
**MINUTES OF THE FORTY SEVENTH MEETING OF THE FINANCE & GENERAL PURPOSES COMMITTEE
MEETING HELD ON TUESDAY 13 JUNE 2017 IN MEETING ROOM 1, TOWER BUILDING, STRAND ROAD
CAMPUS, COMMENCING 1600HRS**

PRESENT;

Mr S McGregor (Acting Chair)
Mr P Canavan
Mr D Limb
Mr L Murphy
Mr B Quinn (from 1620)

IN ATTENDANCE;

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

The Chair welcomed everyone to the meeting.

47.1 APOLOGIES

Apologies were received from Mr M Cooper.

47.2 CONFLICT OF INTEREST DECLARATIONS/DECLARATIONS OF ANY OTHER BUSINESS

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

47.3 MINUTES OF THE MEETING HELD ON 2 MAY 2017**➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Draft Minutes of the Meeting held on 2 May 2017.

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

PROPOSED; Mr D Limb

SECONDED; Mr P Canavan

47.3.1 MATTERS ARISING – MAY 2017 COMMITTEE MEETING**46.3.1 Matters Arising****Fees & Charges Policy 2017/18**

To recommend to the Governing Body an amendment to the Policy 2017/18.

‘NCUK students must pay a deposit of at least 10% on application. All other international (non-EU) students must pay a deposit of at least 50% on application. The balance for both NCUK and others must be paid no later than 2 weeks in advance of course commencement’.

Update: Approved at the Governing Body meeting held on 24 May 2017.

46.8 Any Other Business**City of Derry RFC Peace IV Bid****Agreed Actions from May 2017 Committee Meeting**

- The College to continue meeting with representatives for the Project in the context of supporting the initiative.
- Further detailed information to be requested from the Project before any commitment is given, however based on information provided to date, members agreed not to commit to being a partner in a company.

- The Principal and Director of Estates and Economic Engagement to request evidence of the College's need to use the proposed facilities and on the external sports facilities the College currently uses.
This Report to be brought through the Education Committee in future.

Update: Item discussed at Education Committee meeting on 6 June 2017. At this meeting the Principal reported that the Sports Department will provide a report and present to the Education Committee meeting in the next academic year. At this stage the Bid may have progressed to the next stage.

47.4 ACTING CHAIR'S BUSINESS

The Acting Chair referred to the Schedule of meetings for the Committee for the 2017/18 academic year. He recommended the Committee return to reporting four times a year. The Director of Finance & Economic Engagement and members were in agreement with this.

PROPOSED; Mr P Canavan

SECONDED; Mr D Limb.

The Acting Chair noted that Mr David Limb, Governing Body member, was retiring from the College on 30 June 2017. He wished to take the opportunity to thank David for his knowledgeable input to the meetings and wished him well on his retirement.

47.5 MANAGEMENT REPORT – Mr P McKeown, Director of Finance and Economic Engagement

➤ PREVIOUSLY ISSUED TO ALL MEMBERS

Report 1	Tenders Issued
Report 2	Estates Update
Report 2.1	Summary of Draft Economic Appraisal – Redevelopment of Strabane Campus Appendix 111- Schedule of Accommodation Appendix V- Order of Costs
Report 3	Management Accounts to 31 May 2017
Report 6	Procurement Contract items £100k and over

➤ TABLED TO ALL MEMBERS

Report 5	Draft Budget 2017/18 – tabled
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➤ VERBAL UPDATE

Report 4	NDPB to 31 May 2017 – verbal report
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The Director in presenting his reports to members included;

1 Tenders Issued

The Director highlighted a few tenders that had been awarded since the report was issued. The Director added he would report on the Springtown Tender, main works and the Assisted Living Centre tenders under the Estates Update.

2 Estates Update

The Director reported that work on the advance works contract in Springtown Campus has now been completed. The Project Board met on 8 June 2017. The Director added there was a concern regarding funding due to the delays previously reported on in this project however the

aim was to keep progressing and if funding is available it is envisaged that work will commence on site by mid November 2017.

In reporting on the Assisted living Centre there has been further delays, however it is hoped that work will commence onsite August/September 2017 with a completion date of February 2018.

Mr B Quinn joined the meeting at this juncture.

The Director reported some progress in relation to the Summer Works Programme 2017, despite the concerns that the costs did not present value for money it was agreed to proceed with a number of key projects. The Director indicated that a second meeting of the sector wide working group reviewing the performance of Properties Division took place on 1 June 2017, a report containing the sector wide findings and recommendations will be forwarded to NI Finance Officers' Network (NIFON) for their review and further direction.

Members expressed their concern in relation to a number of statutory items listed within the Condition Survey of Buildings Plant & Equipment (47.5, Report 2, item 4) the Legionella and fire alarm programmes that were currently with Properties Division with unknown dates for expected completion. The question was raised, could the Governing Body request that these statutory programmes be managed directly by the College in the interests of health & safety.

AGREED ACTION;

The Director to discuss the concerns with the Estates Manager and bring an update to the Governing Body meeting on 28 June 2017.

The Director referred to the papers in relation to the proposed redevelopment of Strabane Campus and provided a summary of the background to the item. The Director noted key points including; the College anticipates an increase of 142.2 spaces FTE's by 2020/21 compared to 2016/17 actual enrolments; the total floor area required to accommodate the projected FTE's is estimated at 4.500m², an increase of 36%; the preferred option is to redevelop and expand the Strabane Campus to high specification (option 4b). This option meets the objectives and will accommodate the projected increase in space FTE's by 2021. The capital cost of the preferred option is £9,467, 700 (excl of VAT).

The Director highlighted the challenges with the proposal, however considering the potential growth in enrolments; the poor condition of the current building, the poor student experience in comparison with current/modern FE colleges and the fact that Strabane is an area of high deprivation the appraisal has determined that across all the assessment criteria, option 4b is the preferred option. (To redevelop and expand the Strabane Campus (4,497.8m²) to a high specification).

The Director reported that the full Economic Appraisal report has been provided to the Governors who serve on the Strabane Project Board. The Governors will meet with the Director to discuss the proposal further prior to the full Board meeting on 28 June 2017.

AGREED ACTION;

Members were content to recommend approval for option 4b, subject to further reporting/discussions at the Governing Body meeting on 28 June 2017.

PROPOSED; Mr S McGregor

SECONDED; Mr B Quinn

3 Management Accounts for 10 Months to 31 May 2017

The Director reported that at the last Committee meeting in May 2017 the Management Accounts to 31 March 2017 showed a £873K surplus, the Accounts for 31 May 2017 are showing a surplus of £150K, the majority of this variance was due to some progress being made with Properties Division and the Summer Works Programme as reported earlier.

The Director reported he had no major concerns in-year with the Accounts or the Aged Debtors Report as of May 2017. The Director added the first NDPB return for 2017/18 has been submitted to the Department.

4 Budget 2017/18

The Director referred to the Draft Budget 2017/18 Paper and stated that since members had received their papers he can confirm the College has received formal notification of the 2017/18 indicative Recurrent Budget allocation. DfE had previously indicated verbally that the budget allocation for the Sector is likely to be down by £8.6m.

The College expects to trade by approximately 600 FLU below funding levels in 2016/17. The value of a FLU will increase in 2017/18 to £3,468 from £3,400 and this will equate to a £1.17m drop in funding.

The Director highlighted some movements from within the accounts including DfE Grants (Recurrent and other) down £1.8m; The Department have ceased funding to cover additional costs arising from employer contribution to the teacher's pension scheme (£280K received in 2016/17) and National Insurance costs (£181K received 2016/17).

Non EU Fee Income is up £200k of which £180K is forecasted from the NCUK. FE Fee Income for 2016/17 includes a one-year contract that will cease 1 July 2017. Other Grant Income is projected to be up £243K on 2016/17. This is due in the main to the award of an Erasmus project totalling €767K. £270K has been projected for 2017/18.

Other funds are expected to be up £238K, an increase in Business Support Income. An increase in Other Operating Income of £1217k of which £162K relates to additional work within the prison contract, HMP Magilligan.

In relation to Expenditure the Director, highlighted Staff Costs are up £1,234K. Teaching & Training is showing an increase of £467K on 2017/18. A 1% pay rise has been included from September 2016 and September 2017 for Teaching & Training.

Teaching & Training Support Staff is showing an increase of £277K which in the main relates to additional technician support and some fixed term posts.

Admin & Central Services Staff costs are projected to increase by £585k however £482k of this will be funded from additional income – from Skills Focus, InnovatUs and Fusion projects.

Other Operating Expenses, Administration & Central Services costs include a £80K for the Apprenticeship Levy. A decrease in Premises includes a reduction of £73K on 2016/17 for leases.

AGREED ACTIONS;

The Director indicated that the Budget paper will be updated and brought to the Governing Body meeting on 28 June 2017.

The Committee recommended approval of the updated Budget, for 2017/18 to the Governing Body.

PROPOSED; Mr B Quinn

SECONDED; Mr P Canavan

PROCUREMENT CONTRACT ITEMS £100,000 AND OVER

The Director requested approval from the Committee for the items listed within the Report.

PROPOSED; Mr S McGregor

SECONDED; Mr B Quinn

PROMPT PAYMENT

94% of invoices were paid in the first 10 months to 31 May 2017.

The Chair thanked Mr McKeown for his report.

47.6 CORRESPONDENCE

There was no correspondence received.

47.7 ANY OTHER BUSINESS

Discussion took place on recognising and acknowledging staff for their good work and long services to the College.

AGREED ACTION; To refer this item to the Staffing Committee for consideration.

That being the end of business the Chair thanked everyone and closed the meeting at 1720.

DATE OF NEXT MEETING; 19 September 2017

Post meeting rescheduled to 20 September 2017

SIGNED; _____ **CHAIR**
Mr S McGregor, Acting Chair

DATE; 20 September 2017