

NORTHERN REGIONAL COLLEGE

RESOURCES COMMITTEE

Minutes of the meeting of the Resources Committee held on 16 November 2015 at the Newtownabbey Campus at 4.00 pm.

Present Mr H Crossey (Chair), Ms Y Mallon, Mrs G McConnell, Mr K Chambers and Professor T Scott (by video-conference)

In Attendance Mrs C Moore and Mr J Hunter

UNRESERVED BUSINESS

1.1 Apologies, Membership and Terms of Reference

The Chair welcomed Members to the first meeting of the Resources Committee.

The Committee considered its Terms of Reference noting that the Terms are an amalgam of the terms of its two predecessor committees: the Finance & General Purposes Committee and the Staffing Committee. **The Committee agreed that the Terms be recommended to the Governing Body for approval (see Appendix 1).**

ACTION: Secretary to forward to Governing Body

1.2 Declaration of Interests

There were no declarations of Interests.

1.3 Correspondence

There was no correspondence to report.

1.4 Minutes of the Last Meetings of Predecessor Committees

The Committee approved the minutes of the Staffing Committee Minutes (1 June 2015) and the Finance & General Purposes Committee (22 June 2015)

1.5 Matters Arising from the Minutes of Predecessor Committees

There were no matters arising from the minutes of the last predecessor committee meetings

1.6 Chairman's Communications

The Chair stated that there was a need for an additional meeting of the Committee between the present and the next scheduled meeting on 16 March 2016. Members concurred with this view and it was agreed that Mondays (4 pm) would be a good day/time for future meetings.

ACTION: Secretary to contact the Chair to arrange a date in January for the next meeting

The Chair advised that he would meet with the Chief Finance Officer on a monthly basis for financial updates

1.7 KPI Reporting Schedule and Monthly Management Accounts

a) **KPI Reporting Schedule.** Mrs Moore explained that the Governing Body had agreed that the Resources Committee is required to monitor KPI 5 (Financial Sustainability), KPI 7 (Staff), KP 8 (Learning Environment) and KPI 11 (Diversifying Income) from the Strategic Improvement Plan.

Mrs Moore referred to the KPIs in turn:

- **KPI 5 Finance.** She advised Members that staff costs as a % of income was 60% at the end of September against an annual target of 69% as income was front loaded at the beginning of the financial year. The ratio was anticipated to be on target by the end of the year. The Principal requested that the KPI Reporting Schedule was adjusted to show year end projections for each KPI before submission to the Governing Body.

ACTION: Mrs Moore to arrange for appropriate projections to be added to the Schedule

- **KPI 8 Learning Environment.** The Committee noted that the Outline Business had been approved by the Permanent Secretary and was awaiting approval from the Minister before submission to the Department of Finance and Personnel. The Principal informed Members that once the OBC had been approved SIB would commence the recruitment process for a Project Director.
- **KPI 11 Diversification of Income.** Mrs Moore reported that income was ahead of target; at the end of September the actual figure was 35.25% against an annual Target of 34%. It was noted that income was front loaded but it was anticipated that it would be on target by the end of year. It was agreed that apprenticeships were a key area for revenue growth going forward and that this should be clearly reported performance against target. The Principal requested that the KPI Reporting Schedule was adjusted to report the value in £s as well as % before submission to the Governing Body.
- **KPI 7 Staffing.** Progress would be monitored at the next meeting in January 2016. The Chair queried if the Committee should also be monitoring the staff efficiency and utilisation KPI. He was advised that the Education Committee was monitoring this KPI, and the KPI would also be reported at Governing Body meetings.

b) Monthly Management Accounts for the two months to 30 September 2015. The College has achieved an historic cost surplus of £986k for the period up to 30 September 2015, which is £194k ahead of budget for the period. The Committee noted the variances reported in the narrative within the management accounts report. The bank balance is currently £3.9m (DEL target £1.7m - £3.3m)

1.8 Non-Departmental Public Body (NDPB) Budget Submission to DEL

The Return, which has been forwarded to DEL, has been reconciled with the Monthly Management Accounts and there is no variation between the Accounts and the Return for August and September 2015. The Committee noted that future returns were not required for the Committee's view, but it should be noted that each return reconciles to the College's monthly management accounts.

1.9 Draft Annual Report and Financial Statements 2014/2015

The Committee received a copy of the draft Annual Report and Financial Statements 2014/2015, which indicate that the College has generated an historic cost outturn surplus of £29k compared with the College's original planned outturn, as per the College Development Plan, of a £0.4k surplus.

The Audit & Risk Committee (18 November 2015) will scrutinise the document, make any necessary adjustments and forward it to the Governing Body (25 November 2015) for approval and submission to the Department

The Committee's attention was drawn to a number of issues:

- £649k originally classified as assets has been reclassified as other operating expenditure as NIAO judged that it did not meet the current definition of assets. Accordingly this grant will be paid back to DEL between November 2015 and March 2016. This accounting adjustment has reduced the historic cost surplus to £29k for the year ended 31 July 2015. DEL has requested that the adjustment be removed from the 2015/16 monthly NDPB return as the items were purchased before 31 March 2015. The College has amended the monthly NDPB return and has re-submitted the return for the year ended 31 March 2015.

- Land & Property Services. The valuation of buildings has been increased by approximately £8m to include VAT on the valuation received from Land & Property Services. This adjustment has no net impact on the income and expenditure account.
- FLU Target. As previously reported the College did not achieve its FLU target in 2014/15 (by 435). As a consequence there may be a budget reduction in future years for under-delivery. It was noted that this performance had been reflected in the 2015/2016 target. It was considered that any claw-back would give rise to difficulties for the College's financial recovery plan.

1.10 Treasury Management Policy

The Committee received a copy of the College's revised Treasury Management Policy setting out a framework for cash management, long term investment and borrowing by the College. This policy reflects the treatment of cash as identified in the revised Financial Memorandum.

1.11 Any Other Business

1.11.1 Equality & Good Relations

Mrs Moore drew Members' attention to the Public Authority Equality and Good Relations Duties Annual Progress Report 2014/2015, which had been uploaded in the minute pad library

1.12 Next Meeting

It was agreed that the Secretary would liaise with the Chair to agree a date/time/venue for the next meeting in January 2016.

NOTE: the meeting has been scheduled for Monday 25 January 2015 at 4.00 pm at the Farm Lodge Ballymena Campus

Appendix 1

TERMS OF REFERENCE RESOURCES COMMITTEE

Constitution

The Governing Body has established, in accordance with the provisions listed at Part IV of the College's Articles of Government, a Committee known as the Resources Committee.

Remit

The Committee shall be responsible, under delegated authority, to the Governing Body for

- a) The strategic direction of Finance, Human Resources, Estates and Governance practice and policies, and to make recommendations to the Governing Body as appropriate
- b) Supporting the Principal and the Executive in the development of specific Finance, Human Resources and Estates strategies; with the aim of achieving key objectives within the overall College Development Plan, which will enable the fullest utilisation of resources to the benefit of staff, students and stakeholders
- c) Reporting back to the Governing Body on College performance against objectives, key performance indicators, milestones and initiatives and provide assurance that the College is in full compliance with mandatory returns

Membership

The Committee shall consist of at least four members of the Governing Body and the Principal of the College; a quorum shall be three members. The Committee shall include, where possible, an accountant. In addition non-governors may be co-opted by the Governing Body to provide specialist expertise.

The Chairperson and the Vice-Chairperson shall be elected by the Governing Body.

The Executive Management Team will be in attendance at all meetings and Senior Managers as and when required.

Duties

The Committee shall, in relation to:

Finance

- Ensure clear reporting procedures are in place to enable effective monitoring of achievements against targets;
- Monitor the solvency of the College and advise the Governing Body;
- Advise Governing Body on clear financial objectives and clear indicators for measuring College performance
- Monitor the financial statements of the College and advise the Governing Body;
- Advise the Governing Body on the policy by which tuition and other fees payable to the college are determined;
- Review, where appropriate, the financial impact of proposals placed before other committees;
- Ensure that the Secretary maintains a Register of Interests covering the relevant interests of senior post holders;
- Ensure that the College complies with all conditions of funding and makes the appropriate returns to schedule;
- Ensure that all requirements for prior DEL approval are met;
- Ensure that the information in the accounts and the accounting methodology are in compliance with DEL specification;
- Encourage members to question any financial information that is not clear or gives rise to concern;
- Monitor high value procurement and tenders to ensure VFM and compliance with the financial memorandum;
- Monitor College company/ partnership activity and advise the Governing Body;

Human Resources

- Advise the Governing Body on employment issues;
- Ensure clear reporting procedures are in place to enable effective monitoring against KPIs;
- Advise the Governing Body on an appropriate framework within which to exercise its employment responsibilities
- Advise the Governing Body on its direct responsibilities for senior post holders;
- Ensure that there is an effective appraisal system in place;
- Ensure that up to date disciplinary and grievance procedures are in place;
- Assure itself that recruitment procedures are robust and fair;
- Ensure and if necessary demonstrate that all appointments are made on merit and are not discriminatory on the grounds of race, community background, sex, age or disability;
- Ensure that the College's procedures and employment practices are constantly revised and up to date;
- Ensure that actions are taken to promote an appropriate balance of staff reflecting gender, community background, ethnicity, disability and age profile;
- Ensure that there is a comprehensive professional workforce development policy for all staff;
- Assure itself that all legal requirements relating to the employment of staff are met by the College including NI, PAYE, Health and Safety, Human Rights, Equal Opportunities, Fair Employment, Race Relations, Data Protection and Disclosure;

- Ensure that redundancy proposals put to the Governing Body meet all employment responsibilities; Assure itself that agents and contractors indicate their full compliance with their employment responsibilities at the procurement /recruitment stage;
- Be aware of significant legislation and legislative changes affecting the employment of staff;

Estates

- Keep under review the Estates strategy in support of the College's CDP and monitor its implementation.
- Monitor that regular health and safety checks take place and receive an annual report on such checks.

General Purposes

- Receive reports on appropriate legal issues pertaining to the College;
- Liaise with other College committees through the Chairperson;
- Receive and consider reports, consultation papers and circulars concerning governance matters from the Department for Employment and Learning;
- Comply with any guidance and/or direction issued by the Department with regard to the remit and/or workings of the committee;