

NORTHERN REGIONAL COLLEGE

FINANCE AND GENERAL PURPOSES COMMITTEE

Minutes of the meeting of the Finance and General Purposes Committee held on 28 February 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 C Moore and Mr J Hunter.

UNRESERVED BUSINESS

19.1 Apologies

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

19.2 Declaration of Interests

There were no declarations of interests.

19.3 Minutes of the Last Meeting

The minutes of the last meeting held on 1 February 2011 were approved.

19.4 Matters Arising

19.4.1 Community Safety Strategy (minute 18.6 b))

The Director of Finance informed the Committee that she would be attending a seminar in Ballymena on 2 March 2011 regarding the new Community Safety Strategy.

19.5 Chairperson's Communication

There were no Chairperson's communications.

19.6 Correspondence

The Committee received a copy of DEL Circular FE 02/11, dated 4 February 2011, which sets out summary information from college accounts for the year ended 31 July 2008. The Director advised that the accounts were dated, as one of the Colleges had been unable to produce accounts for the financial year 2007/2008.

The Committee noted that eleven key accounting ratios had been calculated for each college allowing comparisons to be made with other colleges and the sector as a whole at 31 July 2008. The Director of Finance drew attention to two main ratios (current ratio and cash days in hand), which are calculated to give a measure of the solvency of the sector and individual colleges. The Department recommends that colleges should aim for a current ratio in the range 1.5:1 to 2.5:1. NRC had a ratio of 1.58:1. The ratio of cash days in hand for the sector as a whole was 82 days; NRC with 79 days was near the sector average.

The Committee also noted a copy of draft Key Performance Indicators for Northern Ireland Colleges for the year ended 31 July 2010. The Director stated that the gap between NRC and other Colleges in the Sector had narrowed and it was now occupying a central position in the Sector with a current ratio of 1:1.54 and 58 cash days in hand.

The Director of Finance stated that NRC had the highest Payroll to Income and Payroll to Expenditure ratios in the Sector. DEL was currently investigating this matter to ensure that like was being compared with like. The Director of Finance advised that information relating to payroll would be available for the next meeting of the Committee. It was also intended to bring a KPI for payroll to this meeting.

The Director of Finance informed the Committee that Sector Finance Officers were currently developing high-level Performance Indicators in respect of Payrolls.

19.7 Catering Arrangements

The Director of Finance reminded Members that the Governing Body, at its meeting on 6 October 2010, had agreed that the Finance & General Purposes Committee should be responsible for monitoring progress in relation to the Catering Action Plan.

The Director of Finance informed Members that the Catering Review Team had met that afternoon and had made good progress in the preparation of a final report for submission to the Executive Management Committee.

19.8 Monthly Management Accounts

The Director of Finance presented the Monthly Management Accounts for the six months ended 31 January 2011. The Accounts indicate that the College has a deficit of £106k on continuing operations and an historic cost surplus of £392k, which is £401k ahead of budget.

The Director of Finance explained that the main variances are:

- a) The receipt of DEL funding for the Newtownabbey New Build, which is matched by expenditure;
- b) The Training Income is approximately £250k less than budget, offset by trainee expenses being £141k less than budget. This reflects the fact that numbers of trainees and apprentices are less than anticipated. Retention within programmes, however, has been higher than anticipated;
- c) Tuition fees are £186k less than budget due to falling part-time enrolments. The target for the year is unlikely to be met and further work is being carried out to ensure maximisation of income.

It was noted that the bank balance at 31 January 2011 was £3.4m.

The Director of Finance stated that she and the Director had met with budget holders and line managers to discuss budgetary positions at the half-year stage. Although some adjustments were required between cost centres, the College Budget was still on target.

19.9 Northern Ireland Executive's Draft Budget

The Committee noted:

- a) The Northern Regional College's response to the Northern Ireland Executive's Draft Budget, which had been forwarded to both DEL and Colleges Northern Ireland.
- b) The Colleges Northern Ireland co-ordinated sector response to the Draft Budget, which had been submitted to DEL.

The Director said that the College had received no further information from the Department about any budgetary changes.

19.10 Fees Policy and Regulations 2011/2012

The Chairperson reminded Members that the Committee (1 February 2011) had considered the draft Fees Policy and Regulations for 2011/2012 and had agreed that the College should proceed with the proposed 20% increase in part-time fees for 2011/2012 subject to favourable comparison with the fees proposed by other Colleges. The Committee also agreed that one of the aims of the Fees Policy should be revised to indicate that access to College programmes should be widened as far as possible in line with College Strategy.

The Director of Finance stated that these recommendations had been taken into consideration in the revised Fees Policy and Regulations document. She also drew the Committee's attention to two further changes in the document relating to fees for Community Education vocational and non-vocational courses and Re-sit fees.

The Committee approved the revised Fees Policy and Regulations 2011/2012.

19.11 FLU Bid 2011/2012

The Director explained that the College's Annual FLU bid had to be submitted to DEL on 24 February 2011. The bid would then be subject to discussion at the bi-lateral meeting between the Chair of the Governing Body and the Director and DEL officials on 16 March 2011.

It was noted that NRC has bid for 6,509 FLUs: Further Education 5,400 FLUs; Essential Skills 487 FLUs; and Higher Education 622 FLUs. The Director explained that ES was in reality not a bid as the Department gave the College an ES target to deliver.

The Director advised that the Education Committee on 15 March 2011 would be receiving a presentation on the make-up of the FLU bid and the implications for the curriculum.

The Committee noted the monetary value of the bid amounted to £21.419m. The Director explained that this figure was an estimate as it is anticipated that DEL would impose a 3% efficiency reduction on Colleges.

The Committee approved the College's FLU Bid for 2011/2012.

19.12 Any Other Notified Business

19.12.1 Public Holiday

The Director informed the Committee that 29 April 2011 has been designated as a Public Holiday. The grant of an extra day's leave was subject, however, to approval by the College

The Committee agreed that staff should be given an extra day's leave.

19.13 Next Meeting

The Chairperson reminded the Committee that the next meeting is scheduled for Tuesday 29 March 2011 at the Ballymena Campus commencing at 5.30 pm.