
**MINUTES OF THE FORTY SECOND MEETING OF THE FINANCE & GENERAL PURPOSES COMMITTEE MEETING
HELD ON TUESDAY 21 JUNE 2016 IN MEETING ROOM 1, TOWER BUILDING, STRAND ROAD CAMPUS @1700.**

PRESENT;

Mr M Agnew (Chair)
Mr P Canavan
Mr M Cooper (from 1730)
Mr D Limb
Mr S McGregor
Mr L Murphy (Principal & Chief Executive)
Mr B Quinn

IN ATTENDANCE;

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

The Chair welcomed everyone to the meeting.

42.1 APOLOGIES

There were no apologies. Mr M Cooper gave prior notice he would be arriving late to the meeting.

42.2 CONFLICT OF INTEREST DECLARATIONS/DECLARATIONS OF ANY OTHER BUSINESS

There was no conflict of interest declarations/no declarations of any other business.

42.3 MINUTES OF THE MEETING HELD ON 19 APRIL 2016**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Draft Minutes of the Meeting held on 19 April 2016.

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

PROPOSED; Mr B Quinn

SECONDED; Mr S McGregor

42.3.1 MATTERS ARISING - APRIL MEETING**41.5 Tenders Issued – The Director to provide the member with further detail on the tender (ref 1125CB)**

Action: Director provided information on the tender details to the member on 22 April 2016

Strabane Campus EA –

- Amendments to be made to the report
- The Director to report back on the restriction on listed buildings.

Action: The Director will report on the above items within the meeting under Item 42.5, Estates Update.

41.7 Any Other Business**Business Case Addendum; new Kitchen**

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

Action: Approved by the Governing Body on 11 May 2016.

42.4 CHAIR'S BUSINESS

The Chair had no further business to discuss.

42.5 MANAGEMENT REPORT – Mr P McKeown, Director of Finance and Economic Engagement➤ **PREVIOUSLY ISSUED TO ALL MEMBERS**

Paper FC 42.5	Management Report
Report 1	Tenders Issued
Report 2	Estates Update
Report 3	Management Accounts to 31 May 2016
Report 4	Budget 2016/17 – 2018/19
Tabled	Tenders Issued Update Report

The Director in presenting his reports to members included;

1 TENDERS ISSUED

An updated Tender Report was tabled to members for Tenders issued to 3 June 2016. The Director provided detail to the updates, he reported on the Framework contracts awarded together with Tenders awarded through CPD. This was followed with questions from members.

SINGLE TENDER ACTIONS

There were no Single Tender Actions to report.

2 ESTATE ISSUES UPDATE -Report**Springtown Project (Phase 6)**

The Director reported that the 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.

Strabane Campus

The Chair reported that the Sub Committee met recently to discuss the Economic Appraisal. The draft Economic Appraisal is currently being updated. Option 6B (new build at alternative location in Strabane) is to be reviewed in more detail. The Curriculum Plan is being developed further. The Sub Committee will meet again and make a presentation to the Committee meeting in September and then proceed to the Governing Body for approval.

The Principal reported that he had met with the CEO of Derry & Strabane District Council for discussions on the matter, these will continue. The Principal added it was important to keep progressing with the project to ensure there are good estates in Strabane to support the excellent provision and staff at the Campus.

The Director reported that the Strabane Campus was banded as a 'B2' listed building. It was highlighted this was an important factor to be considered in the project.

Condition Survey of Building Services Plant & Equipment

Following the recently completed Condition Survey of the College's existing building services plant and equipment the Director referred members to the indicative timeline of when recommended work will be carried out.

Summer Works 2016

The agreed summer works programme which was split into two projects has been awarded. Works are expected to be substantially completed by the end of August 2016.

There is also a proposal to carry out refurbishment works to the Flying Clipper restaurant. Works are due to commence on site in July 2016 with a completion date of the end of August 2016.

AGREED ACTIONS:

- **Presentation of the preferred option for the Strabane Estates Strategy to be made to the Committee meeting in September for consideration.**
- **The Estates Manager to be invited to the September meeting to provide an update on the Estates Projects.**
- **Secretary to arrange for the Governing Body members to have a walkabout of the recent refurbishments that have taken place in Strand Road.**

3 MANAGEMENT ACCOUNTS - Report

The Director referred members to the Management Accounts for the 10 months to 31 May 2016. He indicated there was no significant movement from the last reporting. Key points included;

Income;

DfE Grants – Other - showing a favourable variance of £875K and is forecast to be £1,011K above budget by the end of the year. £655k of the increase relates to funding for Tranche 3 of the VES. £131K relates to HLA funding.

Other Income Generating Activities - currently £49K below budget. £86K relates to the prison contract that commenced in August 2015. Other income items including bank interest are showing small favourable variances.

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 VES, maternity leave and some posts not recruited yet.

Non Pay Premises

£383K adverse variance. Rates, maintenance and computer equipment are over budget. Additional resources have been allocated to Estates and IT budgets to ensure the estate and resources remain fit for purpose.

The Director commended the work of the Finance Team staff responsible for student debt which had reduced to £18K as at 7 June 2016.

The Director indicated that overall he had no concerns over the financial accounts as projected for 31 July 2016.

4. Budget 2016/17 – 2017/18

Income

The projections within the paper assume the budget allocation will decrease by 5% in 2017/18 and a further 2.5% in 2018/19. The projections do not account for any possible claw back resulting from under delivery. A Historic Deficit of £230k is budgeted for 2016/17.

FLU grant total allocations for 2016/17 is up £8,998 on 2015/16. The College expects to trade by 183 FLU below funding levels in 2015/16.

DfE has yet to allocate funds for HLA's and Youth Training, however £200K has been estimated for each. Funding has not been allocated for the increase in National Insurance Contributions, CPD fees or Governing Body payments.

The 2016/17 budget figures currently exclude savings expected to arise from the 2016/17 Voluntary Exit Scheme.

VEP Income – There is a concern that VEP income may drop substantially in 2016/17.

MaSN numbers have been maintained at 710. HE fees are expected to increase now that both year 1 and year 2 fulltime HE students will be paying fees of £2,500pa.

Other Grant Income is up £269K which reflects the investment in the Business Support. The Principal wished to pay tribute on the great work of the staff within the Centre and on the steady growth of the Centre. The prison contract will operate for a full year in 2016/17, thus increasing income and staff costs.

Expenditure

Staff Costs

Increases in Teaching & Training costs will be partly offset by the full year's savings from the 2015/16 VES. Additional costs are budgeted for within the Business Support Centre and three Technical Consultants full year costs are also included.

Other Operating Expenses

Administration & Central Services expenses (£2,464k) is showing an increase of £278K, the most significant increase is in Student Bursary payments (£750 per full time HE Student) a reflection of the increase in student fees as already reported.

Premises (inc maintenance) £5,376K, a decrease of £825K, this reflects a lease which will cease on 30 June 2016 in Limavady together with a lease at Northside which will cease on 31 August 2016. Discussion took place regarding the dilapidation costs attached to the Northside lease.

It was agreed to delegate authority, within the agreed limits, to the Chair if a decision was required on the matter before the Committee meet again.

PROPOSED: Mr S McGregor

SECONDED: Mr P Canavan

The Director indicated he would update the Budget paper again and present at the next Governing Body Meeting. The Budget is due to be submitted to the Department by 29 July 2016.

AGREED ACTIONS

The Director to provide an updated Budget for the Governing Body meeting on 29 June 2016.

The Committee recommended approval of the Budget, with minor adjustments, for 2016/17 to the Governing Body.

PROPOSED; Mr B Quinn

SECONDED; Mr D Limb

5. PROMPT PAYMENT

93% of invoices were paid within 30 days in the first 10 months to 31 May 2016.

The Chair thanked Mr McKeown for his report.

42.6 CORRESPONDENCE

There was no correspondence received.

42.7 ANY OTHER BUSINESS**➤ TABLED TO MEMBERS**

Procurement Contract items £100,000 and over 2016/17

The Director tabled a list of procurement contracts of £100K and over that require Committee and Board approval. The item for the Assisted Living Centre is not included in this proposal.

The Committee were content to recommend approval of the list of procurement items of £100k and over to the Board.

PROPOSED; Mr B Quinn

SECONDED; Mr P Canavan

The Director wished to report that the Financial Reporting Standard (FRS 102) has changed the format of how the financial statements will be prepared. Further Education Colleges will have to adopt this format for the July 2016 year end and the Financial Statements to 31 July 2015 will have to be restated. The Director will keep the Committee informed.

That being the end of business the Chair thanked everyone and closed the meeting at 1840.

DATE OF NEXT MEETING; 20 September 2016

Signed: _____ (Chair)
Mr Martin Agnew

Date: 20 September 2016