

NORTHERN REGIONAL COLLEGE

RESOURCES COMMITTEE

Minutes of the meeting of the Resources Committee held on 25 January 2016 at the Farm Lodge Ballymena Campus **commencing at 4.00 pm.**

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

In Attendance Mr S Brankin, Mr M Higgins and Mr J Hunter

UNRESERVED BUSINESS

2.1 Apologies

An apology was received from Dr C O'Mullan

2.2 Declaration of Interests

There were no declarations of Interests.

2.3 Minutes of the Last Meeting

The Committee approved the minutes of the Resources Committee held on 16 November 2015.

2.4 Matters Arising from the Minutes of Predecessor Committees

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

2.5 Chairman's Communications

- a) Membership of Resources Committee. The Chair reminded members that the NIAO had highlighted that it is good practice to have a qualified accountant on the Resources Committee. The Chair that a qualified accountant will be identified for the purposes of providing independent financial support to the Resources Committee to assist in discharging their function.

The Committee accepted accepted the recommendation and asked MH to progress.

b)

- b) Governor Remuneration. The Chair referred to correspondence from the DEL in respect of remuneration for Governors. £3,500 on remuneration per Governor in any one academic year. In addition Governors will be eligible for remuneration when requested to take part in approved staffing related meetings. MH advised payment would be made one month in arrears through the College payroll and would be subject to tax and national insurance. Clarification is being sought across the Sector in relation to a pension scheme.

It was noted that Sector Chairs have agreed that Student Governors should be remunerated by way of an allowance towards course fees and materials. As fees have already been paid for 2015/2016, the Student Governor will be remunerated during 2015/2016 in the same manner as other Governors.

MH to follow up in respect Governors' liability to tax in respect of travel expenses.

2.6 Correspondence

The Committee received a communication from DEL indicating that a payment of £15,937.50 will be made to the College Bank Account in respect of remuneration of Governing Bodies for January 2016 to March 2016.

2.7 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 DEL budget position for 16/17.

2.8 Outline Business Case for Capital Projects

The Principal stated that the OBC was submitted to DEL in July 2015 for approval and has been progressing through the Department since that time. It was approved by the DEL Permanent Secretary and Minister in mid-December and submitted to DFP for approval. The Principal advised that the College would be unable to advance to the appointment of a Design Team until DFP approval had been granted. Mr Higgins said that a bid was being made for expenditure in respect of the appointment in next year's budget. The Committee enquired if there would be any additional costs if the delay in getting approval continued. It was noted that it may be necessary to incur additional costs to upgrade the current estate if approval to proceed was not forthcoming soon. It was agreed that DEL should be informed regarding the risk of incurring this potentially nugatory expenditure.

2.9 KPI Reporting Schedule

The Resources Committee received the KPI Reporting Schedule and noted that it was required to monitor KPI 5 (Financial Sustainability), KPI 7 (Staff), KP 8 (Learning Environment) and KPI 11 (Diversifying Income).

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 and lower than anticipated part-time lecturer costs. 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. The Principal added that scheduled CPD days are contained within the curriculum calendar. KPI 11 is amber; the College is projecting a 1% below target for income diversification and plans are being made to mitigate the erosion of the target.

The Vice Principal Business Development & Transformation 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.

2.10 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 scrutinised:

- a) Comparative performance information. The College is outside the DEL range in relation to the ratio, 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.

b) Performance against CDP FLU targets. The College has under-delivered against FLU targets in relation to FE, HE and ES provision; this is in common with all other Colleges in the Sector. The College has made good progress and is meeting its targets for 2015/2016. It was noted that NRC had not been penalised for under-delivery in 2014/2015.

c) ETI Inspection & Audit Reports. Details of Internal Audit Reports have been provided for the Sector indicating NRC's performance compared well with that of the Sector.

d) Good practice in relation to Whistleblowing and Risk Management. It was noted that NRC's Risk Management Policy is fully compliant with DFP guidance. The MHstated that best practice recommendations in the report were being implemented as appropriate.

2.11 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.

2.12 Any Other Business

There was no other business to consider.

2.13 Next Meeting

It was noted that the next meeting is scheduled for **Monday** 21 March 2016 at 4.00 pm at the Newtownabbey Campus

As there was no other notified reserved business **the meeting concluded at 5.58 pm**

H Crossey, Chair

Date

Mr J A Hunter, Secretary