

## **NORTHERN REGIONAL COLLEGE**

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

Minutes of the meeting of the Finance and General Purposes Committee held on 28 March 2012 at the Ballymena Campus.

Present Mrs K Collins, (Chairperson), Mr T Neilands, (Director), Mr S Davidson and Dr D Lennox.

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

### **UNRESERVED BUSINESS**

#### **27.1 Apologies**

There were no apologies.

#### **27.2 Declaration of Interests**

There were no declarations of interests.

#### **27.3 Minutes of the Last Meeting**

The minutes of the last meeting, held on 28 February 2012, were approved.

#### **27.4 Matters Arising**

##### **27.4.1 Membership of the Governing Body (minute 26.12)**

The Committee noted that the North Eastern Education and Library Board had nominated, to the Department for Education and Learning, Mr J Brown and Mr J Currie as its representatives on the Governing Body.

#### **27.5 Chairperson's Communication**

There were no Chairperson's communications.

#### **27.6 Correspondence**

There was no correspondence to report.

#### **27.7 Monthly Management Accounts**

The Director of Finance presented the Monthly Management Accounts for the period up to 29 February 2012. The Accounts indicate that the College has an historic cost surplus of £668k, which is £85k more than budget. The Bank Balance as at 29 February 2012 was £3.4 million. A separate sheet was provided for investments at the Ulster and First Trust Banks amounting to £3.2 million.

It was noted that the Finance Department was preparing financial KPIs, which would be available for consideration at the next meeting.

## **27.8 Estate Issues**

The Committee received an update From the Deputy Director Planning & Resources regarding the following estate issues:

- a) Outline Business Case. The schedule of accommodation was completed on 31 January 2012. A meeting with DEL representatives had been arranged for 29 March 2012 to discuss the schedule and any further requirements for the appointment of consultants. It was also noted that the Project Board had had a meeting on 8 March 2012 and a further meeting with the Strategic Investment Board (SIB) on 15 March 2012, which confirmed that the process being used for the construction of data is valid. In response to a Member's query, Mrs Crotty advised that the SIB had an advisory role to perform and was responsible for ensuring that the process being pursued by the Joint Colleges was valid. In response to a comment regarding the delay in the appointment of consultants for the Outline Business Case, the Deputy Director informed the Committee that a Business Case had been submitted to DEL for consultants and she hoped to report progress in the near future
- b) Larne Adult Education Centre. A tenant has been identified for the Centre. A lease is being drafted with a start date of 1 July 2012.
- c) Antrim Campus. All documentation has been forwarded to Land & Property Services and the disposal process is progressing smoothly.
- d) Portrush. There has been no further progress since the meetings of the Land Disposal Committee on 4 January and 10 January 2012
- e) Station Road, Newtownabbey. There has been no further progress since the meetings of the Land Disposal Committee on 4 January and 10 January 2012. It was noted that planning permission would enhance the price of the plot of land. It would be necessary, however, to acquire the services of consultants to obtain planning permission. This would require the submission of a Business Case to DEL.
- f) Maintenance Matters. No funding is available in respect of the bid for capital funds. DEL has advised that the cost of the Buildings Condition Survey, estimated at £50,000, could not be recovered from the receipts of land sales. The cost was considered too high to proceed with the Survey.

## **27.9 Single Action Procurements**

The Director of Finance provided an update regarding single action procurements. The Committee noted:

- a) Details of Single Action Procurements during February 2012;
- a) Details of Single Action Procurements in excess of £5,000. There was one Single Action Procurement in excess of £5,000, which was approved by the Director and the Director of Finance during February 2012.

## **27.10 Banking Mandates**

**The Committee approved the opening of accounts with the First Trust Bank with effect from 1 May 2012 and agreed that Banking Mandates should be signed by the Chairperson and the Secretary.**

## **27.11 Reclassification of Further Education Colleges**

The Committee noted correspondence from DEL, dated 13 February 2012, regarding the reclassification of FE Colleges.

The Committee was reminded that the Office of National Statistics (ONS) had reclassified FE Colleges as being within the central government sector in October 2010. FE Colleges and

DEL carried out substantial work in 2010 to update the NICS budget database. However the need to update the database was put on hold due to amendments to legislation being taken forward by the Department for Business Innovation and Skills in England, which would allow FE Colleges to remain outside the central government sector.

Following the ONS decision, the Department of Finance and Personnel (DFP) has classified FE Colleges as Executive Non-Departmental Public Bodies (NDPB) within the central government sector. DFP has asked DEL to reflect the full budgetary implications on the central budget database for the financial years 2011/2012 to 2014/2015. DEL has requested Colleges to review and confirm their full resource consumption and capital expenditure for this period.

The Director said that there were important issues relating to college autonomy and governance, arising from the reclassification. He stated that FE budgets could become part of the Department's accounts and colleges may no longer have ownership of reserves. These would have implications for the autonomy of and decision-making at colleges. He added that issues such as the dissolution of DEL, the introduction of shared issues and the review of governance were intertwined with the reclassification of colleges. It was important for colleges to have clarity; Colleges Northern Ireland (CNI) intended to prepare a position paper in the near future.

Several observations were made during discussion. It was suggested that the College might have to revise its financial strategy if it can no longer hold reserves. A view was expressed that procurement practices might need to change, as NDPBs make use of Centres of Procurement Excellence (COPEs). In the meantime the College would continue to adhere to the conditions set out in the Financial Memorandum and any circulars superseding it.

**The Committee agreed that a letter should be forwarded to the Department expressing concern that there had been no communication with Governing Bodies in regard to the reclassification of colleges.**

The Director undertook to raise this matter at the forthcoming CNI meeting.

## **27.12 Any Other Notified Business**

### **27.12.1 Funded Learning Unit (FLU) Bid**

The Director of Finance provided details of Sector HE Enrolments for 2011/2012, which had been considered by the Education Committee (20 March 2012). It was observed that NRC had the lowest HE full-time FLU allocation in the Sector. This was magnified by the fact that many of the College FLUs were earmarked for lower-weighted courses. If NRC had the same number of HE full-time FLUs as the next lowest college in the Sector, the College would have an additional 239 FLUs generating approximately £790k in additional recurrent grant funding and approximately £210k in additional fees.

**The Committee supported the resolution of the Education Committee that the College should mount a campaign with a view to increasing its FLU allocation.**

A Member suggested that the College might benefit from the allocation of Science and Technology, Engineering and Mathematics (STEM) places in the forthcoming Programme for Government announcement.

## **27.13 Next Meeting**

It was noted that the next meeting of the Committee would be held on Tuesday 29 May 2012 at the Ballymena Campus commencing at 7.15 pm.