
MINUTES OF THE FIFTY FOURTH MEETING OF THE FINANCE & GENERAL PURPOSES COMMITTEE MEETING HELD ON MONDAY 5 NOVEMBER 2018 IN THE SDR, STRAND ROAD CAMPUS, COMMENCING 1130.

PRESENT

Mr S Gillespie (Committee Chair)
Mr P Canavan (from 1139)
Mr M Cooper (until 1233)
Mr A Magee
Mr S McGregor
Mr L Murphy (Principal & Chief Executive)
Mr B Quinn
Mrs L Taggart

IN ATTENDANCE

Mr G McCole, IT Services Manager for report item only (until 1205)
Mr P McKeown, Director of Finance & Economic Engagement
Mrs É Doherty, Governance Secretary

The Chair welcomed everyone to the meeting and invited Mr G McCole, IT Services Manager to report to the Committee on the new telephony system. Mr McCole provided some background to the existing telephony system, the limitations of the current system and the future need to look at a new platform. Members discussed at length the options and considering the significant cost it was agreed it would be beneficial to seek some external expert advice when developing the specification. The Committee Chair thanked Mr McCole for attending and reporting to the Committee.

Mr McCole left the meeting at this juncture.

54.1 APOLOGIES

The Committee had full attendance.

54.2 CONFLICT OF INTEREST DECLARATIONS/DECLARATIONS OF ANY OTHER BUSINESS

There was no conflict of interest declarations/no declarations of any other business.

54.3 DRAFT MINUTES OF THE COMMITTEE MEETING HELD ON 19 SEPTEMBER 2018**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Draft Minutes of the Meeting held on 19 September 2018

The Minutes were taken as read and agreed were a true and accurate record of the meeting.

PROPOSED: Mr P Canavan

SECONDED; Mr A Magee

54.3.1 Matter Arising – September 2018 Committee Meeting

53.5 Invite to be forwarded to the IT Services Manager to report to the next Committee meeting on the telephony system.

Update: Actioned.

The Chair on behalf of the Committee wished to take the opportunity to thank Mr M Cooper for his service to the College. Mr Cooper's term of office will complete later this month.

54.4 CHAIR'S BUSINESS

The Chair had no further business to discuss.

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

Report 1	Tenders Issued – to 2018
Report 2	Estates Update
Report 3	Annual Report & Financial Statements to 31 July 2018
Report 4	Management Accounts for 2 Months to 30 September 2018
Report 5	NDPB Return October 2018
Report 5.1	NDPB Sector Summary October 2018
Report 6	Budget 2018/19
Report 7	Student Council Report & Financial Statements to 31 July 2018
Report 8	Prompt Payment – verbal
Report 9	Management Statement/Financial Memorandum (1 October 2018) (Reference; documents on MinutePad Library)
Report 10	Bad Debt Write Off - less than £1000
Report 10.1	Bad Debt Write Off - more than £1000,

Tenders Issued – The Director provided further detail to the Report with explanations to some of the bids received. One Direct Award Contract was awarded which had been approved by CPD and the Principal.

In relation to the Estates the Director provided an update on the Springtown Project and was pleased to report that O'Hare & McGovern Limited had officially commenced the contract on 5 November 2018.

The Director reported that the Estates Manager was leaving his post shortly. The process to appoint a successor is progressing. It was agreed, particularly given the stage at which the Springtown job is at, that the Estates Manager's services would be retained for up to two days a week to at least the middle of December 2018. Members were in agreement with this arrangement.

The DIAL Centre and upgrade works to the Tower Courtyard should be complete by next week.

Annual Report & Financial Statements to 31 July 2018 – The Director reported that one adjustment was required to the Draft Financial Statements to 31 July 2018. This related to the release of an accrual for pay increases for lecturer/senior staff for the years 2015/16, 2016/17 and 2017/18. The Department provided an instruction to remove the accrual from the accounts (£309K). This was a purely an accounting exercise and has no impact on any pay rise negotiations.

Members recommended approval to the Governing Body of the Annual Report & Financial Statements Year End 31 July 2018, subject to the Audit & Risk Committee approving same at their meeting to be held on 6 November 2018.

PROPOSED; Mr M Cooper

SECONDED; Mr S McGregor

The Director then proceeded to the Management Accounts for the 2 months to 30 September 2018. He highlighted items within the Management Accounts including; TFS income down by

£234k on budget and down £106k on same period last year. Numbers have reduced from those previously projected.

Expenditure – Pay Direct Teaching Costs are reduced, favourable variance £198k. This is a permanent variance.

Cash reserves - following the Department's request to reduce cash reserves a further £0.5m was clawed back by the Department.

Budget Update 2018/19 – The Director reported on the material changes from the first draft of the Budget approved at the Governing Body meeting held in June 2018. These changes included an increase of £201K in DfE Grants of which £82k is for increased expenditure on the STS Project which is fully funded by DfE. An additional £45k has been allocated by DfE for 'Brexit' and income for Academies has increased since June 2018.

VEP Income has reduced by £51K. TFS Income is down on what was estimated from £3,270K to £2,882K. Fee Income, HE Fees are also down by £255K a reflection of the significant drop in FT, HE numbers. Part-time HE is also expected to be down. The Director added this is a challenge for the College and may impact funding for future years. Lecturing costs have been reduced by £741K, the decrease in student numbers enrolled in September 2018 accounts for approximately £477k of this. Teaching and Training Support and Admin & Central Services costs are showing significant increases of £261K and £318k respectively. These additional costs are mostly covered by additional income.

Before seeking approval for the Budget the Director wished to report on the NDPB Forecast Expenditure Schedule for Oct 2018 which shows an underspend of £586K this relates to £260k for the STS Project which reduces the underspend to £326K.

The Budget for the year to 31 July 2019 was now showing a deficit £977K, however in the NDPB format the College is predicted to live with the DEL Resource allocation. Concerns were noted again on the reduction in student numbers and the possible future impact on the College finances.

The Director agreed to bring data to a future Committee on space utilisation.

It was agreed to recommend approval of the Budget 2018/19 to the Governing Body

PROPOSED; Mr Quinn

SECONDED; Mr S McGregor

Student Council Report and Financial Statements – year ended 31 July 2018 – the accounts were presented to members.

It was agreed to recommend approval to the Governing Body of the Student Council Report & Financial Statements – year ended 31 July 2018.

PROPOSED; Mr P Canavan

SECONDED; Mr L Murphy

Prompt payment details for the 30 days to 31 October 2018 was 96% and for the year to date was 96%.

The Director reported that the Department had undertaken a review of the Management Statement/Financial Memorandum (MS/FM) which exists between FE Division and each of the six FE Colleges. This document has been updated to ensure that it accurately reflects recent changes in the governance and accountability arrangements with Colleges. The MS/FM appendices have also been reviewed and updated as required. The Director added the revised MS/FM does not constitute extensive change. The document takes effect from 1 October 2018.

The Director then requested approval for bad debt write off for debts under £1k totalling £1,466.00 and debts over £1k totalling £4,955.00

Members were content to recommend approval for bad debt write off totalling £6,421.00 to the Governing Body.

PROPOSED; Mr B Quinn

SECONDED; Mr S McGregor

Mr M Cooper left the meeting during this item.

The Chair thanked Mr McKeown for his report.

54.6 CORRESPONDENCE

Correspondence already noted under Management Report – MS/FM.

54.7 ANY OTHER BUSINESS

There was no any other business to discuss.

That being the end of business the Chair thanked everyone and closed the meeting at 1252.

DATE OF NEXT MEETING; 26 February 2019

SIGNED; _____ **CHAIR**
Mr S Gillespie

DATE; 26 February 2019