

NORTHERN REGIONAL COLLEGE

FINANCE AND GENERAL PURPOSES COMMITTEE

Minutes of the meeting of the Finance and General Purposes Committee held on 22 June 2015 at the Ballymena Campus.

Present Mrs K Collins (Chair), Mr S Davidson, Dr D Lennox, Mrs G McConnell and Professor T Scott (Principal)

In Attendance Mrs C Moore and Mr J Hunter.

UNRESERVED BUSINESS

50.1 Apologies

An apology was received from Mrs B Crotty

50.2 Declaration of Interests

There were no declarations of interests.

50.3 Minutes of the Last Meeting

The unreserved minutes of the last meeting held on 1 June 2015 were approved subject to the addition of the following sentence at the end of minute 49.8 viii) '*This matter had been discussed in detail at item*'

50.4 Matters Arising

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

50.5 Correspondence

The Committee received correspondence from the Board of Management YMCA Larne regarding its lease with Northern Regional College. The Board wishes to clear the outstanding balance on its account in order to progress the issuing of the lease document. The Board has asked the College to confirm that this is acceptable and also what steps need to be taken to expedite the matter. Mrs Moore confirmed that the outstanding balance was correct and that she had contacted the College's solicitors and full payment would be required before issuing the lease. YMCA has requested easements regarding utilities. The NRC solicitor has advised that easements should not be granted. It was suggested that DEL should be apprised of the situation

The Committee agreed that the College should proceed to issuing the lease on receipt of the outstanding balance, subject to legal advice.

50.6 Chairperson's Communications

50.6.1 Student Governor

The Chair informed the Committee that Mr Reece Bradley has been elected as the new Student Governor and President of the Student Union. The Committee requested the Secretary to request a profile of the student

The Principal thanked, Mr Colin Chan, for his contribution to the work of the College. She said that input from the student body was welcomed and communication to the student budget was necessary.

50.7 Finance KPIs

The Committee received a progress report as at 1 June 2015 in relation to Finance KPIs and the following matters were discussed:

i) OBC. The estimated date of the completion of the revised OBC by Deloitte is 30 June 2015. The estimated date of approval of the OBC by the Minister is July 2015 and by DfP August 2015. Dr Lennox stated that the time scale appeared to be ambitious. He questioned whether the OBC should be approved by the Governing Body prior to its submission to DEL. The Committee was reminded that the OBC had been approved by the Governing Body (12 March 2014) for submission to the Department. It was noted, however, that subsequent adjustments had been requested by DEL/ETI. It was agreed that the Executive Summary of the revised OBC should be circulated to all Governors..

Action: Claire Moore to advise of any further action required by GB

(ii) College Finance. NRC is projecting an historic cost surplus of £0.4k at the year-end. The use of unallocated budget (£514k) is to be confirmed and spent on resources such as classroom chairs and IT equipment. In response to a query it was confirmed that the unallocated budget surplus would not be used for redundancies. Whilst the Voluntary Exit Scheme existed there would be no redundancy programme

(iii) WBL. The training programme has recruited to target and the total net income projected for the year is £260k more than the original budget £1.685m

(iv) Payment of Suppliers. The College is working towards the 95% target for invoices paid within 30 days, but this KPI has been changed to amber to reflect that the actual % is predicted to fall slightly short of target. This is in line with the Sector average

(v) FLU. The predicted FLU for 2014/2015 is 6,162 (440 less than target). It was noted that the actual FLU had decreased in recent months in line with historical trends as a result of ongoing cleansing and validation of data. The Principal stated that failure to achieve the 2014/15 FLU target had resulted in the reduction in 2015/16 recurrent grant of £1.4 million for the College. She attributed the failure to meet the target to under-recruitment, particularly to full time courses as the retention rate for 2014/2015 was similar to the previous year. She indicated that it would be necessary in future to have a number of part-time course options in place if recruitment falls below target for 2015/16.

50.8 Monthly Management Accounts

The Committee received the Monthly Management Accounts for the ten month period up to 31 May 2015. The Accounts indicate that the College has an historic cost surplus of £1,833k for the period, which is £748k ahead of budget. Mrs Moore stated that income was ahead of budget by £217k and she mentioned in particular training income which was £157k ahead of budget at the 10-month period.

- Teaching staff costs are £113k more than budget for the 10 month period.
- Engineering support staff costs are £60k less than budget year to date due to delay in appointing an Assessor. Assessment has been carried out by part-time Lecturers, resulting in PLT being over budget by this amount and an equivalent under-spend in support staff
- The TSS employers' contribution rate increased by 4.1% from April 2015. This increase was not currently included in the original budget and DEL is bidding for additional funding through the June monitoring round. This is approximately £60k per month.
- Support staff costs are £125k less than budget. £38k relates to the timing of invoicing and from the change management team (Deloitte) in relation to the profiling of the budget, Admissions staff expenditure is £23k less than budget YTD, this is a budget profiling issue relating to use of 2 FTE seasonal staff.

Mrs Moore said that other operating expenses were £527k less than budget for the period. She referred to: utility costs (£112k less) where both usage and cost per unit are lower than anticipated when budgets were set; travel costs (£41k less) than previously reported, as a result of more electronic communication for meetings, both internal and sector wide; maintenance (£75k less) but a planned schedule of maintenance is in place for June and July; and advertising (£112k less). She added that the advertising budget will be used in campaigns to ensure maximum recruitment in 2015/2016.

It was noted that the Bank Balance was £5.7k at the end of May 2015. This is in excess of the DEL recommended range.

Dr Lennox asked about the Budget for 2015/2016 and was advised that it is contained within the Strategic Improvement Plan, which would be considered for approval by the Governing Body (24 June 2015).

50.9 Non-Departmental Public Body (NDPB) Budget Submission

Mrs Moore stated the College had still to submit the NDPB Forecast Schedule for June 2015 to DEL as it was being amended to reflect the budget in the SIP. She stated, however, that the actual figures for April and May 2015 return have been reconciled with the Monthly Management Accounts.

50.10 Update on Debt Collection through Small Claims Court

The Committee received an update on debt collection through the Small Claims Court. It was noted that the NRC Fees Policy states that legal proceedings may be taken to recover any outstanding fees together with any administrative costs.

She reported that 2012/13 and 2013/14 debtors have progressed to Small Claims Court and 2014/15 debtors are currently being progressed. Mrs Moore explained that there are numerous reasons for debtors being taken to Court including direct debit default, disputed invoices and no funding received. She emphasized that the Small Claims Court was the last resort after all internal procedures had been exhausted.

A member asked was there a risk of adverse publicity. Mrs Moore stated that this was a risk, and each case was considered on its own merits. It was agreed that when debts are due they should be followed up as non-payment puts an additional pressure on the fees required from other students.

50.12 Annual Report Finance & General Purposes Committee 2014/2015

Members received a copy of the Finance & General Purposes Committee Annual Report, which provides a summary of the activities of the Committee during the academic year 2014/2015.

It was noted that it would be necessary to update the Report to reflect discussion at the current meeting. **It was agreed that the Secretary should forward the revised Report to the Governing Body as an Appendix to the minutes (see Appendix 1).**

50.13 Any Other Business

There was no notified business

50.14 Next Meeting

This is the last meeting of the Finance & General Purposes Committee during 2014/2015. Mrs Collins thanked members of the Committee for their contribution during the past year. She mentioned that she would be retiring at the end of July 2015 after eight years as a Chair of the Committee; she expressed her appreciation for the support she had received during her period of office. Professor Scott said that Mrs Collins had made a significant contribution to the College in challenging times and wished her every success in the future. She also thanked Mr Davidson, who would also be retiring after serving for eight years.

K Collins, Chair

J A Hunter, Secretary

Appendix 1

ANNUAL REPORT FINANCE AND GENERAL PURPOSES COMMITTEE 2014/2015

TITLE	Northern Regional College																																										
INTRODUCTION	The purpose of the Report is to provide a summary of the activities of the Finance and General Purposes Committee during the academic year 2014/2015																																										
MEMBERSHIP	<p>The membership of the F&GPC was as follows: Mrs K Collins (Chairperson), Mr S Davidson, Dr D Lennox (Vice Chair), Mrs G McConnell and Professor T Scott (Principal).</p> <p>Mrs C Moore (Director of Finance and Corporate Development) and Mrs B Crotty (Director of Planning and Customer Services) attended all meetings.</p>																																										
MEETINGS	<p>The F&GPC met on 6 occasions during 2014/2015:</p> <p>3 November 2014 1 December 2014 2 March 2015 30 March 2015 1 June 2015 22 June 2015</p> <p>The F&GPC was joined by the Staffing Committee on 1 December 2014, 30 March 2015 and 1 June 2015 to discuss items of reserved business</p> <p>Attendance at meetings was as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th></th> <th>3Nov14</th> <th>1Dec14</th> <th>2Mar15</th> <th>30Mar15</th> <th>1Jun15</th> <th>22Jun15</th> </tr> </thead> <tbody> <tr> <td>K Collins</td> <td style="text-align: center;">•</td> <td style="text-align: center;">•</td> <td></td> <td style="text-align: center;">•</td> <td style="text-align: center;">•</td> <td style="text-align: center;">•</td> </tr> <tr> <td>S Davidson</td> <td style="text-align: center;">•</td> <td style="text-align: center;">•</td> <td style="text-align: center;">•</td> <td style="text-align: center;">•</td> <td></td> <td style="text-align: center;">•</td> </tr> <tr> <td>D Lennox</td> <td style="text-align: center;">•</td> <td style="text-align: center;">•</td> <td style="text-align: center;">•</td> <td></td> <td style="text-align: center;">•</td> <td style="text-align: center;">•</td> </tr> <tr> <td>G McConnell</td> <td style="text-align: center;">•</td> <td style="text-align: center;">•</td> <td></td> <td style="text-align: center;">•</td> <td style="text-align: center;">•</td> <td style="text-align: center;">•</td> </tr> <tr> <td>T Scott</td> <td style="text-align: center;">•</td> </tr> </tbody> </table>		3Nov14	1Dec14	2Mar15	30Mar15	1Jun15	22Jun15	K Collins	•	•		•	•	•	S Davidson	•	•	•	•		•	D Lennox	•	•	•		•	•	G McConnell	•	•		•	•	•	T Scott	•	•	•	•	•	•
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TERMS OF REFERENCE	The Terms of Reference of this Committee were reviewed and forwarded to the Governing Body for approval on 3 November 2014.																																										
GOVERNING BODY MATTERS	The Committee reviewed the membership of the Governing Body and noted that four members will have completed two terms of office and will be required to retire on 31 July 2015. It also noted a vacancy in respect of a Governor who had retired during the academic year. DEL was asked to recruit five replacements including at least one with financial experience.																																										

BALANCED SCORECARD	The Committee considered the Finance and College Operations Domains of the Balanced Scorecard and monitored Key Performance Indicators throughout the academic year.
HEALTH CHECKS	The Committee considered the appropriate sections of FE college Health Check Issue 1 2014/2015 on 30 March 2015 and Issue 2 on 1 June 2015. It reported its findings to the Governing Body.
MONTHLY MANAGEMENT ACCOUNTS	The Committee considered the Monthly Management Accounts at every meeting throughout the academic year. NRC is on target to achieve its target an historic cost surplus of £0.4k at the year-end. The use of unallocated budget (£514k) is being considered for exceptional costs and investment in resources.
NDPB SUBMISSION	The Committee monitored the Non-Departmental Public Body Forecast Expenditure Schedule at every meeting and noted that there were no variations between the Accounts and the NDPB return.
POLICIES	The Committee gave consideration to the revised Management Statement/Financial Memorandum to align Colleges with DfP guidance for Non-Departmental Public Bodies as a result of the reclassification of the Colleges by the Office for National Statistics. The Committee (2 March 2015) discussed the key differences between the existing and revised Financial Memorandum. It has made arrangement with DEL to stage a FM Roadshow prior to a Governing Body meeting during 2015/2016
FLU TARGETS	The Committee monitored the FLU target throughout the year. It noted at its meeting on 22 June 2015 that the predicted FLU for 2014/2015 is 6,162 FLU, which is 440 FLU less than target. The rationale for the variance was discussed at the meeting on 22 June 2015.
ESTATES	The Committee received updates at each meeting regarding estates issues. It noted in particular progress in relation the Outline Business Case for a new build at the Ballymoney/Coleraine Campus. The Schedule of Accommodation for the new build has been submitted and has been approved by DEL. It also noted the sale of the Antrim Campus. The Department has agreed that the surplus in the sale price (the margin, £312k, between the sale price and the valuation) could be used for IT refurbishment.

STAFFING PLAN	The Committee considered and updated the Staffing Plan on four occasions in conjunction with the Staffing Committee. The joint Committees considered the Staffing Plan objectives for 2014/2015 and noted that the Staffing Plan for 2015/2016 onwards will be contained within the Strategic Improvement Plan 2015/2018
BAD DEBTS	Bad debts were written off on 3 November 2014. DEL approved the write-off of four bad debts greater than £750 and the previous Principal approved the write-off of 218 bad debts less than £750 and amounting to some £20k
CORRESPONDENCE	The Committee received relevant financial correspondence from both DEL and DFP throughout the year. Correspondence included: Additional Support Fund Circular; Provisional Education Budget Targets; and the Annual Report & Financial Statements Strategy. It also gave consideration to a letter from DEL indicating the difficult situation facing the Department. At its meeting (22 June 2015) it considered a request from YMCA Larne regarding the clearance of the outstanding balance of its lease with NRC.
CAPITAL EXPENDITURE	The College achieved funding for capital expenditure for 2014/2015 amounting to £2.3m. The Committee noted that capital items had been procured, received, commissioned and paid by 31 March 2015.
MISCELLANEOUS	The Committee (30 March 2015) discussed the financial implications of the Voluntary Exit Scheme. At its meeting on 22 June 2015 the Committee gave consideration to the recovery of outstanding fees and noted that after all internal procedures had been exhausted the College had progressed the debts to the Small Claims Court.