

NORTHERN REGIONAL COLLEGE

FINANCE AND GENERAL PURPOSES COMMITTEE

Minutes of the meeting of the Finance and General Purposes Committee held on 29 June 2010 at the Farm Lodge Ballymena Campus.

Present Mrs K Collins (Chairperson), Mr T Neilands (Director),
Mr S Davidson, Mr P McCudden and Mrs L Wallis.

In Attendance Mrs C Moore and Mr J Hunter.

UNRESERVED BUSINESS

16.1 Apologies

An apology was received from Mr A Watt.

16.2 Declaration of Interests

There were no declarations of interests.

16.3 Minutes of the Last Meeting

The minutes of the last meeting held on 25 May 2010 were approved.

16.4 Matters Arising

16.4.1 Half-Yearly Budget (minute 15.4.1)

The Director of Finance informed the Committee that the half-yearly budget would be addressed later in the meeting at minute 16.7.

16.5 Chairperson's Communications

There were no Chairperson's communications.

16.6 Correspondence

The Governing Body received

a) Correspondence, dated 3 June 2010, from the Department for Employment and Learning confirming the budget allocation for the period 1 August 2010 to 31 July 2011 in respect of the recurrent block grant. The College has been allocated:

Further Education	£18,249,682
Essential Skills	£1,501,500
Higher Education	£2,050,992
Total	£21,802,174

The Director mentioned the possibility of reductions to the budget against the background of the difficult public expenditure environment. It was noted that DEL had advised Colleges that it would be prudent to develop their approach to any budget reduction, if implemented.

b) Correspondence from the Northern Bank, dated 1 June 2010, confirming that the Northern Bank is prepared to offer services to the College until 31 July 2012 under current terms and conditions.

16.7 Monthly Management Accounts

The Director of Finance presented the Monthly Management Accounts for the period up to 31 May 2010, which indicate that the College has an historic deficit of £33k, which is £108k behind budget. The bank balance as at 31 May 2010 was £5.6 million

The Committee noted that the College was now expecting a year-end deficit of £979k as opposed to a budget deficit of £746k. The Director of Finance informed Members that the variance related mainly to the income from the Training Programmes not being as high as originally budgeted. This was mainly due to fewer apprentices being recruited compared to trainees. There was also an overspend of teaching staff costs compared to budget. This was mainly due to uncertainty over the realisation of savings from the implementation of the new lecturers' contract. In addition there had been exceptional expenditure on redundancies and a replacement boiler.

16.8 Financial Forecast 2010/2011

The Director of Finance informed the Committee that the budget for 2010 was currently being built up from individual cost centre requests. She proposed that the Financial Forecast 2010/2011 for submission to DEL was the same as the budget contained in the Business Improvement Plan; the forecast indicates an historic cost deficit of £1,382k.

The Director of Finance suggested that the Committee should agree the budget as contained in the BIP in principle subject to:

- a) The out-turn for 2009/2010 (excluding exceptional costs);
- b) The BIP proposals to be implemented following the consultation period.

She advised the Committee that NRC Management must clarify;

- a) All proposed BIP savings have been reflected in the 2010/2011 budget;
- b) Financial implications of changes to BIP proposals as a result of the consultation, which concludes on 23 July 2010;
- c) Agreement of final FLU target for 2010/2011 with DEL;
- d) Target enrolments reflect agreed FLU target;
- e) Decide on use of additional funding (£1.2 million) received from DEL. The Director of Finance indicated the priorities in respect of the additional funding as follows:
 - i) Expenditure incurred for Public Exhibitions as part of the BIP Consultation process;
 - ii) Additional 2009/2010 redundancy costs amounting to £60k;
 - iii) Changes to accommodation as a result of BIP relocation of classes;
 - iv) Projected overspend against the 2009/2010 budget including FRS 17;
 - v) Newtownabbey new build additional equipment; and
 - vi) Investment in estates/IT.

A Member observed that the DEL grant indicated in the BIP budget was some £700k greater than the DEL allocation 2010/2011 indicated at minute 16.6 a). The Director of Finance explained that a deferred grant had been included in the BIP budget.

Following consideration **the Committee agreed the budget for 2010/2011, in principle, for submission to DEL by 15 July 2010.**

16.9 Finance & General Purposes Committee Action Plan

The Director of Finance reminded the Committee that it had agreed an Action Plan at its meeting on 30 November 2009 to enable it to review its effectiveness at the final meeting of the academic year (see Appendix 1).

The Committee reviewed its Action Plan annotated to indicate the activities undertaken during the course of the academic year. The Committee considered that it had undertaken or had made provision to undertake all the activities listed.

The Committee received an Action Plan for 2010/2011 to enable it to review its effectiveness at the end of the academic year 2010/2011 (see Appendix 2). It was noted that section c) should be adjusted to show 2011/2012 rather than 2010/2011.

It was agreed that the annotated Action Plan 2009/2010 and the revised Action Plan 2010/2011 should be forwarded to the Governing Body for information

16.10 Finance & General Purposes Committee Annual Report

The Committee received a copy of its Annual Report 2009/2010, summarising its activities, which it is required to submit to the Governing Body on an annual basis (see Appendix 3).

The Committee considered the Report and agreed that it should be forwarded to the Governing Body.

16.11 Any Other Business

There was no further notified business to transact.

16.12 Next Meeting

The Chairperson reminded the Committee that the next meeting is scheduled for Tuesday 9 November 2010 at the Ballymena Campus commencing at 7.00 pm

APPENDIX 1

ACTION PLAN 2009/2010

During the course of the academic year 2009/2010 the Finance & General Purposes Committee has undertaken the following activities specified in its Action Plan:

<i>Activity</i>	<i>Proposed Date</i>	<i>Comments</i>
a) Reviewing the Committee's Terms of Reference and Membership.	10 November 2009	Reviewed and endorsed (10 November 2009)
b) Assessing the Committee's performance,	29 June 2010	Action Plan agreed (10 November 2009) and performance to be assessed (29 June 2010)
c) Considering and recommending the Budget 2010/2011 to the Governing Body for approval.	25 May/29 June 2010	To consider draft Budget 2011/2012 (29 June 2010)
d) Monitoring progress of estates projects including the New Skills Centre at Newtownabbey	Throughout the year	<p>New Skills Centre progress reports (10 Nov, 1 Dec, 2 Feb, 23 Feb, 30 Mar and 25 May 2010)</p> <p>Sale of Land at Larne (10 Nov, 1 Dec, 2 Feb and 23 Feb 2010)</p> <p>Estates Strategy Report (2 Feb 2010)</p> <p>Strategic Outline Case (23 Feb, 30 Mar and 25 May 2010)</p>
e) Considering and approving finance related policies.	Throughout the year	<p>Revisions to Financial Memorandum (2 Feb 2010)</p> <p>Recommended to Governing Body Conflict of Interest Policy (10 Nov 2010) and Data Protection Policy (1 Dec 2009)</p>
f) Monitoring progress in relation to the Business Improvement Plan	Throughout the year	Monitored progress (10 Nov, 1 Dec, 2 Feb, 23 Feb, 30 Mar and 25 May 2010)

g) Considering and approving the College Development Plan and FLU targets for submission DEL	2 February/23 February 2010	Considered and approved CDP and FLU targets (23 Feb 2010)
h) Considering and approving the three-year financial forecast 2010/2013	29 June 2010	To be considered but incomplete (29 June 2010)
i) Monitoring the equality action plan	Throughout the year.	The Governing Body (7 Oct 09) received the Annual Equality Progress Report, the Equality Action Plan and the Disability Action Plan.
j) Considering Monthly Management Accounts including three monthly rolling cashflow forecasts.	Throughout the year	Considered Accounts (10 Nov, 1 Dec, 2 Feb, 23 Feb, 30 Mar and 25 May 2010)
k) Authorising the writing-off of bad debts.	29 June 2010.	Not complete at 29 Jun 2010
l) Receiving and considering reports and circulars concerning financial, estates and planning matters from DEL	Throughout the year	DEL circular re Governance (1 Dec 2009) DEL allocation of additional funds (30 Mar 2010)
m) Monitoring and Implementation of health and safety regulations within the College	Throughout the year	Presentation on Health and Safety (10 Nov 2009)
n) Approving the Annual Report of the Committee for submission to the Governing Body	29 June 2010	To approve (29 June 2010)

APPENDIX 2

FINANCE & GENERAL PURPOSES COMMITTEE ACTION PLAN 2010/2011

During the course of the academic year 2010/2011 the Finance & General Purposes Committee will undertake the following activities:

<i>Activity</i>	<i>Proposed Date</i>	<i>Comments</i>
a) Reviewing the Committee's Terms of Reference and Membership.	10 November 2010	
b) Assessing the Committee's performance,	29 June 2011	
c) Considering and recommending the Budget 2011/2012 to the Governing Body for approval.	31 May/29 June 2011	
d) Monitoring progress of estates projects including the New Skills Centre at Newtownabbey	Throughout the year	
e) Considering and approving finance and general purposes related policies.	Throughout the year	
f) Monitoring progress in relation to the implementation of the Business Improvement Plan	Throughout the year	
g) Considering and approving the College Development Plan and FLU targets for submission DEL	1 February/28 February 2011	
h) Considering and approving the three-year financial forecast 2011/2014	29 June 2011	
i) Considering Monthly Management Accounts including three monthly rolling cashflow forecasts.	Throughout the year	
j) Authorising the writing-off of bad debts.	September 2010	

k) Receiving and considering reports and circulars concerning financial, estates and planning matters from DEL	Throughout the year	
l) Monitoring and Implementation of health and safety regulations within the College	Throughout the year	
m) Approving the Annual Report of the Committee for submission to the Governing Body	29 June 2011	
n) Providing a Report on the Half-Year Budget	31 May 2011	
o) Monitoring membership of Governing Body	Throughout the year	
p) Monitoring Equality Action Plan	Throughout the year	

APPENDIX 3

ANNUAL REPORT 2009/2010 – FINANCE & GENERAL PURPOSES COMMITTEE

TITLE	Northern Regional College Finance & General Purposes Committee Annual Report for 2009/2010
INTRODUCTION	The purpose of the Report is to provide a summary of the activities of the Finance & General Purposes Committee during the academic year 2009/2010.
MEMBERSHIP	<p>The membership of the Finance & General Purposes Committee is as follows: Mrs K Collins (Chairperson), Mr T Neilands (Director), Rev T Jamieson, Mr R Jay, Mr P McCudden (Vice-Chairperson), Mr L Anderson, Mrs L Wallis, Mr A Watt (Staff representative).</p> <p>Mr S Davidson was recently appointed as a member of the Committee.</p> <p>Mrs C Moore, Director of Finance, attends all meetings Mrs B Crotty, Deputy Director Planning and Resources, attends meetings with estates related issues.</p>
MEETINGS	<p>The Finance & General Purposes Committee met on 7 occasions during 2009/2010:</p> <p>10 November 2009 1 December 2009 2 February 2010 23 February 2010 30 March 2010 25 May 2010 29 June 2010</p> <p>The meeting on 23 February 2010 was a joint meeting with the Staffing Committee to discuss voluntary redundancy.</p>
TERMS OF REFERENCE	The Terms of Reference of this Committee were reviewed and endorsed on 10 November 2009; there were no changes to the Terms of Reference during the year 2009/2010
ANNUAL REPORT AND FINANCIAL STATEMENTS	<p>The Committee noted that the Audit Committee (17 November 2009) had scrutinised and made a recommendation for the approval of the audited Annual Report and Financial Statements for the year ended 31 July 2009 to the Governing Body.</p> <p>The Governing Body, at its meeting on 25 November 2009, approved the Annual Report and Financial Statements.</p> <p>The Accounts indicate that the College has generated an historic deficit of £1,305k compared with the original estimated deficit of £981k as per the College's CDP. The original estimated budget did not include the FRS 17 adjustment of £459k included in the Income and Expenditure Account. The College has a healthy cash balance of £6,521k.</p>

	The Northern Ireland Audit Office issued an unqualified opinion on the truth and fairness of the College's Financial Statements and an unqualified opinion on the regularity of the financial transactions.
MONTHLY MANAGEMENT ACCOUNTS	The Committee received Monthly Management Accounts at each meeting.
ESTATES	<p>The Committee received progress reports regarding the New Skills Centre (10 Nov, 1 Dec, 2 Feb, 23 Feb, 30 Mar and 25 May 2010). It also received reports regarding the sale of Land at Larne (10 Nov, 1 Dec, 2 Feb and 23 Feb 2010)</p> <p>The Committee considered an Estates Strategy Report (2 Feb 2010) and reviewed the Strategic Outline Case (23 Feb, 30 Mar and 25 May 2010)</p>
POLICIES	The Committee considered Revisions to Financial Memorandum (2 Feb 2010). It approved and recommended to the Governing Body a Conflict of Interest Policy (10 Nov 2009) and a Data Protection Policy (1 Dec 2009)
MISCELLANEOUS	<p>The Committee undertook a number of activities including:</p> <p>a) It received progress reports regarding the Business Improvement Plan at each meeting;</p> <p>b) The Committee received a Health & Safety Risk Management Report (10 Nov 09);</p> <p>c) It monitored the Membership of the Governing Body (10 Nov 09) (23 Feb 10);</p> <p>d) The Committee gave consideration to voluntary redundancies at meetings on 10 Nov 09, 30 Nov 09 and 23 Feb 10. The meeting on 23 February was a joint meeting with the Staffing Committee;</p> <p>e) The Committee received a CDP presentation and agreed a Funding Learning Unit bid to DEL (23 Feb 10);</p> <p>f) The Committee agreed a two-year extension to the Banking Contract with effect from 1 Aug 10.</p> <p>g) It gave consideration to the legal costs of an Industrial Tribunal (23 Feb 10);</p> <p>h) It received a report on the half-yearly budget (27 May 10); and</p> <p>i) Considered additional funding allocation from DEL (30 Mar 10).</p>
CORRESPONDENCE	<p>The Committee considered the following correspondence:</p> <p>a) PAC Report on Fermanagh College of Further and Higher Education (30 Nov 09);</p> <p>b) Correspondence from Mono Consultants regarding an upgrade service for Vodafone/O2 (2 Feb 10) (30 Mar 10).</p>
CIRCULATION	Finance & General Purposes Committee (29 June 2010) and Governing Body (12 October 2010).

