

NORTHERN REGIONAL COLLEGE

FINANCE AND GENERAL PURPOSES COMMITTEE

Minutes of the meeting of the Finance and General Purposes Committee held on 9 June 2014 at the Ballymena Campus.

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

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

UNRESERVED BUSINESS

44.1 Apologies

An apology was received from Mrs G McConnell.

44.2 Declaration of Interests

There were no declarations of interests.

44.3 Minutes of the Last Meeting

The unreserved minutes of the last meeting of the Finance and General Purposes Committee held on 31 March 2014 were approved

44.4 Matters Arising

44.4.1 Budget Delegation (minute 43.11)

Members received a copy of the current scheme of budget delegation being used by College Management. This scheme has resulted from a Review of last year's financial out-turn

In response to a query from the Chair, it was confirmed that all budget holders had received a copy of the Budget Delegation Scheme.

The Committee approved the Budget Delegation Scheme.

44.4.2 Financial Monitoring Recommendations (minute 43.11)

The Committee noted progress against the financial monitoring recommendations identified as a result of events or process failures in relation to the financial out-turn in 2012/2013. All the recommendations have now been implemented. It was also noted that three training sessions had been delivered on the Scheme of Budget Delegation and that specific training needs have been and would continue to be provided on an ad-hoc basis as identified by individual budget holders.

44.4.3 Budget Monitoring 2013/2014 (minute 43.16)

Nine-month budget monitoring meetings were held during May 2014, which were attended by budget holders, their line managers, the Director of Finance and Corporate Development and the Principal. The purpose of the meetings was to consider the management accounts for the first nine months to 30 April 2014, to identify any variances and record action taken to address the variances. A net budget 'surplus' on normal operational activities was determined as **£35,337**. Given the projected surplus the F&GPC and Staffing Committee have discussed the affordability of further redundancies within the lecturing staff (see minute 44.19 below). It was noted that the 'surplus' was subject to a number of risks, please list risks which will be managed by individual budget holders and by SMT collectively.

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

44.5 Correspondence

The Committee received the following correspondence:

a) DEL Circular FE 02/2014, dated 31 March 2014, providing summary information from College Accounts for the academic year 2012/2013 and the preceding five years. It was noted that the information in this circular had previously been reported to the F&GPC in the DEL Health Checks

b) DEL Circular FE 03/2014, dated 8 April 2014, updating the eligibility criteria which will be used to determine eligibility for free meals and refreshments in Further Education Colleges;

c) DEL Circular FE 06/2014, dated 21 May 2014, setting out terms and conditions for the payment of the Hardship Fund (Discretionary) from 1 August 2014.

d) DFP Circular DAO (DFP) 09/13, dated 8 November 2013, setting out arrangements for payment of remuneration (honorarium/fees) and travel and subsistence to non-executive appointees. The Committee noted the requirement, from 6 April 2014, to pay all non-executive appointees through payroll. Mrs Moore stated that she would require certain information from Governors such as National Insurance numbers and Car Insurance certificates to implement the scheme. She undertook to provide the Secretary with details of necessary requirements for distribution to Governors.

e) Correspondence from DEL, dated 3 June 2014, extending the deadline for submission of budgets to the Department from the end of June 2014 to 30 September 2014. **It would be necessary for the Governing Body to arrange a special meeting to approve the Budget prior to 30 September 2014.**

44.6 Chairperson's Communication

44.6.1 Membership of Governing Body

The Chair reported that Mr Colin Chan had been appointed as the new Student President and will replace Mr S Kelly as Student Governor.

44.7 Estates Issues

Mrs Crotty, Director of Planning and Customer Services, provided an update for the Committee on estate issues. She referred to:

a) Disposal of Antrim Campus. The sale of the land is being progressed by BTW Shiells. There is currently significant interest being expressed by four parties in the sale of the Campus.

b) Disposal of Portrush Campus. There has been no progress in relation to the sale of this property. It has now become necessary to escalate the level of communication

The committee recommended that a letter has been prepared for the Chair of the Governing Body to forward to the Chair of NEELB. The Principal was to meet with the Chair of the Governing Body to agree the content of the letter.

44.8 Monthly Management Accounts

The Committee received the Monthly Management Accounts for the period up to 30 April 2014 indicating that the College has an historic surplus of £1,755k, which is £270k ahead of budget. It was noted that the projected historic surplus to the year end is £2k and the bank balance as at 30 April 2014 was £3.7m.

It was noted that tuition fees were £46k behind budget but Mrs Moore said that she was confident that fees will be on target by the year end. It was noted that cost recovery course fees were £153k behind budget but that this was a timing issue with the remainder of the cost recovery work planned for later in the year. It was also noted that training income was £81k ahead of budget. Mrs Moore stated that this high risk area continues to be monitored closely. The Committee minded that catering income was £39k behind budget

44.9 Corporate KPIs

The Committee received a Progress Report regarding the following Corporate KPIs as at 9 June 2014:

a) College Operations. All milestones are complete in relation to the Outline Business Case; the Antrim sale is being progressed; ownership of the Portrush property remains unresolved; and a new business case is being prepared for appointment of consultants regarding the disposal of land at Newtownabbey.

b) Finance. Most Finance KPIs are in line with or better than targets. The out-turn for 31 July 2014 is on target and projected to be an historic surplus of £2k; training income is £81k better than budget at 30 April 2014; Entitlement Framework is on target; bespoke income generation is £153k behind budget at 30 April 2013 but this is a timing issue; and there has been an improvement in the % of invoices paid within 30 days since the beginning of the financial year.

44.10 FE College Health Check Report Issue 2 2013/2014

The Committee received the FE College Health Check Report Issue 2 2013/2014 prepared on the 2013/2014 Quarter 2 information provided in March 2014. The Report provides a range of comparative information in financial, economic, staffing, learning and quality areas.

The Committee noted Section 1, which provides comparative performance information for the Sector. Staff costs as a % of total income ratio is 72% at NRC, which is outside the DEL target range and staff costs as a % of student related income ratio indicates that NRC is above the Sector average. The definition of this ratio is currently being examined by DEL;

The Committee also noted that the Part-time Staff as a % of Total Staff ratio was above the Sector average, however, it was noted that the optimum ratio was not determined.

The Committee examined the total staffing cost per head, which indicates that the College has one of the lowest costs in the Sector. This confirmed that the College's lower than sector average staffing to income ratios were income as well as staff cost related. The Principal added that the Tribal Stock Taking Report would consider this issue and should make recommendations.

44.11 Statement of Recommended Practice (SORP)

It was noted that the new SORP will entail a move to adopt principles of International Finance Reporting Standard (IRFS), which will apply for the Financial Year 2015/2016. It was further noted that the Accounts will be presented in a different format. It was noted that the Sector has engaged in a collaborative project to prepare for the implementation of the SORP. This project is being supported by DEL.

It was noted that the cost of phase one of the exercise was likely to be £60k to which DEL would contribute £45k.

44.12 Non-Departmental Public Body (NDPB) Submission

The Committee received a copy of the NDPB Forecast Expenditure Schedule for April 2014, which had been forwarded to the Department. It was noted that the Return had been

reconciled with the Monthly Management Accounts and there was no variation between the Accounts and the NDPB Return for April 2014.

44.13 Finance and General Purposes Committee Action Plan 2014/2015

The Committee approved its Action Plan for 2014/2015 subject some minor adjustments (see revised Copy attached at Appendix 1)

44.14 Finance and General Purposes Committee Annual Report 2013/2014

The Committee approved and agreed that the Annual Report be submitted to the Governing Body (see Appendix 2).

44.15 Any Other Business

44.15.1 Partnership with Accepted Enterprises Limited (AEL)

Mrs Moore stated that she, the principal and the Chair had attended the recent AEL Strategic Partnership Board meeting at Larne. She said that the partnership was proving very successful and AEL was keen to extend its lease. She referred to the improved appearance of the estate and to the increase in numbers of NRC students. The lease has been a positive benefit for both partners but its extension would need to wait for the outcome of OBC

44.5.2 Recurrent Budget Allocations

The Committee received correspondence from DEL, dated 9 June setting out details of colleges' budget allocations for the period 1 August 2014 to 31 July 2015. NRC has been allocated £22,071,730, which is approx £500k more than the allocation for 2013/2014.

The Committee agreed that a joint meeting of the Audit Committee and F&GPC should be arranged for 5.30 pm on 16 September to receive the draft accounts for 13/14 and to approve the 2014/2015 Budget for submission to the Department. Membership of the meeting would be extended to include the remainder of the Governing Body

There was no other notified business

44.16 Next Meeting

The next meeting is scheduled for **Tuesday 16 September 2014** at the Farm Lodge Ballymena Campus **commencing at 5.30 pm.**