditure for roof maintenance at the Newtownabbey Campus. This expenditure has been deemed to be revenue rather than capital. He also referred to forthcoming expenditure on IT equipment and gave an overview of the DEL budget position for 2016/2017.

c) KPI Reporting Schedule. The Resources Committee received the KPI Reporting Schedule and reviewed KPI 5 (Financial Sustainability), KPI 7 (Staff), KP 8 (Learning Environment) and KPI 11 (Diversifying Income). The Reporting Schedule has been considered in detail above at minute 67.8.

d) FE College Health Check Report Issue 3 2014/2015. The Committee received the FE College Health Check Report Issue 3 2014/2015 which is based on the draft accounts for the year ended 31 July 2015 and includes figures from the final FLU lift for 2014/2015. The Committee noted the section dealing with comparative performance information, which indicates that the College is outside the DEL range in relation to the ratios: assets: liabilities and I&E reserves as a % of total income. It is also outside the range in respect of Debtor days and Creditor days. The College's staffing ratios are within the DEL suggested range although they are higher than the sector average. The Chair observed that no suggested range had been provided for all but two of the staffing ratios. He suggested that the College should devise its own target ranges for internal use.

e) Salisbury Report. The Principal informed the Committee that a draft academic contract had been drawn up recently with CollegesNI facilitating the process. It was hoped to have the contract in place by the end of the academic year.

67.12 Strategic Improvement Committee

Mr Kennedy provided a verbal report of the meeting of the Strategic Improvement Committee held just before the Governing Body meeting on 27 January 2016. It was noted that the Committee had given detailed consideration to the KPI Reporting Schedule.

67.13 FE College Health Check Report Issue 3 2014/2015

The Governing Body received the FE College Health Check Report Issue 3 2014/2015. It was noted that this document has been scrutinised by the Audit & Risk Committee (13 January 2016) and the Resources Committee (25 January 2016); it will be reviewed by the Education Committee (17 February 2016).

67.14 Any Other Business

67.14.1 Access to College Intranet.

A Governor expressed concern that the system was down for a number of days over the Christmas period. He said that he had been denied access to the College intranet and wondered if students had been deprived of online learning. Mr Higgins undertook to investigate the matter.

67.15 Next Meeting

The Chair reminded Governors that a Strategic Workshop has been arranged for Wednesday 24 February 2016 at the Farm Lodge Ballymena Campus from 2.00 - 4.00 pm. Lunch will be served prior to the commencement of the session at 1.00 pm. The Workshop will be followed by a meeting of the Governing Body at 4.30 pm

As there was no other notified business the unreserved meeting **concluded at 7.30 pm**

Mr H Crossey
Chair of Governing Body _____ Date _____

Mr J Hunter
Secretary Governing Body _____

