

NORTHERN REGIONAL COLLEGE

FINANCE AND GENERAL PURPOSES COMMITTEE

Minutes of the meeting of the Finance and General Purposes Committee held on 29 March 2011 at the Farm Lodge Ballymena Campus.

Present Mr P McCudden (Chairperson), Mr T Neilands (Director), Mr I Goldsworthy, Mrs L Wallis and Mr A Watt.

In Attendance Mrs C Moore and Mr J Hunter.

UNRESERVED BUSINESS

20.1 Apologies

Apologies were received from Mrs K Collins (Chairperson) and Mr S Davidson.

In the absence of Mrs Collins, Mr McCudden (Vice Chairperson) took the Chair.

20.2 Declaration of Interests

There were no declarations of interests.

20.3 Minutes of the Last Meeting

The minutes of the last meeting held on 28 February 2011 were approved subject to the deletion of 'and had agreed to proceed to market testing for in-house catering' and the insertion of 'and had made good progress in the preparation of a final report for submission to the Executive Management Committee'

20.4 Matters Arising

20.4.1 Staff Cost Ratios (minute 19.6)

The Chairperson reminded Members that the Committee (28 February 2011) had received a copy of College Accounts 2007/2008 and noted that the College had the highest Payroll to Income and Payroll to Expenditure ratios in the Sector. The Director of Finance had undertaken to prepare more up to date ratios (2009/2010) for the next meeting.

The Director of Finance drew members attention to the 2009/2010 statistics, which she had prepared, indicating that NRC has payroll ratios higher than the Sector average and is at the top of the Sector range for most of the ratios with the exception of the Direct Teaching Staff cost per Lecturing Staff FTE, where NRC is more in line with the Sector average.

It was noted that a number of factors may be contributing to the College's higher payroll ratios such as its multi campus make up or its staff/management structure. It was also noted that a number of Colleges had outsourcing schemes in place for catering and cleaning, which resulted in lower salary costs. One Member suggested that the College may have more long serving members of staff on the top of their respective scales.

The Director of Finance advised the Committee that the Directors of Finance of the six Colleges were currently engaged in a benchmarking exercise in regard to staff cost ratios.

The Director suggested and the Committee agreed that a joint meeting of the Finance and General Purposes Committee and the Staffing Committee should be arranged to address this matter

20.4.2 Catering Arrangements (minute 19.7).

The Director of Finance stated that the Catering Review Team had drawn up their recommendations in regard to catering arrangements and these would be presented in the first instance to the Executive Management Team. The Finance and General Purposes Committee would be kept informed of developments.

The Director of Finance stated that one of the main recommendations of the Team related to market testing. She said, however, that the College had no intention of going out to tender. She advised the Committee that discussions would be taking place with the Trade Unions regarding this matter in the first instance.

20.4.3 Northern Ireland Executive's Budget (minute 19.9)

The Director informed the Committee that the Executive had agreed the Budget for 2011/2012 since the last meeting and the Department for Employment and Learning had received an additional £51million. He said that it was still not clear how it would be distributed. He added that DEL intended to proceed with 3% efficiency gains and some other reductions still to be quantified.

He advised Members that he, the Chairman of the Governing Body and the Executive Management Team had met with representatives of DEL to discuss the College's FLU Bid for 2011/2012. He said that the meeting had been positive but there had been no feedback in terms of FLU allocations.

20.4.4 Community Safety Strategy (minute 19.4.1).

In response to a query regarding the Community Safety Strategy, the Director of Finance undertook to ascertain the outcomes of the recent seminar in Ballymena.

20.5 Chairperson's Communication

There were no Chairperson's communications.

20.6 Correspondence

There was no correspondence to report.

20.7 Monthly Management Accounts

The Director of Finance presented the Monthly Management Accounts for the period up to 28 February 2011. The Accounts indicate that the College has a surplus of £1,312k on continuing operations and an historic cost surplus of £1,893k, which is £927k ahead of budget. She said that the surpluses were a consequence of profiling and would drop steeply over the next few months.

She drew attention to a number of items that had been incorporated into the budget. An additional recurrent grant received from DEL, amounting to £224k, had been factored into the budget. Following the review of income and expenditure the net training income is projected to be £240k less than the original budget by the year end and tuition fees are projected to decrease by approximately £260k. Both items have also been factored into the budget.

She also made reference to tuition fees income being on target, catering income being higher than expected, staff costs being on budget and premises expenditure being £361k more than target.

The bank balance at 28 February 2011 was £4.2m.

20.8 Any Other Notified Business

There was no other notified business.

20.9 Next Meeting

The Chairperson reminded the Committee that the next meeting is scheduled for Tuesday 31 May 2011 at the Ballymena Campus commencing at 5.30 pm.