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SOUTH EASTERN REGIONAL COLLEGE

Minutes of a Meeting of the Financial and General Purposes Committee of the Governing Body (the “Committee”)

held on Thursday 2nd April 2026, at 17:30, in Meeting Room D Floor, Lisburn Campus and via Microsoft ‘Teams’

1. Chairs Business

a) Attendance and apologies

Present: Mr Alan McCrum, Mr Derek Wilson, Mr Tommy Martin (Principal & Chief Executive), Mr John Nugent (Chair of the Governing Body) Mrs Nuala Reid, Mrs Pauline Leeson, Ms Denise Stockman

In attendance: Mr Colin McGuckin (Deputy CEO), Mr Gary Ritchie (Deputy Principal Curriculum) Mrs Emma Carson (Head of HR), Mrs Claire Williamson (Secretary to the Governing Body)

Apologies: Ms Catherine McKay

In the Chair: Mr McCrum

b) Declarations of Conflict of Interests

The following conflicts were declared:

- The Principal & CEO declared his daughter is employed as a lecturer at the College.
- Mr McCrum declared his wife is employed as an inspector at ETI.
- The Deputy Principal Curriculum declared his wife and sister-in-law are employees of the College and his son is a student.

- Ms Stockman declared she is employed as an Associate Strategic Advisor at SIB

No action was taken in relation to any of the declared conflicts and no conflicts were declared regarding the presented agenda.

c) Minutes of the F&GP meeting held on 29th January 2026

Previously issued to all Members.

Agreed: The minutes of the meeting held on 29th January 2026 were reviewed. The Chair of the Governing Body asked that a point of correction was made to reflect that ISO certification was for estates and note College wide as reported at the meeting. The minutes were adopted on the proposal of Derek Wilson and seconded by Nuala Reid.

d) F&GP Action Points from meeting held on 29TH January 2026

2) Correspondence:

Previously issued to all Members.

a) Final Budget Allocation 2025-26

The Deputy CEO directed members to the enclosed correspondence, members confirmation of SERC's final 2025/26 Resource DEL allocation of £48.667m following January Monitoring, including additional allocations for Skills Focus (£9k), the Winter Warmer Scheme (£41k), and depreciation (£296k), with depreciation pressures fully met.

3) Items for Approval

a) Baseline Operational Budget 26/27

The Committee considered the Draft Baseline Operational Resource Budget for 2026/27, which has been developed on a best-case scenario basis in the absence of a published Departmental Resource Allocation. Members noted a Resource Requirement of £50.453m, and that the majority of costs are fixed, leaving very limited scope to close any emerging funding gap through expenditure reduction alone. It was noted that this position is consistent with previous years, where final funding indications were often not confirmed until later in the cycle, with a clearer position typically emerging by September.

The Committee noted that, unlike the prior year, the College is not proposing to reintroduce a blanket spend moratorium or recruitment freeze, as these measures had previously caused delays to

curriculum delivery. Instead, recruitment to essential delivery posts will continue where there is a clear operational need, with tight control maintained over discretionary expenditure. Members noted that staff cost increases of approximately £900k reflect posts already approved through CMT, consolidation of additional hours and part-time lecturers, and recruitment challenges in high-demand areas, alongside constraints arising from voluntary severance schemes.

Members noted the breakdown of costs across staff, operating and PFI, including the underlying assumptions, and discussed income volatility arising from milestone-based funding models, particularly for apprenticeships and Higher-Level Apprenticeships, where learner numbers may remain stable, but income can fluctuate significantly due to achievement and retention timings. It was confirmed that this risk is captured within the Vice-Principal's operational risk register.

The Committee noted that non-Grant-in-Aid income assumptions include a reduction linked to one-off projects in the prior year, which is expected to be absorbed within current capacity. Members discussed tuition fees and rental income and were advised that fees have remained relatively static in recent years, with any future increases requiring careful consideration to avoid impacting learner access, and that rental income has largely recovered post-pandemic with limited further growth potential.

In considering funding scenarios, Members noted that unavoidable and largely external cost pressures remain, that significant efficiencies and Reform to Save measures have already been delivered, and that future mitigation will need to be primarily income-driven, including growth in contractual programmes and improved retention and achievement. The Committee noted the uncertainty surrounding departmental support for pay awards, acknowledging conflicting signals, and agreed that the position would be kept under close monthly review, with further updates to be brought forward as clarity emerges.

The Committee commended the clarity of the analysis and noted that, while the position is challenging, the approach represents the best possible planning response in the context of continued uncertainty.

Agreed: The Baseline Operational Budget was approved on the proposal of Derek Wilosn and seconded by Pauline Leeson.

b) Healthcare Scheme Review

The Head of HR presented an overview of the Employee Healthcare Scheme, advising that the scheme was renewed in 2023 on a one-year contract with three optional extensions, and that the Committee was now being asked to approve the final one-year extension. Members noted that the scheme continues to represent strong value for money, delivering a circa 93% return on investment, with very positive staff feedback.

The Committee discussed the effectiveness of the scheme as a key recruitment and retention benefit, and Members agreed that it is widely regarded by staff as a positive and attractive element of the College's reward package. It was noted that while the scheme initially targeted musculoskeletal absence, which subsequently reduced, mental health-related absence is now the primary driver of days lost, and the scheme provides a comprehensive range of mental health and wellbeing supports. Members acknowledged that days lost due to mental health continue to fluctuate, but that overall absence trends show improvement.

Members noted that, despite current financial pressures, withdrawing the scheme would be short-sighted, given its relatively low cost, which is maintained at under £1 per employee per week, and its wider benefits. It was highlighted that staff have the option to enhance their cover at personal cost, supplementing the College-funded basic level.

The Committee agreed that the scheme speaks for itself in terms of uptake, value and impact, and noted that approval of the final extension would enable continuity ahead of a future competitive tender exercise.

Agreed: The Committee approved a further and final one-year extension of the Employee Healthcare Scheme on the proposal of Derek Wilson and seconded by Pauline Leeson

4) Staffing Items for Information

Papers previously issued to all Members.

a) HR Priorities 2025/2026 plan and status updates and HR Key Metrics Report

The Head of HR provided an overview of the five HR Strategic Priorities for 2025/26, highlighting progress to date and that a full, detailed report on actions and delivery progress would be presented at the next meeting. Members noted that completed actions would be closed off and remaining priorities carried forward into the next planning cycle, with progress incorporated into ongoing tracking arrangements for 2026/27.

Members noted that work on the JANE HRMIS reporting priority has been paused, following confirmation that the current system provider will no longer support the platform. It was confirmed that the College is working with both the outgoing and incoming providers on migration planning, noting that this is a sector-wide system issue.

The Committee discussed the Leadership Development programme for Tier 2 and Tier 3 colleagues, and noted confirmation that the programme will commence on 21 May, with an Expression of Interest process to be issued following the Easter period. It was agreed that this priority would be rolled forward into next year's delivery plan.

Members noted that the Workload pilot remains ongoing and that the College remains fully committed to this work. It was reported that the pilot has now been taken forward through a Rapid Review Team, with a smaller group meeting weekly to progress actions and address issues more effectively.

In considering the Key HR Metrics, the Committee discussed staff utilisation, noting that year-to-date utilisation remains above target. Members highlighted the associated risks, particularly in the context of reducing part-time hours. It was confirmed that a number of new delivery posts have been targeted specifically at reducing utilisation closer to 100%.

Members noted that staffing costs remain within 5% of budget, with performance monitored routinely and reported to the Department as required. The Committee discussed absence levels, noting that while short-term absence has reduced, long-term absence remains higher than the comparable point in 2024/25. Members were advised that analysis has been undertaken to explore

possible links between utilisation and absence, particularly where staff had cited work-related stress. While no clear pattern had been identified to date, further work will be undertaken to drill down into whether workload factors are contributing to stress-related absences.

The Committee noted the assurance provided through the reports and agreed that the position continues to be closely monitored.

b) Employee Relations Update

The Head of HR provided an update on employee relations activity, noting an increase to 19 cases year to date, of which seven have been completed, and four have progressed to legal claims, including one employment tribunal lodged since the previous meeting on disability discrimination grounds. Members noted that cases are spread across a range of categories and campuses, with a small number of individuals accounting for a disproportionate share of cases.

The Committee noted that group claims relating to McCloud and NILGOSC pensions remain ongoing and are subject to wider public-sector processes. Members discussed the impact of *Agnew v PSNI*, noting that the College had previously implemented temporary pay arrangements and has now put in place a formal process for staff undertaking additional hours. It was acknowledged that this had led to an anticipated increase in grievances and tribunal claims, with the timescale and historic reach of some claims still unclear.

Members queried whether there were actions that could be taken to accelerate closure of longstanding cases. The Head of HR advised that delays often arise where individuals are absent due to ill health and deemed not fit to engage in proceedings. In response to specific queries regarding allegations of inappropriate behaviour, it was confirmed that risk to students is actively managed, with appropriate mitigations applied depending on the nature of the allegation, including supervision or other control measures, while seeking to balance continued attendance at work where appropriate.

The Committee discussed reporting arrangements to the Department and was advised that updates are routinely provided, with a focus on dismissals, and that tribunal cases are notified as they arise. It was also noted that formal proformas are used for matters involving fraud and raising concerns, and that tribunal reporting follows established protocols.

The Committee noted the update and the assurance provided on case management, risk mitigation and external reporting.

4) Financial Items for Information

Papers previously issued to all Members.

a) NDPB Budgeting and Forecasting Submission

Members noted the enclosed reports.

b) Management Accounts

The Committee noted the Resource Accounts for the eleven months ended 28 February 2026, which have been submitted through IMPMS, and were advised that year-end processes are underway, with the Finance team working intensively to finalise and approve outstanding invoices ahead of the year-end return due on Tuesday. Members noted the assurance provided that the College remains on target to deliver the final outturn in line with the Resource Allocation

c) Finance Operational Report

The Committee noted the Finance Operational Report for April 2026, including updates on debt, supplier payment performance, procurement activity and capital expenditure.

Members welcomed the improvement in supplier payment performance, noting that payments made within 30 days have increased to 93.98%, compared with 80.58% at the previous year end, with a corresponding reduction in average payment days. It was noted that this reflects continued focus by the Finance team on improving compliance with public-sector payment targets.

The Committee noted the procurement update, including confirmation that contract end dates are now clearly included within the report (referenced on page 7), improving visibility of upcoming expiries and forward planning.

Members noted the capital expenditure update, confirming planned capital investment totaling £753k, comprising £552k DfE capital allocation and £211k restricted energy funding, and that capital purchasing was progressing as planned across Estates and academic areas.

Action: The Committee requested that future reports list procurement activities in date order, and that the procurement plan includes indicative target dates to support effective oversight and assurance.

d) Estates & Capital Expenditure Report

The Deputy Chief Executive highlighted recent remedial works undertaken at the Ards campus, noting that these actions were taken in direct response to staff feedback, particularly in relation to water ingress and leaks. Members welcomed the responsiveness to concerns raised by staff.

The Committee considered the utilities and energy data overview, noting trends in consumption and costs across the estate. It was reported that, while energy usage remains influenced by wider external factors, updated reporting arrangements for carbon emissions will be implemented from 1 April 2026, moving from the Department of Energy Security and Net Zero conversion factors to Northern Ireland carbon intensity indicators published by DAERA, providing a more regionally relevant measure.

Members noted the outcome of the internal audit, which provided a positive assessment of space utilisation across all campuses, and welcomed the assurance provided.

The Committee noted that an extension to the Professional Services Contract (PSC) was signed on 31 March 2026, allowing continuity of service until 30 November 2026, and that the Term Service Contract (TSC) remains in place until June 2026, with work ongoing to secure an extension to avoid any service gap.

Members noted progress on Business Continuity Planning, with two testing sessions completed to date at Downpatrick and Bangor.

In discussion, Members reflected on the ongoing global energy crisis and the inherent risks to the College budget arising from factors outside the College's direct control. It was suggested that further mitigations be explored. In response, officers outlined measures under consideration, including adjustments to heating regimes, timetabling efficiencies, and options to manage building usage, such as limiting evening opening and potential building closures during holiday periods.

Members discussed investment in hybrid heating systems and queried the financial return. It was noted that, while these schemes deliver sustainability benefits, the financial payback periods are long, meaning that the primary justification is environmental rather than short-term financial gain.

The Committee was advised that adoption of DAERA sustainability reporting will enable more detailed analysis in future, with improved reporting expected over the coming months. The Chair of the Governing Body commended the clarity of the carbon emissions reporting and thanked officers for a clear and informative presentation.

6) Health and Safety Update

Paper previously issued to all Members.

The Committee considered the Health & Safety Assurance Report for the period February–March 2026 and discussed progress on strengthening controls, assurance and preparedness for future statutory requirements.

Members noted that work is underway to improve documentation control, particularly in preparation for Martyn's Law in the next academic year. The depth and pace of activity was acknowledged, with Members recognising the significant volume of work delivered over recent months. It was noted that the level of assurance provided through the report gives increased confidence in the College's overall Health & Safety position.

Members queried whether other internal audits were overdue. In response, it was confirmed that audits are being worked through on a rolling basis, supported by fortnightly review meetings, with completion expected by the end of August. Members requested that clear dates be included in future reporting to better contextualise progress and remaining workload.

The Committee noted the strong external assurance provided by the HASMAP review and that a further detailed assurance report from Sheq Point will be presented in November, which Members welcomed.

Members discussed first aid provision, including whether first aid payments had been reviewed. It was confirmed that additional payments are made and that discussions are ongoing at sector level to standardise arrangements where possible.

The Committee was advised that recruitment is underway for two Maintenance and Compliance Officer posts. Members acknowledged the tension between rising headcount and the current budget

position but were assured that, in certain areas, recruitment is essential to meet compliance requirements, particularly within Health & Safety. It was noted that similar pressures exist within HR and Finance, including urgent compliance priorities arising from external correspondence and the workload associated with planning, joined-up recruitment processes and financial controls.

Members agreed that it is a key responsibility of the Governing Body to ensure critical compliance areas are appropriately resourced. The Committee discussed the Health & Safety training matrix and confirmed that periodic reporting provides the most effective mechanism for oversight.

Members noted the update, thanked officers for their openness and candour, and agreed that the continued focus on Health & Safety is both necessary and appropriate.

7) Policies for review

Papers previously issued to all Members.

Members noted the following policies had been reviewed and no changes were proposed:

- Access to Information (FOI and EIR) Policy
- Data Protection Policy
- Records Management Policy

The Deputy CEO presented the Acceptable ICT Use Policy for approval and provided an overview of the significant changes made as part of the IT & Services policy review, including strengthened provisions relating to artificial intelligence use, unapproved cloud storage, monitoring, and compliance with UK GDPR.

Members discussed the emerging risks associated with the use of AI-generated content, including videos, by staff and students. The Deputy Principal Curriculum confirmed that, to date, there has been no significant increase in incidents of inappropriate use. He advised that a Mobile Phone Acceptable Use Policy has been developed, addressing issues such as cyberbullying, and that AI-related guidance will be brought to a future meeting and incorporated into learner handbooks and induction materials, reflecting a proactive approach.

The Committee noted the assurance provided by officers and welcomed the strengthened clarity within the Policy.

Agreed: The Committee approved the updated Acceptable ICT Use Policy on the proposal of Nuala Reid and seconded by Derek Wilson.

8) Any other Business

No other business was discussed.

No other business was discussed and the meeting concluded at 7.02pm