
MINUTES OF THE NINETEENTH 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 20 JUNE 2011 AT 5.00PM.

PRESENT: Mr A Rainey (Chair)
Mr M Agnew
Mrs J Doherty
Mr S Murphy (Principal and Chief Executive)
Mr A O'Connor

IN ATTENDANCE: Mr P McKeown (Director of Finance and Estates)
Mr D McClelland (Secretary)

19.1 APOLOGIES

Apologies were received from Mrs M Lestas and Mr D Limb.

19.2 DECLARATION OF INTERESTS

No member declared an interest in the business of the meeting.

19.3 MINUTES OF THE MEETING HELD ON 4 APRIL 2011

It was proposed by Mr Agnew seconded by Mr O'Connor and agreed that the minutes were an accurate record of the meeting.

Action: Secretary to publish approved minutes asap.

19.4 MATTERS ARISING

18.6 Management Accounts. In reply to a question the Director said he would refer to IT capital expenditure under the budgetary item.

18.8 Estates Issues Update. The Principal reported that a VEP issue had arisen in relation to the closure of Maydown. It was hoped to resolve the matter shortly.

19.5 CHAIRMAN'S BUSINESS

No business was conducted under this heading.

19.6 MANAGEMENT ACCOUNTS (Ref: paper FC19.6)

The Director distributed an updated paper to members on the College accounts for the 10 months to May 2011. The report showed, for year to date, actual total income of £29,536,852 and total expenditure of £27,340,340. He referred members to income variances including the increase in DEL main grant and decrease in VEP link income. On the expenditure side, he referred to the significant favourable variance on teaching costs. The Principal indicated that the figures reflected increasing efficiencies where an additional 700FLUs were being

delivered with no real increase in teaching costs. The Director then mentioned that an adjustment had been made to the projection of year end expenditure to include costs for redundancies, annual IT capital spend and additional premises maintenance. He pointed out that, as in recent years, it is difficult to estimate costs for FRS 17 (non-teaching pensions) and LPS building values.

The Director then referred members to the Balance Sheet and College Investments. He indicated that other major banks were showing interest in doing business with the FE sector.

Referring to the Aged Debtors Report as of 9 June 2011 the Director considered the matter was under control. In reply to a member's question he said that the College sought to actively pursue student debt.

The Chair commented on the overall healthy financial position of the College.

19.7 TENDERS ISSUED (Ref: paper FC19.7)

The Director referred to the report on tenders issued to 10 June 2011. He referred members to a number of issues including the non-tendering from gas companies and the difficulties which can arise with costs of flights against the accepted tender price. He also pointed out an item where bid prices were 4 times the estimated budget (item cancelled) and to an item where the accepted tenderer had withdrawn his bid price (to be re-advertised). Members noted the report.

19.8 DRAFT BUDGET 2011/12 (Ref: paper FC19.8)

The Director referred members to the budget paper. He said that it was obligatory to include estimates for years 2 & 3 but that figures for these years included a number of assumptions. For 2011/12 the Director proposed that the budget consist of a total income element of £31,737,000 and total expenditure of £32,703,000. The deficit would be met by calling on College reserves. On the income side, he indicated that DEL grant would be reduced by £1.3m and, with possible reductions in HE and VEP fee income, the total drop in income for the year was estimated to be £2.1m. He emphasised that the College still proposed to deliver 5800FLUs matching this year's delivery – approximately 800 FLUs above DEL's funding level. On the expenditure side, teaching costs were estimated to decline from £15.2m to £14.9m assuming no pay rises during the year. There would be small adjustments to taught hours/week on full-time courses – an efficiency gain which should not affect quality of delivery. He also referred to variances in costs associated with premises and plant. Overall expenditure was expected to be reduced by £1.9m. It was proposed by Mr Agnew seconded by Mr O'Connor and agreed to recommend to the Governing Body the approval of the College budget for 2011/2012. The Principal conveyed his thanks to the Director and his team for the work carried out in formulating the budget.

19.9 ESTATES ISSUES UPDATE (Ref: paper FC19.9)

Strand Road Development.

The Director reported that 1 collateral warranty was still outstanding. He mentioned an updated adjustment to the potential construction cost.

City Factory.

The Director reported that there had been little movement since last report.

Academy Boys Strabane.

The Director reported that there had been no movement since last report.

Benevenagh Building, Limavady Campus.

The Director reported that the initial results from the joint inspection of the defective windows had raised matters of serious concern which would require further investigation.

19.10 CORRESPONDENCE

None

19.11 ANY OTHER BUSINESS

No business was carried out under this heading.

The Chair, on the occasion of his last meeting of the Committee, thanked the Principal, Director and Secretary for their help and assistance throughout his time in office. He expressed his continuing confidence in the financial management of the College. Mr O'Connor also expressed his appreciation of his time as a Committee member. The Principal thanked the Chair and Mr O'Connor for their valuable contribution to the work of the Committee.

Date of next meeting: TBA

This being all the business the Chair closed the meeting at 6.20pm

Signed: _____ (Chair)

Date: _____