
MINUTES OF THE FORTY FIRST MEETING OF THE FINANCE & GENERAL PURPOSES COMMITTEE HELD ON TUESDAY 19 APRIL 2016 IN MEETING ROOM 1, TOWER BUILDING, STRAND ROAD CAMPUS @1600.

PRESENT;

Mr M Agnew (Chair)
Mr D Limb
Mr S McGregor
Mr L Murphy (Principal & Chief Executive)
Mr B Quinn (from 16:05)

IN ATTENDANCE;

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

The Chair welcomed everyone to the meeting

41.1 APOLOGIES

Apologies were received from Mr P Canavan and Mr M Cooper.

41.2 CONFLICT OF INTEREST DECLARATIONS/DECLARATIONS OF ANY OTHER BUSINESS

No member declared a conflict of interest in the business of the meeting. The Director indicated he would like to report on two further items under Any Other Business;

- Business Case Addendum – New Kitchen Incubation Unit, Strand Road- Paper tabled
- DEL Funding 2015/16 & 2016/17 – Paper tabled

41.3 MINUTES OF THE MEETING HELD ON 23 FEBRUARY 2016– (Ref Paper)

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

PROPOSED; Mr S McGregor

SECONDED; Mr D Limb

41.3.1 MATTERS ARISING – FEBRUARY MEETING

40.5 Strabane Campus -The Economic Appraisal for Strabane Estates to be available at the April 2016 meeting.

Action: Paper included in this meeting's Agenda. – Paper 41.5, Report 2.1

2.1 Health & Safety Projects – Condition Survey – The Estate Manager to make arrangements for Burke Morrison Engineers to monitor the projects within report 2.1, to ensure the safety of the plant and equipment until all projects have been completed.

Action: The Chair reported that the Estates Manager has confirmed that the College has a robust maintenance contracts in place. As part of the contract the maintenance contractors inspect and test the condition of the various items of building services plant and equipment at agreed periodic intervals. In the interim, until such times as the identified items are replaced these inspections will provide NWRC with the necessary assurance that the condition of the plant and equipment has not deteriorated.

The Chair and Members were content with this arrangement.

Items within the Condition Survey over £100K to be approved by the Governing Body.

Action: Approved by the Governing Body at their meeting on 9 March 2016.

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- 1 Tenders Issued – Cloud Storage** – it was agreed to speak with the Vice Principal Curriculum & Information Services on this matter.
Action; Information received from the Vice Principal and forwarded to Governor on 11 April 2016. Information sent out to other Committee members on 15 April 2016.
- 4 Fees & Charges Policy** – To recommend to the Governing Body the acceptance of the Policy and approve the fees structure for 2016/17 with the agreed amendments.
Action: Approved at Governing Body meeting on 9 March 2016.

41.4 CHAIR'S BUSINESS

The Chair had no further business to discuss.

41.5 MANAGEMENT REPORT – Mr P McKeown – Paper FC 41.5

1 TENDERS ISSUED – Report

The Director referred to a query that Mr P Canavan had raised prior to the meeting in relation to tenders awarded through CPD (ref 85445). The Director clarified that the figures were actual income and not costs. A member raised a query on a current tender to be evaluated (ref 1125CB), the Director agreed to get further detail and come back to the member.

AGREED ACTION; The Director to provide the member with further detail on the tender. (Ref 1125CB).

SINGLE TENDER ACTIONS

There were no Single Tender Actions to report.

2 ESTATE ISSUES UPDATE -Report

Phase 7A (Works to the Tower Building) – the final section of Phase 7A works were completed in March 2016.

Phase 6 (Springtown Project)

The Director reported that the Project Board had met on 8 March 2016 and a further meeting had been held earlier today. Project Design development works were progressing in line with the approved programme. It is anticipated that the works will commence in January 2017 with a completion date of January 2018. Members discussed the Project. Mr B Quinn offered his help to become involved with the Project Board if required.

Strabane Campus – Report 2.1

The Director referred members to the Draft Economic Appraisal completed by Roe Consultancy for the Strabane Campus. Some discrepancies were highlighted within the Report. Mr P Canavan had also notified of a discrepancy within the report prior to the meeting. Members discussed the options analysis, the different configurations and the identified projects taken forward for further analysis. A Curriculum Plan will be developed to support the anticipated increase in enrolments with the projected increase in space.

A lengthy discussion ensued on the proposed redevelopment proposals and the benefits in additional and new improved accommodation space at Strabane together with the significant economic and social benefits.

The preferred option (4b); redevelop and expand the Strabane Campus to high specification was discussed. Members also considered option (6a); new build at current site in Strabane; however concerns regarding restrictions with a listed building were noted.

The Director reported he would like to take a final draft of the preferred option to the Governing Body June meeting for indicative approval.

AGREED ACTIONS;

- **Amendments to be made to the report.**
- **Members to pass further comments over the next few weeks to the Secretary.**
- **The Director to report back on the restrictions on listed buildings.**

Health & Safety Projects-Condition Survey

The Director referred to the indicative timeline of when the recommended works will be carried out (subject to resource).

Summer Works 2016

The Director reported that due to programme constraints it was proposed to split the Programme of Works into two projects, Project 1 tender is out presently and Project 2 tender will go out on 25 April 2016. Refurbishment work to the Flying Clipper restaurant is also proposed and this will be carried out by Graham FM.

3 MANAGEMENT ACCOUNTS –Report

The Director referred members to the Management Accounts for the 8 Months to 31 March 2016 and highlighted the following;

Income;

DEL Grants – Other – showing a favourable variance of £901K, and is forecast to be £856k above budget by the end of the year. £655k of the increase relates to funding for Tranche three of the VES, (corresponding costs have been included under Pay Administration). £130k relates to HLA funding and almost £80k relates to cross-sector projects.

Education Contracts:

VEP actual income is £629k a favourable variance of £30k. The Director indicated that 50% of this income relates to Limavady.

HE Income - £1,614k is significantly above budget after eight months.

FE Income - £849k down on budget by £75k and down significantly on the same period last year. (£1,080k 2014/15).

Other Income Generating Activities - £42k below budget. £79k of this relates to the prison contract where a number of staff appointments were scheduled later than planned.

Expenditure;

Staff Costs: The In Year Variance is due to lower than expected costs in administration staff, across a number of cost centres as a result of the VES, maternity leave and some posts not recruited yet.

Non Pay Premises - £369k adverse variance, Response and Planned Maintenance and computer equipment are over budget. Management plan to allocate additional resources to the Estates and IT Budgets to ensure the estate and resources remain fit for purpose.

Overall this leaves the College Budget with a projected deficit of £149k as at July 2016.

An updated Aged Debtors Report as at 5 April 2016 was provided. The Director had no significant concerns. Members noted the Report.

4. HEALTH CHECK – ISSUE 2, 2015/16 – Summary Report

The Director referred members to the table on page 3, Other Relevant Ratios; he indicated that the rate under 'Utility costs per square metre' should read £14.57.

FLU Performance based on the January 2016 FLU lift was showing an estimated under delivery for 2015/16 as 2%.

5. PROMPT PAYMENT

93% of invoices were paid within 30 days in the first 8 months to 31 March 2016.

**41.6 PROPOSED CALENDAR OF MEETINGS 2016/17 – PAPER FC 41.6
SECOND DRAFT –PAPER 41.6 ISSUED 19/04/2016**

Members noted the paper.

41.7 ANY OTHER BUSINESS**Business Case Addendum – new kitchen Incubation Unit, Strand Road Campus -tabled**

The Director reminded members that the Business Case for the new kitchen incubation unit had previously come through the Committee (Nov 2015, FC39.9).

Following approval of the Business Case it was found that initial cost estimates appeared to be under estimated. The tabled paper provided detail to this. Costs had subsequently increased by £84k, approximately 23% from the original cost. (£354k). The Director was now seeking approval from the Committee for this additional cost. Members discussed the paper. One member recommended that specialist subcontractor items being treated as provisional sums should be competitively tendered at the appropriate time, particularly as the main contract was let to the incumbent main contractor.

It was noted the tender costs for the New Kitchen Incubation Unit were independently reviewed and verified by a suitably qualified professional as representing value for money.

It was agreed to recommend approval to the Governing Body for a further £84k additional costs.

PROPOSED: Mr S McGregor

SECONDED; Mr B Quinn

DEL Funding 2015/16 & 2016/17 – Paper tabled

The Director provided members with details of DEL Funding 2015/16 & 2016/17 and highlighted items that will not be funded by DEL in 2016/17. This represented a reduction of £495K, with a further estimated 1% reduction on 2015/16 QPA (estimate 2%, the first 1% allowed for) of approximate £224k giving a total estimated reduction in the 2016/17 funding of £720K.

DATE OF NEXT MEETING; 21 June 2016

The Chair thanked everyone and closed the meeting at 1745.