

## **NORTHERN REGIONAL COLLEGE**

### **FINANCE AND GENERAL PURPOSES COMMITTEE**

Minutes of the meeting of the Finance and General Purposes Committee held on 14 November 2012 at the Newtownabbey Campus.

Present Mrs K Collins, (Chairperson), Mr T Neilands, (Principal), Dr D Lennox and Mr G McConnell.

In Attendance Mrs B Crotty, Mrs C Moore and Mr J Hunter.

### **UNRESERVED BUSINESS**

#### **30.1 Membership and Terms of Reference**

a) The Chairperson welcomed Mrs Gillian McConnell to her first meeting of the Finance and General Purposes Committee.

b) The Committee noted its current membership consisting of: Mrs K Collins (Chairperson), Mr S Davidson, Dr D Lennox, Mrs G McConnell and Mr T Neilands (Principal). **The Committee appointed Dr Lennox as its Vice-Chairperson.**

c) The Committee reviewed and made a number of adjustments to its Terms of Reference. **The Committee agreed that the revised Terms should be forwarded to the Governing Body for approval (see Appendix 1)**

#### **30.2 Apologies**

Apologies were received from Mr S Davidson.

#### **30.3 Declaration of Interests**

There were no declarations of interests.

#### **30.4 Minutes of the Last Meeting**

The minutes of the last meeting, held on 17 September 2012, were approved.

#### **30.5 Matters Arising**

##### **30.5.1 Estate Issues (minutes 29.4.1 and 29.7)**

The Committee received a Report regarding:

##### **a) Larne Adult Education Centre**

It was noted that the Director of Finance & Corporate Development had met with the College Solicitor on 6 November 2012 to discuss final issues in relation to the lease between the College and the Larne Adult Education Centre. The lease is expected to be finalised, ready for signing, in the near future.

##### **b) Disposal of Antrim Campus**

One of the two interested parties, the Northern Health & Social Care Trust, had withdrawn its interest (at present) in the Antrim Campus. A site meeting was held on Wednesday

10 October 2012 with the other interested party, Fold Housing. Their initial proposal is for the building of only 18 units, which would not fully utilise the site. A further site visit with Fold was held on 6 November 2012.

#### c) Land Disposal

A Business Case for the appointment of consultants to advise on the disposal of surplus property was submitted to DEL on 25 October 2012. Comments were received from DEL on 1 November 2012.

The Principal stated that the reclassification of Colleges as Non-Departmental Public Bodies (NDPBs) may create difficulties in relation to the retention of proceeds from the disposal of surplus property and the subsequent use of such proceeds. It was anticipated that in future funds from the disposal of property may have to be invested in capital projects and not in maintenance items. The sector continues to work with the Department to ensure all capital funding is used.

d) Outline Business Case. The Principal advised that some delay had been experienced as a result of ongoing discussions, in relation to NRC and SRC base line student figures, by the Strategic Investment Board, which was acting on behalf of DEL. The Principal said that should the difficulty continue the Governing Body may have to express a view regarding the delay in progressing the Outline Business Case..

e) Estate Maintenance. The Committee noted maintenance problems had been experienced at the Coleraine, Ballymoney and Newtownabbey Campuses as a result of roof leakage. It was further noted that a theft of lead to the value of approximately £30,000 had occurred at the Newtownabbey Campus. **The Committee agreed that estate maintenance should be an item on the agenda of all its future meetings.**

#### 30.5.2 Any Other Matters Arising

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

### 30.6 Chairperson's Communication

There were no Chairperson's communications.

### 30.7 Correspondence

The Committee noted the following correspondence, which had been received since the last meeting:

a) Circular FE 03/12 circulated by DEL on 1 June 2012, which sets out the terms conditions for the payment of Hardship Funds (Discretionary));

b) Circular FE 08/12 circulated by DEL on 8 June 2012 setting out details of college accounts for the accounting years 2006/2007 to 2010/2011. The Director of Finance and Corporate Development stated that then Department should be issuing an up-to-date summary of information regarding College accounts in the near future;

c) Circular FE 09/2012 circulated by DEL on 21 June 2012, which provides guidance on eligibility and funding arrangements for the Additional Support Fund (Basic and Discrete) for the academic year 2012/2013. A Member drew attention to the significant variation in the breakdown of funds to Colleges;

d) Circular FE10/2012 circulated by DEL on 29 June 2012, detailing amendments to single tender actions, consultancy and procurement control limits set out in the Financial

Memorandum. The Director of Finance and Corporate Development advised the Committee that these amendments were currently being reflected in the revisions to college procedures.

e) Circular FE14/2012 circulated by DEL, clarifying student eligibility and residence requirements for drawing down funds under the Department's funding formula;

f) Circular FE 07/10 circulated by DEL on 23 August 2012, which sets out the funding policy for entry level Information and Communications Technology courses. It was noted that from 1 August 2012 Entry Level ICT courses should continue to be provided free of cost to learners;

g) Circular FE18/2012 circulated by DEL on 15 October 2012, providing details of the Department's revised priority sectors and their application to the business support activities delivered by the FE Sector. The Principal stated that the Governing Body would need to give consideration to this document at the Annual Strategic Review;

h) Returns Timetable for the Year 1 August 2012 to 31 July 2013, circulated by DEL on 23 August 2012. The Committee noted that Budget Returns had to be submitted monthly to the Department and this was having a profound impact on the workload of the Finance Department;

i) Circular FE 19/12, dated 25 October 2012, providing information and guidance on the principles and definitions of learner retention, achievement and success.

j) Correspondence from DEL, dated 2 November 2012, regarding the impact of the reclassification of FE Colleges on procurement arrangements. It was noted that procurement transactions under £30k would continue to be managed by Colleges; procurement in excess of £30k is to be managed through the Central Procurement Directorate (CPD) Supplies and Service Division to comply with NI Public Procurement Policy and in particular the use of a Centre Of Procurement Excellence (COPE).

### **30.8 Monthly Management Accounts**

The Director of Finance and Corporate Development explained that her Department had been under pressure to finalise the Annual Report and Financial Statements and the NDPB returns, and as a result only high-level Accounts were available for the Committee. The Accounts for the period up to 30 September 2012 indicate that the College has an historic cost surplus of £1,152k, which was £193k behind budget. The Bank Balance as at 30 September 2012 was £3.4 million. Mrs Moore stated that she intended to provide a full set of management accounts for the next meeting of the Governing Body on 21 November 2012.

### **30.9 Bad Debts**

The Committee received a Report regarding Bad Debts. It noted:

a) The reconciliation of Bad Debt Write Off, which indicates that the College has a total bad debt provision of £113,037.64; This represented a reduction from the previous year.

b) DEL letter, dated 16 October 2012, providing approval for a write off of bad debts, in excess of £750, to the sum of £14,224.50. A break down was provided of all debts in excess of £750 in this category;

c) A break down of write off debts, less than £750, amounting to £3,813.19 in respect of students, sponsors and other debtors

d) DEL letter, dated 3 October 2012, providing approval to write off a loss to the sum of £1,000 in relation to an insurance excess for a theft resulting in a loss of over £4,000

### **30.10 UK Border Agency**

The Committee received details of correspondence from the UK Border Agency regarding sponsorship licences for overseas students. Members were reminded that the Committee (17 September 2012) had noted that a number of Colleges, including NRC, had had their licences revoked by the Agency and that Colleges had appealed against the Agency's decision. There has been considerable correspondence with the Agency concerning this matter but the application for a new sponsorship is still pending. Only one overseas student attends the College.

The Committee also received correspondence from the Agency regarding a pre-licence visit to the College on 15 November 2012 to assess the College's Migrant Policy and to assess whether NRC has been compliant with the Tier 4 Sponsorship arrangements and other immigration related legislation.

### **30.11 College Health Check**

The Committee received the FE College Health Check Report based on information available at the end of Quarter 4, 2011/2012. The Report provides a range of information on various key performance indicators from the financial, economic, staffing and learning categories.

The Principal drew attention to the revised format of the Report and stated that Mr Andy Cole, Head of FE Corporate Governance and Accountability DEL, would be attending the meeting of the Governing Body (21 November 2012) to discuss the document.

The Committee noted that:

a) The Report refers to NRC's staff cost ratios, as a percentage of income, as the highest in the sector. It states that some of the higher costs are due to the fact that other colleges may outsource some activities but this would not account for the entire difference. It goes on to suggest that the number of NRC staff accounts for the higher staff costs ratio.

b) The Report indicates that NRC has the lowest estate costs in the sector. It points out that the College needs to be mindful that there may be significant consequences of a sustained reduction in infrastructure investment. The Principal stated that this matter had been raised at the Accountability meeting with DEL representatives. A Member suggested that the Principal should respond in writing to DEL regarding this issue and indicate that the College is mindful of the consequences of a reduction in infrastructure investment.

A member drew attention to the Section on Risk Management and questioned the necessity of its inclusion in the Report. He expressed the view that this could lead to a situation where every College had identical risks. It was suggested that this matter should be raised at the Health Check presentation at the Governing Body meeting on 21 November 2012.

### **30.12 Finance And General Purposes Committee Action Plans**

The Committee received the:

a) Finance and General Purposes Committee's Action Plan 2011/2012. The Committee noted that it had undertaken the majority of the actions indicated in the Action Plan during 2011/2012 and considered that it had performed its duties in a satisfactory manner.

b) Finance and General Purposes Committee's Action Plan for 2012/2013. It was noted that it would be necessary to adjust one of the activities to reflect the revised Terms of Reference

**The Committee agreed that the Action Plan 2012/2013 be approved subject to minor textual adjustments (see Appendix 2).**

### **30.13 Annual Report 2011/2012 Finance And General Purposes Committee**

The Committee considered the Committee's Annual Report 2011/2012 for submission to the Governing Body. The Report summarises the activities undertaken by the Committee during the academic year 2011/2012 and provides details in relation to: committee membership; frequency of meetings; terms of reference; annual report and financial statements; monthly management accounts; estates matters; policies; correspondence; equality issues; FLU targets; governing body membership; staff redundancies; single action procurement; college health checks; and a number of miscellaneous matters.

**The Committee agreed that the Report be approved, subject to a number of textual adjustments, for submission to the Governing Body (see Appendix 3).**

### **30.14 Any Other Notified Business**

#### **30.14.1 New Bank Account**

The Director of Finance and Corporate Development said that the College wished to open a new bank account with Santander to avail itself of better interest rates. **The Committee agreed that the Chairperson and Secretary should sign the required mandate.**

**30.4.2 Cheque Indemnity. The Committee agreed that the Chairperson and Secretary should sign a Cheque Indemnity to allow First Trust Bank to accept cheques payable to NRC.**

### **30.15 Next Meeting**

The Chairperson reminded Members that the next meeting is scheduled for **Monday 10 December 2012** at the Farm Lodge Ballymena Campus commencing at 7.15 pm.