

## **NORTHERN REGIONAL COLLEGE**

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

Minutes of the meeting of the Finance and General Purposes Committee held on 30 March 2015 at the Ballymena Campus.

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

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

#### **UNRESERVED BUSINESS**

##### **48.1 Apologies**

An apology was received from Mr R Jay, as arrangements for the meeting, with Staffing Committee members present, were set up at short notice and he was unavailable to attend. The Principal said that she would be discussing the schedule for meetings with the Chair of the Governing Body during the coming week and would advise members.

##### **48.2 Declaration of Interests**

There were no declarations of interests.

##### **48.3 Minutes of the Last Meeting**

The unreserved minutes of the last meeting held on 2 March 2015 were approved subject to:

- a) the removal of the statement 'this was within the tolerance level set by DEL'; and
- b) the placement of minute '47.11 Next Meeting' after 'Minute 47.14 Any Other Notified Reserved Business'.

##### **48.4 Matters Arising**

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

##### **48.5 Correspondence**

Professor Scott advised that the Sector has submitted a business case for one year for approval to DEL and DfP in order to access funding for the 2015/16 academic year. However the outcome of this process and the level of funding will not be known until June 2015. In light of this development at Sector level, the Principal has written to all members of staff seeking expressions of interest in voluntary exit by 17 April 2015. Professor Scott explained that the Strategic Improvement Plan, once approved by the Governing Body, will provide a framework for aligning staff and other resources to core business. In the event of further redundancies being required, the agreed sector redundancy procedure will be followed.

During discussion a view was expressed that the College may lose some control of the redundancy process under the Voluntary Exit Scheme. The Principal advised that under the Sector VES the College would have had the opportunity to take account of the business needs and organisational priorities in reaching decisions about severance

Professor Scott noted the timing of any approved VES would have implications for financial forecasts being presented at the annual bi-lateral meeting with DEL on 1 April 2015.

##### **48.6 Monthly Management Accounts**

The Committee received the Monthly Management Accounts for the period up to 28 February 2015. The Accounts indicate that the College has an historic cost surplus of £2,539k, which is £561k ahead

of budget. The Bank Balance as at 28 February 2015 was £4.9 million. The Chair referred to the variance between the actual and budget outcome. Mrs Moore explained that the Finance Committee was monitoring and profiling the expenditure closely and would where appropriate reassign budget. College was ahead in terms of profiling and in claims for WBL training. It was noted that funding, for additional interim resources, associated with the SIP, had been taken into consideration in the budget.

#### **48.7 Non-Departmental Public Body (NDPB) Submission**

The Committee received a copy of the NDPB Forecast Schedule for February 2015, which has been forwarded to the Department. The return has been reconciled with the Monthly Management Accounts and there is no variation between the Accounts and the NDPB return. **It was agreed that the NDPB Return should continue to be provided for the Committee.**

#### **48.9 Finance & General Purposes Committee KPIs and FE College Health Check Report Issue 1 2014/2015**

The Committee received and considered the following papers:

- a) Finance KPIs. Members noted progress, as at 30 March 2015, in relation to the Finance KPIs:
  - i) OBC. The estimated date of approval of the Business Case for the Addendum to the OBC and the DAC to appoint Deloitte to complete the OBC is 30 April 2015. The Principal Reported that ETI had confirmed approval on the 27 March 2015 of the Curriculum Plan and the proposed schedule of accommodation; Deloitte would be commencing the assignment this week.
  - ii) Disposal of Antrim Campus. The disposal has been completed and the target achieved.
  - iii) College Finance. NRC is on target to achieve its target, an historic cost surplus of £0.4 k
  - iv) WBL. The training programme has recruited to target and the total income projected for the year is in line with the original budget £1.685m
  - v) School Activity. The EF programme has recruited to target.
  - vi) Business Development. The annual bespoke Income is projected to be on target by the year-end. Business Development Activity income is lower than budget and this is reflected in expenditure.
  - vii) Payment of Suppliers. The College is progressing towards meeting the 95% target for invoices paid within 30 days.
  - viii) FLU. The predicted FLU for 2014/2015 is 6,183 (419 less than target). Underperformance had been due to under-recruitment to Level 3 courses and as a result of increased competition from schools.

**b) FE College Health Check.** The Committee noted the following items referred to in Section 1:

- i) The current ratio, cash days, debtor days, creditor days, cash balance at 31 July as a percentage of total income and staff costs as a percentage of total costs are all within DEL's suggested range for the year 2013/14, based on the final financial statements. The historic surplus as a percentage of total income for 2013/14 is higher than the DEL range, but this is rectified in the 2014/15 projections.
- ii) The Staff costs as a percentage of total income ratio for 2013/14 is higher than the DEL suggested range. Actions will be taken as a result of the implementation of the SIP to reduce this ratio from 2015/16 onwards.
- v) The number of debtor days projected for 2014/15, based on the projected Balance Sheet at the end of Quarter 1, was 82. This has reduced to less than 30 at the end of Quarter 2.

#### **48.10 Capital Expenditure**

Mrs Moore informed the Committee that the College had achieved funding for investment for 2014/2015 amounting to £2,326k (£2,013k from DEL awards and £313k surplus over the net book value for the sale of the Antrim Campus). She stated that by 31 March 2015 capital items had been procured, received,

commissioned and paid amounting to £2,327k. The Committee noted details of the equipment purchased.

#### **48.11 Health & Safety**

The Committee received a presentation on Health & Safety by Mr K Leckey, Health & Safety Coordinator. He drew attention to the trends in accidents, risk assessment and staff development since 2009/2010. There had been a significant decrease in reported staff and student accidents/incidents over the period. The claim trends had shown a corresponding decline; there had been 11 claims (including 2 in 2014) over the last 3 years. Mr Leckey indicated that he had initiated staff training and intended to include online training within the College mandatory training cycle during the period April – June 2015. The Internal Auditors had issued a 'satisfactory' assurance rating for Health & Safety in March 2014. In response to a query Mr Leckey advised that the Health & Safety sub-committee reported all accidents/incidents to the EMT, who informed the Finance & General Purposes Committee of any serious incidents.

#### **48.12 Any Other Business**

There was no notified business

#### **48.13 Next Meeting**

The Committee agreed that the next meeting scheduled for Monday 27 April 2015 should be cancelled as the Monthly Accounts and any other significant business could be brought to the Governing Body meeting on Wednesday 29 April 2015. It was noted that it would be important for the Staffing Committee meeting to continue as scheduled on 27 April 2015.