
MINUTES OF THE FORTY FORTH MEETING OF THE FINANCE & GENERAL PURPOSES COMMITTEE MEETING HELD ON TUESDAY 15 NOVEMBER 2016 IN MEETING ROOM 1, TOWER BUILDING, STRAND ROAD CAMPUS @ 1600.

PRESENT;

Mr M Agnew (Chair)
Mr P Canavan (from 1705)
Mr M Cooper (from 1615)
Mr D Limb
Mr S McGregor
Mr B Quinn (from 1620)

IN ATTENDANCE;

Mr P McKeown, Director of Finance & Economic Engagement
Mrs É Doherty, Governance Secretary

The Chair welcomed everyone to the meeting.

44.1 APOLOGIES

Apologies were received from Mr L Murphy.

44.2 CONFLICT OF INTEREST DECLARATIONS/DECLARATIONS OF ANY OTHER BUSINESS

There was no conflict of interest declarations. The Director indicated he would table the following papers; an updated paper on the Tender Report, Management Accounts for 3 months to 31 October 2016. He added he would also like to report on the Assisted Living Centre project.

44.3 MINUTES OF THE MEETING HELD ON 20 SEPTEMBER 2016**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Draft Minutes of the Meeting held on 20 September 2016.

The Minutes were taken as read and were an accurate record of the meeting.

PROPOSED; Mr D Limb

SECONDED; Mr S McGregor

43.3.1 MATTERS ARISING – SEPTEMBER MEETING**43.2 Declarations of Any Other Business**

Queries received on Articles of Government and Governor Remuneration. Queries to be placed on the Governing Body October Agenda.

Action: This item was included and discussed at the Governing Body meeting on 4 October 2016.

Estates – Strabane Campus

Action; Strabane Campus to be placed on the November Agenda

Item included within Estate Update Report of today (44.5, Report 2 item 2).

44.4 CHAIR'S BUSINESS

The Chair had no further business to discuss.

44.5 MANAGEMENT REPORT – Mr P McKeown, Director of Finance and Economic Engagement**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Report 1	Tenders Issued
Report 2	Estates Update
Report 3	Annual Report & Financial Statements – 31 July 2016
Report 4	Bad Debt Write-Off
Report 5	Charitable Status
Report 6	Student Council Report & Financial Statements – 31 July 2016
Report 7	Management Accounts for 3 months to 31 October 2016 (tabled)
Report 8	Budget 2016/17

Tabled: Tenders Issued Update

The Director in presenting his reports to members included;

1 TENDERS ISSUED

The Director tabled an updated Tenders Issued Report to members, went through the recent activity and provided detail to members' queries. Concerns were noted regarding the CPD processes.

SINGLE TENDER ACTIONS

There were no Single Tender Actions to report.

2 ESTATES UPDATE

Springtown Redevelopment – new key dates were provided for the redevelopment as a result of the delay in the PQQ process of at least six weeks.

Strabane Campus -The Director reported that no pre-feasibility Report has been received to date from Derry City and Strabane District Council. The Committee suggested giving the Council further time, however a deadline would need to be considered for the College to progress.

AGREED ACTION; The matter to be discussed further at the Governing Body meeting regarding deadlines.

Discussions followed on the progress of estates matters logged with Properties Division (PD), and the serious concerns that the services offered by PD does not represent best value for money for the College. The Director indicated that no progress has been made on a number of projects logged with PD and that a number of requests for meetings have to date remained unanswered.

Mr M Cooper arrived to the meeting at this juncture.

The third benchmarking exercise has been agreed in principle with Northwin in relation to the PFI Contract Management for £901,000 per annum (exc VAT) for all soft services delivered – this represents a significant reduction of £138,000 per annum (excl. VAT). It is anticipated that the agreement will be formalised before the end of November 2016.

Mr B Quinn arrived to the meeting at this juncture.

ANNUAL REPORT & FINANCIAL STATEMENTS TO 31 JULY 2016

The Director referred members to the Annual Accounts for Year End 31 July 2016. He indicated one change has been made to the draft accounts as discussed at the September meeting, an amount of £4k in respect to Auditors remuneration. A further note will be included in relation to the recent Audit under TFS, a clawback situation may arise hence the need for a Contingent Liability note.

Members recommended approval to the Governing Body of the Annual Report & Financial Statements subject to the Audit & Risk Committee approving same at their meeting on 21 November 2016.

PROPOSED; Mr M Cooper
SECONDED; Mr S McGregor

4 BAD DEBT WRITE-OFF

Members noted the individual debts under £1k, totalling £3K and it was agreed to recommend to the Governing Body that a total of £3K be written off. There were no individual debts greater than £1,000 requiring write-off.

AGREED ACTION;

To recommend to the Governing Body write off for £3K as bad debt.

PROPOSED; Mr M Cooper
SECONDED; Mr D Limb

5 CHARITABLE STATUS

The Chair provided some background detail on this matter and the current position. The financial impact of not retaining charitable status was noted. It was highlighted that the College still retains its charitable status until an agreed position is reached. There is a proposal to set up a working group comprising of the interested parties to determine a course of action.

The Chair thanked the Director for his paper on the item.

6 STUDENT UNION REPORT & FINANCIAL STATEMENTS – 31 July 2016

It was agreed to recommend approval to the Governing Body the Student Union Accounts to 31 July 2016

PROPOSED: Mr B Quinn
SECONDED; Mr S McGregor

7 MANAGEMENT ACCOUNTS FOR 3 MONTHS TO 31 OCTOBER 2016

The Director brought members through the Paper reporting that the Budget had been updated to reflect an extra allocation of £181K from DfE and additional income projected for Youth Training and Higher Level Apprenticeships. Other income is up £24K on budget due to an insurance claim of £22K. HE Fees £1,965K is significantly above budget as full time HE numbers are higher than originally expected and higher than the MaSN cap. It was noted that FE, HE fee income would reduce in the coming months once withdrawals are accounted for. Staff costs are showing a favourable variance of £58k. Pay Direct Support Staff costs are also showing a favourable variance for £48k relating to technician costs. The Director reported there were no concerns within the Accounts.

The Aged Debtors Reports were discussed and noted.

PROMPT PAYMENT

Prompt payment average for the 3-month period was 96%. The 30-day prompt payment figure for September was 97% and October 99%.

8 BUDGET 2016/17

The Director reported on some of the changes from the first draft approved at the Governing Body meeting in June 2016 including; Youth & Training Apprenticeships enrolments in September 2016 are up significantly on 2015/16 and total 118. Income projected at £867K (June £200K) with trainee payments projected to be £250K. Higher Level Apprenticeships income projected £277K (June 200K).

DfE informed the sector that an additional £1.1m was being made available; NWRC's share was £181 280, showing under DfE Grants 'Other'.

TFS Income reduced to £2,211K (June £20,751K) possible explanation, that students have selected the Youth Training area of study. The Entitlement Framework (VEP) continues to drop as schools retain students £551K, Nov (June £620K).

Increases in FE Income, Other Grant – European and Other Operating Income 'Other'.

Staff Costs £21,183K (£20,751K June) this included new posts in the restructuring process.

The outturn 2015/16 delivery was 97.65% with a potential clawback of £300K which has not been provided for in the Financial Statements for the year to 31 July 2016 or the updated Budget paper. (Report 8). The 2016/17 enrolments are down and are estimated to be in the region of 91% of target FLU. This will have a potential clawback in the region of £1.8 million. This potential clawback has not been included in the updated budget.

Mr P Canavan joined the meeting at this juncture.

AGREED ACTION; To recommend approval of the Budget to the Governing Body.

PROPOSED; Mr S McGregor

SECONDED; Mr B Quinn

The Chair thanked Mr McKeown for his report.

The Committee suggested inviting the recently appointed Minister of the Economy, Mr Simon Hamilton to the College. Governor, Mr M Cooper offered to make initial enquiries.

AGREED ACTION; Mr M Cooper to make initial enquiries on inviting Mr Simon Hamilton to the College.**44.6 CORRESPONDENCE**

There was no correspondence received.

44.7 ANY OTHER BUSINESS

The Director referred to the presentation made at the Governing Body, October 2016 meeting from Mrs Geraldine Lavery, Head of Department, Health & Sports. Mrs Lavery reported on the proposed Assisted Living Centre (ALC) project, an important piece of innovation for the College. Members approved the project move to Business Case stage at this meeting.

The Draft Business Case has now been completed and the Director briefed members on the contents. Members discussed the project. The Draft Business Case will be provided as a Paper for the next Governing Body meeting for further discussion.

A member requested details on expenditure in upgrade and maintenance overall and in individual campuses for 2015/16.

AGREED ACTION The Director reported he would arrange to provide this information.

That being the end of business the Chair thanked everyone and closed the meeting at 1835.

DATE OF NEXT MEETING; 21 February 2017

Signed: _____ Chair
Mr M Agnew

Date: 21 February 2017