

MINUTES OF THE FIFTH 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 19 MAY 2008 AT 5.30 PM

PRESENT: Mr A Rainey (Chair)
Mr E Beattie
Mrs J Doherty
Mr L Gallagher
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 5.8
Mr D McClelland (Secretary)

5.1 APOLOGIES

None

5.2 MINUTES OF THE MEETING HELD ON 18 MARCH 2008

It was proposed by Mr Gallagher seconded by Mr Beattie and agreed that the minutes were an accurate record of the meeting.

5.3 MINUTES OF SPECIAL MEETING HELD ON 15 APRIL 2008

The Chair suggested that the 2nd bullet point of the 2nd paragraph should be amended to include the words “keep pace with” prior to “industry standard”. This was agreed. With this amendment it was proposed by Mr Murphy seconded by Mr Gallagher and agreed that the minutes were an accurate record of the meeting.

5.4 MATTERS ARISING

4.4 Management Accounts. The Assistant Director (F) confirmed that the 2% carry over referred to the total income as in the Financial Memorandum

4.6 Estates Issues. The Director indicated that the review would come to a meeting in the Autumn. He reported that the Boating Club Lane project was now through plan permission stage and would soon be going out to tender.

4.8 Day Care Provision. The Chair reported that the GB had decided to keep the provision open with a review of the position in September.

4.9 Fees Structure. The Chair reported that the GB had decided that fees for ESOL courses would not be waived as there was no consistency on the matter across colleges.

5.5 CHAIRMAN'S BUSINESS

No business was conducted under this heading.

5.6 MANAGEMENT ACCOUNTS (Ref: paper FC5.6)

The Assistant Director (F) presented the accounts for the 9 months ended on 30 April 2008. The report showed actual total income of £27,290,785 and total expenditure of £23,457,031. He commented on the major variances shown. These included:

- Income
 - DEL grants above initial budget due to additional monies for health & safety issues, minor works, essential skills and re-structuring
 - Income from VEP link courses higher than expected
 - Tuition fees for HE projected to be down on budget due to lower number of students; FE fees now not as low as expected
- Expenditure
 - Teaching staff costs lower than anticipated due to non-replacement of staff who have left, others on long term sick leave and more efficient deployment of staff across college campuses
 - Exam fees should be lower than expected due to lower numbers; payments to trainees less than expected due to lower numbers
 - Redundancies payments to be shown in this year's accounts as agreed with NIAO

In response to members' questions the Assistant Director (F) commented that

- In relation to the approved additional capital spend, where prices for capital goods were lower than estimated, it would be prudent to increase number of goods being purchased
- It might be possible, in profiling the new budget, to show income against expenditure for some specific items

The Assistant Director tabled an Aged Debtors Report commenting that the estimate of bad debt for the year needs to be revised due to a measure of success in pursuing debtors.

The Assistant Director also tabled a draft schedule showing the value of the college estate as per VLA. These valuations will impact on the depreciation charge and the release from revaluation reserve in the accounts – VLA has not issued the final version yet. The Assistant Director (F) also indicated that he had some concerns on how the former NWI accounted for the revaluations in 2003. He has asked the Internal Auditor to review the situation.

5.7 TENDERS ISSUED (Ref: paper FC5.7)

The Assistant Director (F) advised that no tenders had been issued during the report period. In reply to a question he agreed that future reports would include information on the number of tenders invited for each item.

5.8 PROJECT CRITERIA (Ref: paper FC5.8)

The Assistant Director (CD) drew members' attention to the proposed scoring and selection criteria for projects. He indicated that points 8, 9 & 10 on the table had no qualifying pass rate as they were not considered critical to the potential success of a project. In further discussion the following points were mentioned:

- Some of the criteria need to be re-worded to more closely reflect the additional criteria agreed at the last meeting
- There needs to be strict management of projects where other parties are contributing expertise
- Initial marking of potential projects would be by the SMT with outcome notified to the GB
- Overall financial weighting needs to be adjusted
- projects should not run at a loss
- Point 3 should include 'monitoring' as well as 'reporting'
- The importance of points 8, 9 & 10 should not be under-estimated. It was agreed that a pass rate for each would be included
- Consideration would be given to a higher overall 'pass' mark
- Criteria could be grouped under 3 headings – general, financial & developmental.

The Chair requested that a further draft be brought to the next meeting to reflect members' views.

5.9 POLICIES REVIEW (Ref: papers FC5.9)

5.9.1 **Credit Card Policy.** The Assistant Director (F) indicated that this new policy was intended to maintain strict control over the use of college credit cards – presently two cards are available. It was agreed that the policy should include the credit limit on the cards. It was proposed by Mrs Doherty seconded by Mrs Lestas and agreed to recommend to the Governing Body approval of the policy. It was agreed that details of credit card transactions would be provided for the next meeting.

5.9.2 **Investment Policy.** The Assistant Director (F) indicated that this new policy sought to secure investment in line with the Financial Memorandum. He outlined to members details of current college investments. A member mentioned that, in today's financial climate, it is important to spread investment to minimise risks. It was proposed by Mr Beattie seconded by Mr Gallagher and agreed to recommend to the Governing Body that the policy be approved.

5.9.3 **Hospitality Policy.** The Assistant Director (F) indicated that this is revised policy (formerly from NWI) based on Financial Memorandum principles. A comment was made about the rates quoted in the policy. It was agreed that current rates would be checked. It was proposed by Mrs Doherty seconded by Mr O'Connor and agreed to recommend to the Governing Body that the policy be approved

subject to the inclusion of a reference to propriety and correctness in line with the Nolan Principles.

It was agreed that each policy should have reference to the person with responsibility for its implementation.

5.10 REVISION OF FINANCIAL MEMORANDUM

It was agreed to wait for the publication of DEL's consultative document on amendments to the Financial Memorandum before considering the matter further.

5.11 REVIEW OF USE OF LIMAVADY LIFELONG LEARNING BUILDING (Ref: paper FC5.11)

The Assistant Director tabled a paper on the building showing details of the lease, sub-lease and current use. Comments from members included

- The opportunity the building gave for main street presence
- The possibility of further sub-letting

It was agreed that a paper should come to the next meeting of the Committee with details of possible options on the future of the building.

5.12 ANY OTHER BUSINESS

5.12.1 Proposals to meet short-term accommodation requirements at Strabane Campus. (Ref: paper FC5.12.2) The Director outlined proposals for immediate improvements to be made to the main building at Strabane at a total estimated cost of £208,200. Some of the items on the list were considered to be health and safety issues. A member queried why the matter had not formed part of the additional spend for this year and would it result in more students being enrolled? The Director explained that expenditure may not all be completed this financial year but he expressed confidence that the additional students enrolled would, at least, meet the outlay costs. It was proposed by Mr Gallagher seconded by Mr O'Connor and agreed to recommend to the Governing Body that the proposals be approved.

5.12.2 Harmonisation of Estates Service Delivery (Ref: paper FC5.12.2) The Director indicated that he wished to seek to resolve variations in delivery of estate services across campuses prior to the Boating Club Lane building project being completed. He suggested that consultants should be employed to advise on the way forward. Discussion included comment on:

- the need to ensure there was not a 2-tier workforce
- the opportunity to improve efficiency
- the need to introduce competition for provision of the services
- careful consideration be given to the consultant's remit.

It was proposed by Mr Beattie seconded by Mrs Doherty and agreed to recommend to the Governing Body that consultants be appointed. It was also agreed that, subject to GB approval of the recommendation, the consultants should develop options which would come to the Committee for consideration.

5.12.3 **DEL Circular on Community Education.** The Director informed members that DEL intended to provide funds over the next 3 years for community organisations to recruit the ‘dis-engaged’ on to education and training programmes.

Date of next meeting: It was agreed it would be necessary to meet in late August to give consideration to budget proposals for 2008/09.

This being all the business the Chair closed the meeting at 7.50pm.