

MINUTES OF THE FOURTH 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 TUESDAY 18 MARCH 2008 AT 5.30 PM

PRESENT: Mr A Rainey (Chair)
Mr E Beattie
Mrs J Doherty (until 7.20 pm)
Mr L Gallagher
Mr S Murphy (Director)

IN ATTENDANCE: Mr P McKeown (Assistant Director, Finance)
Mr G McGuckin (Assistant Director, College Development) for item 4.7
Mr D McClelland (Secretary)

The Chair welcomed Mr Gallagher to his first meeting with the Committee.

4.1 APOLOGIES

Apologies were received from Mrs M Lestas and Mr T O'Connor.

4.2 MINUTES OF THE MEETING HELD ON 21 JANUARY 2008

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

4.3 MATTERS ARISING

3.3 (2.4) Boating Club Lane

The Director reported that he understood that agreement had now been reached on the architectural difficulties and he expected that the project would proceed.

3.3 (2.12) Sector savings

The Director explained that the Staffing Committee would be bringing a recommendation to the Governing Body which involved the redundancy of six members of staff as agreed with DEL. The College would be responsible for the redundancy and added years payments. He understood DEL was formulating a business case to DFP for further staff rationalisation due to restructuring.

3.4 NWRC Tender Procedures

The Assistant Director reported that he had met with the GB Chair and had agreed amendments to the document. It was agreed that the revised document should be circulated to all members of the Governing Body.

A member expressed a view that the Governing Body should be informed of all proposed tenders in excess of £30000. It was agreed that this should become normal practice. Where it was not possible due to timing then the Chair should be informed. The Assistant Director suggested that a list of anticipated large spend projects could be provided to members of the Governing Body alongside draft budget proposals. This was agreed.

3.9.3 Limavady property issue

The Director reported that there had been no further movement on this matter.

4.4 MANAGEMENT ACCOUNTS (Ref: paper FC4.4)

The Assistant Director presented accounts for the 7 months to the 29 February 2008. The report showed actual total income of £21,281,090 and total expenditure of £18,175,843. He commented on the major variances shown. These included:

- Income
 - DEL grants. Generally, budget levels should be met. Where not, expenditure will also fall with net effect being nil
 - Essential skills and VEP income – both above budget – final claims for 06/07 for both former colleges were higher than expected due to good retention
 - HE and FE tuition fees projected to be down on budget
 - Higher level of investment income than anticipated.
- Expenditure
 - Savings in staff costs due to non-replacement of staff and more efficient deployment of staff across campuses. All pay settlements are included in the figures
 - Payments to Jobskills and Training for Success trainees down due to lower numbers
 - Premises costs above budget but will be off-set by additional grant aid
 - Energy savings due to reduction in VAT rate

In addition he drew members' attention to the following issues:

- Overtime payments to Associate Lecturers are now pensionable
- Employers pension contributions to NILGOSC to increase from 13.6% to 17% over the next 2 / 3 years
- College to meet added years pension payments for redundant staff

A member requested clarification on the basis for calculating the 2% carry over figure allowed under the Financial Memorandum. The Assistant Director said he believed it to be 2% of total income but would check and report back.

In relation to the Balance Sheet questions were asked about

- The tangible assets. The Assistant Director reported that a Register had been established. An audit had been carried out on the security of assets. The report had been given a 'substantial' rating.

- Stock. Items involved were detailed
- Creditors. Major items were mentioned including PFI payments and deferred grant income. The Assistant Director indicated that the valuation issue on estates was still not resolved.

Members then considered the cost centre analysis provided with the management accounts. The Assistant Director explained that the grant was top-sliced to pay for support services and the balance apportioned across academic centres based on 06/07 student numbers. A discussion took place during which the following points were made:

- Concern was expressed at the large deficit shown against Technology. It was explained that these courses necessarily incurred a high level of expense. It was hoped that some efficiencies could be made with a reduction in staffing occurring as part of the rationalisation process.
- Cross-departmental teaching occurs but charges have not been apportioned at this stage
- Community outreach programmes had contributed substantially to the surplus shown against the Art department
- Action is needed to reduce costs in Technology and Business
- A member suggested that we need to work towards identifying costs at course level.

The Assistant Director then tabled a paper on outstanding debt classified by age. The following points were made

- Debt management process had been audited
- Adjustment will be required to account for students who have withdrawn from courses
- By arrangement, some debt is being paid off by instalment
- Second instalment of HE fees still due from student loan company
- Members requested information on in-year debt
- Members also requested information on proportion of debt passed to the debt collection agency.

The Assistant Director referred members to the projected financial position - £2m historic surplus. This figure excludes the following information, some of which has just come to light in recent days:

- Cost of redundancies
- VAT clawback of £100k
- Grant of £750k for redundancies
- Additional recurrent grant of £160k

It was also mentioned that SMT would be reviewing a number of curriculum projects that would improve delivery and approximately £1.3m of investment in key curriculum and support areas.

4.5 TENDERS ISSUED (Ref: paper FC4.5)

Members noted the tenders issued to 29 February 2008.

4.6 ESTATE ISSUES: CLONDERMOT AND STRABANE (Ref: paper FC4.6)

The Director outlined the current situation with regards to both sites. He reported that discussions had taken place with DEL. As a result DEL requires an estates review plan for the whole College to be drawn up. Members emphasised the urgent need for an update of accommodation at Strabane identifying the services to be provided and the accommodation which will be required. It was agreed to recommend to the Governing Body that an estates review takes place following planning approval being given for the Boating Club Lane development.

4.7 PROJECTS (Ref: paper FC4.7)

The Chair welcomed the Assistant Director (College Development) to the meeting. The Assistant Director explained that the INTERREG application date for the proposed project on The Innovation Factory designed to help small businesses in the area had been closed at short notice. However some months will elapse before the outcome of the application will be known and any offer is made.

Members then considered the draft general criteria which had been drawn up by management against which decisions for involvement in project work could be made. After some discussion it was agreed that

- Criteria should be weighted and presented in a format which enabled evaluation through scoring to take place
- The following additional criteria should be included
 - Any requirement for additional staff
 - The financial benefit
 - The extent to which participation would take away from core activities
 - Any expertise required to deliver the project.

It was agreed that a revised document would be considered at the next meeting.

4.8 DAY CARE PROVISION (Ref : paper FC4.8)

The Director provided data on the use of the facility, the costings of the operation and similar arrangements at other colleges. A discussion took place on a possible range of options for the future of the facility. However considerable concern was expressed that, irrespective of alternatives, no student of the College was currently making use of the facility and therefore the subsidised costings could not be justified. It was agreed that the Governing Body should consider the future of the facility at its next meeting when a further paper would be provided.

4.9 FEES STRUCTURE 2008/09 (Ref: paper FC4.9)

The Director presented the annual draft revision of fees for the forthcoming year. He made the following points:

- The fee for community courses was being reduced to encourage an increase in participation

- He proposed that the course fee for English Language for ethnic groups should be waived. Members considered this should be subject to there being consistency across colleges
- he might wish to use his discretionary powers to waive fees in exceptional circumstances
- a fee of £65 / hour would be charged for courses within the new entitlement programme for schools – addition to list.

It was proposed by Mr Beattie seconded by Mr Gallagher to recommend to the Governing Body that the fees structure be agreed including amendments as above.

4.10 ANY OTHER BUSINESS

The Assistant Director mentioned that he had a copy of the annual Historical Financial Statistics relating to FE Colleges which members could consult if they so wished.

Date of next meeting: It was agreed to meet on Monday 19 May at 5.30pm in Strand Road.

This being all the business the Chair closed the meeting at 8.05pm.