

NORTHERN REGIONAL COLLEGE

FINANCE AND GENERAL PURPOSES COMMITTEE

Minutes of the meeting of the Finance and General Purposes Committee held on 27 June 2011 at the Farm Lodge Ballymena Campus.

Present Mrs K Collins, (Chairperson), Mr T Neilands (Director), Mr I Goldsworthy and Mr P McCudden.

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

UNRESERVED BUSINESS

22.1 Apologies

Apologies were received from Mr S Davidson, Mrs L Wallis and Mr A Watt.

22.2 Declaration of Interests

There were no declarations of interests.

22.3 Minutes of the Last Meeting

The minutes of the last meeting, held on 31 May 2011, were approved.

22.4 Matters Arising

22.4.1 Catering Arrangements (minute 21.4.1).

The Committee noted that the Catering Review Team had finalised its report regarding catering arrangements and had forwarded it to the Executive Management Team for consideration.

22.5 Chairperson's Communication

There were no Chairperson's communications.

22.6 Correspondence

22.6.1 College Health Check Report

The Committee noted correspondence from DEL, dated 23 June 2011, regarding College Health Check Reports.

Following the 2009 Public Accounts Committee Hearing on governance and financial management within the FE Sector from incorporation, the Department undertook to initiate an enhanced formal review, or health check, of FE Colleges. The Report highlights four main categories: financial; economics; staffing; and learning.

It was noted that Health Checks would be completed on a quarterly basis. The first Report has been prepared on information available at the end of Quarter 2, 31 January 2011.

The Committee agreed that the document should be forwarded to the Governing Body for consideration.

22.7 Monthly Management Accounts

The Director of Finance presented the Monthly Management Accounts for the period up to 31 May 2011. The Accounts indicate that the College has a surplus of £461k on continuing operations and an historic cost surplus of £1,291k, which is £1,158k ahead of budget. The Committee noted that the bank balance at 31 May 2011 was £5.3m.

The Director of Finance predicted that the projected outturn at the year-end would be in the region of £600k ahead of budget as a number of items of expenditure had still be taken into account such as security costs at the Antrim Campus and FRS17 adjustments.

She advised Members that the draft Accounts for 2010/2011 would go to the next meeting of the Audit Committee on 20 September 2011 prior to submission to the Governing Body on 5 October 2011.

22.8 Draft Budget 2011/2012

The Committee noted that:

- a) The Governing Body (15 June 2011) had approved the bottom-line draft Budget, which indicates a deficit of £1,230k for 2011/2012.
- b) The Governing Body had requested the Committee to consider and approve a detailed breakdown of the Budget prior to submission to the Department.

The Director of Finance presented detailed Income and Expenditure Accounts for the period 2011/2012 to 2013/2014, which indicate that the College should achieve financial stability by 2013/2014.

The Director of Finance reminded Members that the following measures were required to achieve the financial strategy within the agreed BIP timescale:

- a) The Finance & General Purposes Committee should monitor Monthly Management Accounts to ensure that performance is in line with Budget;
- b) The Education Committee should monitor enrolments/retention/success in line with the Curriculum Plan;
- c) The Finance & General Purposes Committee should monitor the Economic Appraisal of the Ballymoney/Coleraine Campuses;
- d) The Staffing Committee should identify proposed staff reductions and initiate redundancy procedure in line with the Staffing Plan;
- e) The Finance & General Purposes Committee should market test catering arrangements with a view to outsourcing; and
- f) The Chairs Committee should monitor the overall situation.

The Committee endorsed the Budget 2011/2012 for submission to the Department.

The Committee noted, however, that it would be necessary to seek approval from the Department for the Budget deficit, which exceeded turnover by more than 2 %. The Director of Finance advised the Committee that the College had sufficient reserves to cover the deficit. It was noted that this matter would be discussed at the next meeting with DEL representatives in August 2011.

22.9 Economic Appraisal Antrim Campus

The Director reminded Members that the Governing Body (15 June 2011) had agreed that:

- a) The Economic Appraisal, when received from DEL, should be e-mailed to Governors for comment; and
- b) Authority should be granted to the Chairman to approve and sign the document for submission to the Department.

The Director explained that he had received the Economic Appraisal on 24 June 2011 and had circulated it for comment to Governors. He advised the Committee that the Chairman, in accordance with the decision of the Governing Body, had confirmed that the Economic Appraisal has Governing Body approval and can be submitted to DEL.

The Director advised Members that the College was unlikely, at this late stage, to receive formal approval from DEL for the closure of the Antrim Campus by 30 June 2011. In such circumstances the Department had promised a 'letter of comfort'. The Committee noted that the Chairman had indicated that he would contact the Permanent Secretary DEL on 1 July 2011, if the college had not received a formal approval or a letter of comfort.

The Director referred to the Economic Appraisal for the Larne Campus, which would be completed during August 2011. He suggested that the College should adopt the same method of progressing the Economic Appraisal for the Larne Campus as had been used for the Antrim Appraisal.

The Committee concurred and agreed that:

- a) The Larne Economic Appraisal should be forwarded to Members for comment; and**
- b) The Chairman should be authorised to approve and sign it for submission to the Department.**

The Committee noted that the undue delay by the Department had placed unacceptable pressure on members of staff, particularly Mrs Moore and Mrs Crotty.

22.10 Any Other Notified Business

22.10.1 Student Successes

The Director referred to a number of student successes:

- a) Worldskills Competition. Seven members from Colleges Northern Ireland had been selected to represent the United Kingdom in the Worldskills Competition in October 2011; three of the Northern Ireland representatives were students from the NRC.
- b) Showcase Events. The College has also received news that two of its applications for Showcase events at Worldskills in London in October have been successful. Staff and students from the Catering Section and the Media and Performing Arts will present demonstrations during the Worldskills event.
- c) Vocational Learner of the Year Award. Claire Jamison, who completed a four-year apprenticeship at NRC, received the Vocational Learner of the Year award at Stormont on 22 June 2011. It was suggested that a letter of congratulation should be sent to Claire Jamison and that she and the three NRC representatives on the Worldskills Team should be invited to a future meeting of the Governing Body.

22.11 Next Meeting

The Chairperson reminded the Committee that the next meeting is scheduled for Tuesday 8 November 2011 at the Ballymena Campus commencing at 5.30 pm.

She thanked the Members for their contribution to the workings of the Committee over the past four years. She also thanked the Director of Finance for her invaluable input and to Ms Brannigan for her excellent arrangements including the preparation and circulation of papers.