

**MINUTES OF THE TENTH MEETING OF THE FINANCE & GENERAL PURPOSES COMMITTEE OF THE GOVERNING BODY OF THE NORTH WEST REGIONAL COLLEGE HELD IN THE BOARDROOM, STRAND ROAD CAMPUS, ON MONDAY 15 JUNE 2009 AT 5.30PM**

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**PRESENT:** Mr A Rainey (Chair)  
Mr M Agnew  
Mrs J Doherty  
Mrs M Lestas  
Mr S Murphy (Director)  
Mr A O'Connor

**IN ATTENDANCE:** Mr P McKeown (Assistant Director, Finance)  
Mr G McGuckin (Assistant Director, College Development) for item 10.8  
Mr D McClelland (Secretary)

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**10.1 APOLOGIES**

An apology was received from Mr L Gallagher.

**10.2 MINUTES OF THE MEETING HELD ON 31 MARCH 2009**

It was proposed by Mrs Doherty seconded by Mr Murphy and agreed that the minutes were an accurate record of the meeting.

**10.3 MATTERS ARISING**

**9.5 Government guarantee scheme.** The Assistant Director confirmed that these schemes applied to charitable organisations.

**9.5 DEL guidance on investment.** The Assistant Director reported that he was still awaiting a reply from DEL. He drew members' attention to a recent report from consultants which provided investment policy advice to colleges. It was agreed that the advice should be considered at the next review of investments in August.

**10.4 CHAIRMAN'S BUSINESS**

No business was conducted under this heading.

**10.5 MANAGEMENT ACCOUNTS (Ref: paper FC10.5)**

The Assistant Director updated members by presenting accounts for the period to 31 May 2009. The Director expressed his appreciation to the Finance team for their work in producing the accounts so promptly. The report showed actual total income of £28,669,915 and total expenditure of £26,177,963. The Assistant Director discussed the adverse variances with members. He indicated that the

figure for direct teaching has been affected by the level of sickness amongst staff. Members expressed their concern at overall staffing costs which, in the long term, they considered would not be sustainable. Members also drew attention to the need for meaningful benchmarking information. The Assistant Director said he would seek to pursue the matter with other colleges.

The Assistant Director tabled an Aged Debtors Report. He indicated that receipts from the VEP and the Student Loan Co. had substantially reduced debt which was now significantly below the level pertaining 12 months ago.

It was agreed to take item 10.8 at this point in the meeting.

**10.6 TENDERS ISSUED (Ref: paper FC10.6)**

The Assistant Director referred members to the paper. He mentioned one tender which was being re-advertised. In answer to a member's query the Chair explained that there was the potential for misuse of information if envelopes were 'marked' and then treated as valid. Members noted the paper.

**10.7 DRAFT BUDGET 2009/10 – 2011/12 (Ref: paper FC10.7)**

The Assistant Director presented the projected income and expenditure for the period. He indicated that 4 out of the 6 main income streams were projected to decrease and in some cases significantly and at best the DEL grant would remain 'flat' over the next 3 years. On the other hand staff costs are showing a projected increase of 10% already agreed. Given the anticipated growth in developing new curriculum areas there is a danger of over-trading. Part of the teaching cost increase was the additional £1322 due to lecturers in September 2009 (under the new contract) – DFP are expecting this to be paid from efficiency gains through implementation of the new contract. There was agreement that the next few years would be financially challenging. A member expressed his view that the income anticipated may be optimistic whereas the staffing costs were real. He considered that a programme to reduce costs over the next 2/3 years should be devised. The Director indicated that the starting point would be implementing terms of the new contract. It was proposed by Mr Agnew seconded by Mrs Lestas and agreed to recommend to the Governing Body that the budget for 2009/10 – 2011/12 be approved.

**10.8 HARMONISATION OF ESTATES SERVICES DELIVERY (Ref: Paper FC10.8)**

The Assistant Director (College Development) outlined the current provision of services across the estate. He referred to forthcoming changes which would take place when the new build was operational. Consultants had been employed to identify options which may then be applicable. The Assistant Director distributed the consultant's full report to members and drew their attention to the preferred option. Members expressed a number of concerns about the matter including

- the extent of expertise in facility management which had been used
- the operation of the PFI contract and the potential for re-negotiation

- the need for further consideration of cheaper options identified in the report and
- the need for a more detailed examination of the assumptions contained in the report.

It was agreed that representatives of the Governing Body and Senior Management should meet with the consultants to discuss the matter further. It was also agreed to hold a special meeting to consider the matter again in late August / early September.

**10.9 ANY OTHER BUSINESS**

No business was conducted under this heading.

**Date of next meeting:** Late August / early September: details to be advised.

This being all the business the Chair closed the meeting at 7.20pm.

Signed: \_\_\_\_\_ (Chair)

Date: \_\_\_\_\_