

GOVERNING BODY OF THE BELFAST METROPOLITAN COLLEGE

Minutes of the Resources Committee meeting of the Belfast Metropolitan College held on 24th November 2014 at 4.30pm in the boardroom, Titanic Quarter campus.

Present	<p>Governors: David Taylor (Chair), Joe Eagleson, Sam Hagen, Wendy Langham and Michael McCamley.</p> <p>Also present: Richard O’Rawe (Chair of the Governing Body),</p> <p>Officers: Elaine Hartin [COO], Damian Duffy [DDLs], Gillian Mayhew [Head of Finance], Darren Crothers [Head of HR], Siobhan Lyons, Head of Business Development and Peter Kane (Estate Area Manager).</p> <p>Secretary: John McAndrew</p>	
R 14 14/15	<p>Apologies and Notice of AOB</p> <p>There were apologies from Lindsey Smith .</p> <p>An item of AOB namely 14/15 FLU Performance target was accepted.</p> <p>Mr Eagleson noted the absence of an expected discussion on a personnel paper stating it had been held back until his fellow governor, Dr Walters, had time to review the document.</p>	
R 15 14/15	Conflicts of Interest Declaration	
	In response to the Chair’s question no conflicts or potential conflicts were raised.	
R 16 14/15	Minutes of the Resources Committee meeting of 18th September 2014	
	<p>The minutes were agreed save for the following:</p> <p><i>R 9 14/15 Tower Street’s RAG status</i> to be noted as amber not green.</p> <p><i>Res 2</i> to read “for formal reporting as agenda items from the Capital Project Boards.”</p> <p><i>Res 10</i> to be added “The Resources Committee agreed that a report on “lessons learned” from recent personnel cases be brought to Resources Committee and then to Governing Body.</p>	Secretary
R 17 14/15	Matters Arising	
	<p><i>R 4 14/15 (RES 31 and 32). Support staff metrics.</i> The COO noted the latest DEL Health Check (previewed at NIFON) which contained sectoral statistics, and her wish to analyse the information prior to a metrics report to a future Resources Committee.</p> <p><i>R 4 14/15 (R52 13/14) Statement of Travel.</i> It was confirmed that a verbal declaration would be replaced by a written statement at future meetings.</p> <p><i>RES 1 BMC Accounts 13/14.</i> Submitted to schedule 19th September 2014</p> <p><i>RES 2 Formal reports from Capital Project Boards.</i> The Estate Area Manager gave details of ongoing discussions on TQ legacy deductions and BMC’s twin track approach preparing for both mediation and litigation.</p> <p>The COO noted the upcoming PAC report on the PFI initiative (as an aside the Chair noted a member of the PAC’s public comments re BMC viz that good news can emanate from a PAC hearing).</p> <p>The Estate Area Manager gave details of preparation for Gateway 5, the key events and likely timescale (March 2015) and the positive feedback received thus far.</p> <p><i>RES 2 Update on one off spends. So done.</i> See minute R 21 14/15</p> <p><i>RES 3 14/15 budget and 3 year plan.</i> Approved by Governing Body on 29th September 2014.</p> <p><i>R 9 14/15 Whiterock to be listed separately in reports.</i> So done. See minute R 23 14/15.</p>	COO Officers

	<p><i>R 9 14/15 Tower Street Update. See minute R 23 14/15</i></p> <p><i>R 9 14/15 PFI contract management: Millfield and TQ to be listed separately. See minute R 23 14/15</i></p> <p><i>RES 4 Overlay Map. See minute R 23 14/15</i></p> <p><i>RES 5 Revision of Estates Strategy to be recommended to Governing Body. So done at Governing Body of 29th September 2014.</i></p> <p><i>RES 7 Non FLU income report (May 2014 version to be re-instated). See minute R 22 14/15.</i></p> <p><i>RES 7 13/14 End of year 13/14 Report for Non Flu income. See minute R 22 14/15.</i></p> <p><i>R 11 14/15 International Activity. Paper presented to Governing Body of 29th September 2014.</i></p> <p><i>RES 8/ R 11 14/15 Findings of Health and Wellbeing Focus Group to be reported to Resources Committee. See minute R 24 14/15</i></p> <p><i>RES 9 Succession plan. So done at CQE of 22nd September 2014 Governing Body of 29th September 2014</i></p>	
RES 11	<i>It was agreed that one page summary reports on TQ and e3 project boards be presented to each Resources Committee meeting.</i>	COO
R 18 13/14	Chair's Business	
	<p>The Chair noted his concerns about the different reporting periods arising from the NDPB reclassification and the need for Resources Committee to sight both year-end accounts. The COO noted the emphasis on NDPB (March) accounts going forward, the implications e.g. on managing cash, the ongoing discussions with DEL, and the need to determine how best to communicate the information required by governors.</p> <p>On enquiry the COO gave details of the intended October BMC letter to DEL concerning efficiency options which had been overtaken by events and ultimately led to a sector wide response from CNI in mid November. The Chair of the Governing Body noted that he had agreed with the P&CE to circulate the letter in full and would do so. The changes in the required modelling from the initially requested 15% to the Ministerial request for 10.8% was noted.</p> <p>The Secretary gave details of two cross referrals from the CQE committee. The CQE committee recommended:</p> <ul style="list-style-type: none"> • that the Resources Committee sight the NIPS SLA prior to contract; and, • that should the Executive bring before the Resources Committee a proposal to implement the Interim Capability Agreement (ICA) for teaching staff, that it should be strongly endorsed. 	Chair (GB)
RES 12	<i>It was agreed that updates on changes to the Financial Memorandum/ Managing Public Money Northern Ireland (MPMNI) and their impact on reporting form a regular Agenda item.</i>	COO
RES 13	<i>It was agreed to monitor the CQE cross referrals (on the NIPS SLA and the ICA) and bring to the attention of the Resources Committee at the appropriate time.</i>	DDLS DC Secretary
R 19 13/14	COO's business	
	<p>The COO confirmed that she had spoken to the Chair of the Governing Body about the FLU underperformance in 13/14, and that she would update the Governing Body in writing at the upcoming Governing Body two days away.</p> <p>The COO noted the Chair and vice Chair's attendance, together with the</p>	COO

	P&CE and COO, at that day's accountability meeting with DEL. The meeting had gone well.																																																																																																																										
R 20 13/14	BMC 13/14 Accounts																																																																																																																										
	The HoF introduced the accounts and reported extracts from the Report to those Charged with Governance (RTTCWG). She highlighted the three main adjustments made to the draft financial statements presented for audit. The Chair said he would discuss some minor points with the HoF outside of the meeting. The Secretary relayed the recommendation from the A&R Committee that the accounts were fit or purpose and sign off subject to any further comments by the Resources Committee.	Chair HoF																																																																																																																									
RES 14	<i>The Resources Committee recommended the final accounts to the Governing Body and signature by the Chair.</i>	Chair																																																																																																																									
R 21 14/15	Quarter 1 2014/15 Financials																																																																																																																										
	<p>The HoF confirmed that the direction of travel in Q1 was positive and green and noted the forecast position of a surplus of £1,120K after Historic Cost Adjustment in line with the CDP budget. She noted the lower forecast income of £0.7m and lower forecast expenditure of £0.4m and gave line by line explanations for the variances.</p> <p>She updated members on the £0.9 m recurrent budget with three of the four items yet to incur expenditure, and the fourth pot to be utilised for expenditure on the Castlereagh campus. On enquiry it was confirmed that the fourth item had been earmarked for lightning protection.</p> <p>On enquiry as to how to meet the gap between the BMC provision of £1.6m in the 14/15 budget and the potential shortfall of £2.2m identified in DEL correspondence she explained the rationale for the provision and her confidence in her argument.</p>																																																																																																																										
RES 15	<i>The Committee recommended to the Governing Body the Q1 financial statements as fit for purpose and submission to DEL.</i>	COO																																																																																																																									
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	<p>The DDLS noted the YTD income for 2014-15 was £902k compared to budget of £799k however the FYF £137k was lower than budgeted. [See tables.]</p> <table border="1"> <caption>NON Flu Year to Date Income compared to Budget</caption> <thead> <tr> <th>Description</th> <th>Code</th> <th>14/15 Budget £'000</th> <th>Year to date budget £'000</th> <th>Year to date actual £'000</th> <th>Variance £'000</th> </tr> </thead> <tbody> <tr> <td>DEL Other Grants</td> <td>1240 DEL Grants - Other</td> <td>467,000</td> <td>87,533</td> <td>307,881</td> <td>220,348</td> </tr> <tr> <td>DEL Other Grants</td> <td>1261 DEL Grants - Innovation Fund & Other Prog.</td> <td>240,000</td> <td>60,000</td> <td>108,534</td> <td>48,534</td> </tr> <tr> <td>Tuition Fees & Charges</td> <td>2011 Fees self financing courses</td> <td>2,223,846</td> <td>424,498</td> <td>362,598</td> <td>-61,900</td> </tr> <tr> <td>Tuition Fees & Charges</td> <td>2101 Course Fees - Non Euro FE</td> <td>57,000</td> <td>14,250</td> <td>3,345</td> <td>-10,905</td> </tr> <tr> <td>Tuition Fees & Charges</td> <td>2102 Course Fees - Non Euro HE</td> <td>-</td> <td>-</td> <td>9,307</td> <td>9,307</td> </tr> <tr> <td>Other Grant Income</td> <td>2201 Other Grant Income - European</td> <td>93,500</td> <td>23,375</td> <td>29,163</td> <td>5,788</td> </tr> <tr> <td>Other Grant Income</td> <td>2302 Other Grant Income</td> <td>489,000</td> <td>122,250</td> <td>39,461</td> <td>-82,789</td> </tr> <tr> <td>Other Operating Income</td> <td>2614 Letting of facilities</td> <td>235,500</td> <td>56,500</td> <td>29,095</td> <td>-27,405</td> </tr> <tr> <td>Other Operating Income</td> <td>2610 Placement Income</td> <td>45,264</td> <td>11,316</td> <td>12,635</td> <td>1,319</td> </tr> <tr> <td></td> <td></td> <td>3,851,110</td> <td>799,722</td> <td>902,019</td> <td>102,297</td> </tr> </tbody> </table> <table border="1"> <caption>NON FLU Full Year Forecast Income compared to Budget</caption> <thead> <tr> <th>Description</th> <th>Code</th> <th>14/15 Budget £'000</th> <th>Full Year Forecast £'000</th> <th>Variance £'000</th> </tr> </thead> <tbody> <tr> <td>DEL Other Grants</td> <td>1240 DEL Grants - Assured Skills</td> <td>467,000</td> <td>724,000</td> <td>257,000</td> </tr> <tr> <td>DEL Other Grants</td> <td>1261 DEL Grants - Innovation Fund & Other Prog.</td> <td>240,000</td> <td>240,000</td> <td>0</td> </tr> <tr> <td>Tuition Fees & Charges</td> <td>2011 Fees self financing courses</td> <td>2,223,846</td> <td>1,994,166</td> <td>-229,680</td> </tr> <tr> <td>Tuition Fees & Charges</td> <td>2101 Course Fees - Non Euro FE</td> <td>57,000</td> <td>70,000</td> <td>13,000</td> </tr> <tr> <td>Tuition Fees & Charges</td> <td>2102 Course Fees - Non Euro HE</td> <td>-</td> <td>-</td> <td>0</td> </tr> <tr> <td>Other Grant Income</td> <td>2201 Other Grant Income - European</td> <td>93,500</td> <td>123,500</td> <td>30,000</td> </tr> <tr> <td>Other Grant Income</td> <td>2302 Other Grant Income</td> <td>489,000</td> <td>320,000</td> <td>-169,000</td> </tr> <tr> <td>Other Operating Income</td> <td>2614 Letting of facilities</td> <td>235,500</td> <td>195,450</td> <td>-40,050</td> </tr> <tr> <td>Placement income</td> <td>2610 Placement income</td> <td>45,264</td> <td>46,934</td> <td>1,670</td> </tr> <tr> <td></td> <td></td> <td>3,851,110</td> <td>3,714,050</td> <td>-137,060</td> </tr> </tbody> </table>	Description	Code	14/15 Budget £'000	Year to date budget £'000	Year to date actual £'000	Variance £'000	DEL Other Grants	1240 DEL Grants - Other	467,000	87,533	307,881	220,348	DEL Other Grants	1261 DEL Grants - Innovation Fund & Other Prog.	240,000	60,000	108,534	48,534	Tuition Fees & Charges	2011 Fees self financing courses	2,223,846	424,498	362,598	-61,900	Tuition Fees & Charges	2101 Course Fees - Non Euro FE	57,000	14,250	3,345	-10,905	Tuition Fees & Charges	2102 Course Fees - Non Euro HE	-	-	9,307	9,307	Other Grant Income	2201 Other Grant Income - European	93,500	23,375	29,163	5,788	Other Grant Income	2302 Other Grant Income	489,000	122,250	39,461	-82,789	Other Operating Income	2614 Letting of facilities	235,500	56,500	29,095	-27,405	Other Operating Income	2610 Placement Income	45,264	11,316	12,635	1,319			3,851,110	799,722	902,019	102,297	Description	Code	14/15 Budget £'000	Full Year Forecast £'000	Variance £'000	DEL Other Grants	1240 DEL Grants - Assured Skills	467,000	724,000	257,000	DEL Other Grants	1261 DEL Grants - Innovation Fund & Other Prog.	240,000	240,000	0	Tuition Fees & Charges	2011 Fees self financing courses	2,223,846	1,994,166	-229,680	Tuition Fees & Charges	2101 Course Fees - Non Euro FE	57,000	70,000	13,000	Tuition Fees & Charges	2102 Course Fees - Non Euro HE	-	-	0	Other Grant Income	2201 Other Grant Income - European	93,500	123,500	30,000	Other Grant Income	2302 Other Grant Income	489,000	320,000	-169,000	Other Operating Income	2614 Letting of facilities	235,500	195,450	-40,050	Placement income	2610 Placement income	45,264	46,934	1,670			3,851,110	3,714,050	-137,060	
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The forecast for Self-Financing fees was £243,000 under budget and was the main variance within the financial year. This was largely offset by the increase in income from Assured Skills programmes in DEL Other Grants.

FCR Full Year Income compared to Budget							
Description	14/15	Full Year		14/15	Full Year		%
	Budget	forecast	Variance	Budget	Forecast	Variance	
	£'000	£'000	£'000	£'000	£'000	£'000	
	Income			Contribution			
School of Business, Mgt, Finance	145,000	84,817	-60,183	113,722	65,000	-48,722	77
School of Applied Science, Hair & Beauty	148,250	150,820	2,570	103,000	103,000	0	68
School of Creative & Service Industries	150,000	71,000	-79,000	104,000	40,000	-64,000	56
School of Health Care Sport & Leisure	148,000	114,586	-33,414	103,819	80,000	-23,819	70
School of Academic Support	-	-	0	-	-	0	0
School of Community Ed & Lifeskills	39,500	39,500	0	17,410	17,410	0	44
School of Engineering & Construction	507,536	604,000	96,464	193,344	205,000	11,656	34
School of Electronic & Computing Technologies	135,000	148,250	13,250	89,980	93,000	3,020	63
School of Academic Studies	14,560	4,360	-10,200	7,234	2,800	-4,434	64
Business Development	936,000	776,833	-159,167	525,000	390,000	-135,000	50
	2,223,846	1,994,166	-229,680	1,257,509	996,210	-261,299	50

The Chair welcomed the clarity of the report but sought for further meetings sight of the RAGged pipeline, the costs of the business development unit and the net contributions.

Members questioned whether the end year target was realistic given the unrealised target of £2.6m for fees and self-financing courses (line 2011) in 2013/14 (outturn £1.4m). The DDLS said that the budget process was bottom up and forecasts robustly challenged and there was ongoing management of the pipeline to identify further income generation opportunities; and that the report should be viewed in the round with shortfalls in one line offset by gains elsewhere.

DDLS

RES 16

It was agreed that both the pipeline and line 2011 be re-visited and the Q2 report forecast outturn be revised or supported in greater detail.

DDLS

RES 17

It was agreed that additional lines of explanation be added to the FCR table namely the costs of the business development and the net contributions.

DDLS

RES 18

It was agreed that further assurance was required before the Committee could express its full confidence in satisfactory progress regarding non FLU income to the full Governing Body.

DDLS

Governor Joe Eagleson left the meeting.

R 23 14/15

Estates Matters

The Estate Area Manager (EAM) updated members on the BMC Estate and said the overall direction of travel was positive and green.

- Maintenance - green – the estate was process audited on a weekly basis.
- Funding and partnership opportunities – green – the COO noted the possibility of funding for additional classrooms at e3 in the current year but any such provision would have to reflect the outcomes of the Curriculum review and satisfy business case / procurement procedures in what was a tight timescale.
- Girdwood – green – The COO confirmed that there were no restrictions on BMC's usage of Girdwood.
- SOC for Capital Development – green – on hold until curriculum review completed.
- Whiterock – green - on hold until curriculum review completed.
- BSE/CS sale – green - complete
- Millfield PFI - Contract Administration - green – audits ongoing.

	<ul style="list-style-type: none"> • Titanic Quarter PPP Contract Administration - red – see minute 17 14/15 above. • Review of rental arrangements - green - on track • Tower St – amber – next legal review update due February 2015. • Millfield PFI - Review of original Schedule of Accommodation - green - ongoing. <p>The EAM highlighted the Estate overview by curriculum and enrolments and the COO noted that each learner could spend varying amounts of time on the campus site.</p> <p>The EAM gave an assurance that H&S responsibilities were being managed and cited the previously mentioned auditing regimes as examples of evidence.</p>	
Governor Michael McCamley and officer Siobhan Lyons left the meeting prior to discussion of HR issues.		
R 24 14/15	HR Update	
	<p>The Head of HR (HHR) updated members on HR; of note</p> <ul style="list-style-type: none"> • Staff costs as % of overall costs: 58% • Staff utilisation: 88% • Appraisals – the HHR outlined contrasting progress on teaching staff observations and progress on support staff appraisals and the ongoing work to formalise appraisals and appraisal years for support staff. The COO noted the complementary work in the “Good to Great” programme where 45 managers were undergoing 360 degree reviews. The Chair noted the importance of appraisals in the present economic environment. • Performance management process – Process rolled over from 13-14 into 14-15 operating plan. Due to start in January 2015. • Staff Turnover for year – green – 4.3% in Q1 • L&D training Programme – green – programme in place for 14/15 • liP status - green – ongoing and assessment to be completed in January 2015. • Employer Development programme – amber – project to be progressed in house following difficulties in sourcing externally. • Corporate induction programme – red – project to be progressed in house or further attempts made to secure external resource. • Resourcing approach - amber – delayed but individual engaged to begin work in December. • HR toolkits - rolled over from 13-14 to 14-15 operating plan. Due to start in November 2014 • PTL Lecturers – green – ongoing with completion by end of December 2014 • HR Business review – green – ongoing and on track. • Revision of responsibilities – green – will slip to December 2014. • Review of Dashboards – green – ongoing • Staff absence monitoring - amber – behind target. 13/14 5.4%, Q1 14/15 4.96% <p>The HRM updated members on the staff survey which showed results falling short of HSE standards across 4 of 6 key areas (and needing remedial action): work demands, degree of control, organisational support, and clarity of role, with only working relationships and management of change scoring good or higher. Members stressed the need to report survey results promptly to staff and the need to take the timely necessary action.</p>	HHR

	<p>The Employee Relations summary was discussed and noted.</p> <p>The Sickness Absence report was discussed and noted.</p>	
RES 19	<p>It was agreed that once the work on the performance management process had been completed the Appraisal metrics would be reported upon and RAGged.</p>	HHR
RES 20	<p>It was agreed that future HR reports include proposals for solutions to identified problems</p>	HHR
R 25 14/15	Report on expenditure on Professional Services for 13/14	
	<p>The COO outlined expenditure on professional services and confirmed that, in the event, business cases would be made, and DFP clearance sought, for all expenditure on external consultancy over £10K, and that amounts below that threshold would be the subject of an internal business case.</p> <p>She confirmed that expected aggregated expenditure in excess of thresholds could not be broken into smaller chunks to avoid procurement rules.</p> <p>The COO clarified the distinction between managed services and consultancy with the former in essence related to “business as usual” activities and the latter outside of “business as usual” activities. Members received assurances that all expenditure was in compliance with official guidance.</p>	
R 26 14/15	AOB	
	<p>It was agreed that the 13/14 FLU performance had been dealt with in discussions surrounding the Q1 financials and no further discussion within Resources that evening was necessary.</p> <p>The Secretary noted that he would be placing the Resources Committee Terms of Reference on the next Resources Committee agenda.</p>	Secretary
	Signed Chair:	Date: