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**MINUTES OF THE FORTY NINTH MEETING OF THE FINANCE & GENERAL PURPOSES COMMITTEE  
MEETING HELD ON MONDAY 6 NOVEMBER 2017 IN THE STAFF DEVELOPMENT ROOM, TOWER  
BUILDING, STRAND ROAD CAMPUS COMMENCING @ 1600HRS**

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**PRESENT**

Mr S McGregor (Acting Chair)  
Mr P Canavan (from 16:12)  
Mr M Cooper (from 17:00)  
Mr S Gillespie (from 16:10)  
Mr A Magee  
Mr L Murphy, Principal & Chief Executive (until 16:40)  
Mr B Quinn (from 16:50)

**IN ATTENDANCE**

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

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The meeting was quorate, the Chair declared the meeting open at 1610 and welcomed everyone.

**49.1 APOLOGIES**

There were no apologies received.

**49.2 CONFLICT OF INTEREST DECLARATIONS/DECLARATIONS OF ANY OTHER BUSINESS**

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

**49.3 MINUTES OF THE MEETING HELD ON 20 SEPTEMBER 2017****➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Draft Minutes of the Meeting held on 20 September 2017

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

**PROPOSED;** Mr A Magee

**SECONDED;** Mr S McGregor

**49.3.1 MATTERS ARISING – SEPTEMBER 2017 COMMITTEE MEETING****48.5 Management Report – Strabane Campus**

**Agreed Action;** The Sub-Committee to meet and report through the Committee/Governing Body.

**Update:** The Director reported he had met with the Sub Committee Governors and discussions will continue.

**Summer Works 2017**

The Principal suggested it would be beneficial for the Governors to get the opportunity to have a walkabout of the College estates to view the recent projects/refurbishments that had taken place.

**Update:** Plans to arrange a walkabout of the Estates during December.

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**NDPB Return – Agreed Action;** The Director will update the Committee at the next meeting.

**Update:** On Agenda for 6 November 2017 – taken later under item 49.5.

The Chair indicated he would take item 49.5 next as the Principal had to leave the meeting early.

#### **49.5 MANAGEMENT REPORT – Mr P McKeown, Director of Finance and Economic Engagement**

➤ **PREVIOUSLY ISSUED TO ALL MEMBERS**

Report 7      Budget 2017/18

The Director stated that the Governing Body had approved the Budget in June 2017.

The updated Budget is now showing a deficit of £1.69m.

Changes from the June 2017 draft include TFS Income, Oct £2,496k (June £3,180k). Actual number of applications is down on estimate. The Budget has been reduced on Education Contracts by £655k.

**Agreed Action: The Principal agreed to follow through with discussions on future target settings with the Line Manager.**

The Director added there had been a small decrease of £53k in HE Fee Income, Oct £1,802k (June £1855K). Part time enrolments are down and the NCUK course did not proceed due to low enrolments. This course will be offered again for 2018-19.

Staff Costs, lecturing have reduced substantially Oct £22,092k (June £22,491k) a variance of £554k, this is a reflection of the drop in student numbers and a number of courses not running.

The Principal reported that as previously highlighted at Committee and Governing Body meetings the main reasons for reduced enrolments are the falling demography in the North West catchment area, the lack of a 14-19 Policy and the growth of the vocational offer in the post primary school sector. Coupled with a challenging enrolment for 2017-18 the College recruited 694 HE, Full Time MASN students against a target of 710. Recruitment within Full Time FE provision dropped by approximately 9%.

The 2016/17 final outturn reported the College undelivered by 627 FLU.

The Director reported the Department have commenced staged clawback payments, totalling £1.5m from October 2017 to 31 March 2018. This item will be treated as an 'Exceptional Item'. This item has not been included in the Budget paper presented to members.

The Director indicated that the College now faced significant financial pressures and whilst NDPB status may bring some protection, savings will have to be found. Financial viability is now a RED risk and will also be discussed at the upcoming Audit and Risk Committee meeting. Based on enrolments for 2017/18 the FLU provision is likely to be down by a figure in the region of 25% from its height in 2011/12.

Discussion continued on the responsibility of the College moving forward to consider how to maintain financial stability and to meet the challenges that lie ahead. The Budget will be discussed again at the next Governing Body meeting.

**AGREED ACTION;****It was agreed to recommend approval of the Budget 2017/18 to the Governing Body****PROPOSED; Mr S Gillespie****SECONDED; Mr A Magee***The Principal left the meeting at this juncture.**The Chair returned to the normal running order of the Agenda.***49.4 ACTING CHAIR'S BUSINESS****Appointment of Chair to the Committee.**

Mr Stephen Gillespie was nominated and agreed to take on the position as Chair to the Committee.

**PROPOSED; Mr S McGregor****SECONDED; Mr P Canavan****49.5 MANAGEMENT REPORT – Mr P McKeown, Director of Finance and Economic Engagement****➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Report 1	Tenders Issued – 27 October 2017
Report 2	Estates Update
Report 3	Annual Report & Financial Statements Year Ended 31 July 2017
Report 4	Management Accounts for 2 Months to 30 September 2017
Report 5	NDPB Return, October 2017
Report 6	NDPB Return, Sector October 2017
Report 7	Budget 2017/18
Report 8	Student Council Reports & Financial Statements to 31 July 2017
	Bad Debt Write-off – verbal report
	Prompt Payment – verbal report

The Director in presenting his reports to members included;

**Tenders Issued** - The Director went through the Tenders Issued Report providing explanations to some items. He reported on one Direct Award Contract.

PQQ documents have been returned for the Springtown Main Works scheme. Shortlisting will now take place. As funding is not currently available to progress, the shortlist of contractors will remain valid for a period of twelve months.

**Estates Update** - In addition to reporting above on the Springtown project the next Project Board meeting is scheduled for 14 November 2017.

**Strabane Campus-** Correspondence has been received from the Department confirming previously reported updates at the Committee and Governing Body meetings on the Strabane redevelopment.

Significant progress has been made in relation to the Condition Survey of Building Services Plant & Equipment, there are no items of concern outstanding.

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**Annual Report & Financial Statements Year Ended 31 July 2017**

The Director referred members to the Annual Accounts for the Year End 31 July 2017. There were no changes to the Accounts that were presented to the Committee in September 2017.

**AGREED ACTION;**

**Members recommended approval to the Governing Body of the Annual Report & Financial Statements Year Ended 31 July 2017, subject to the Audit & Risk Committee approving same at their meeting on 7 November 2017.**

**PROPOSED;** Mr S McGregor

**SECONDED;** Mr P Canavan

**Management Accounts for 2 Months to 30 September 2017**

The Director reported that the Management Accounts were for the 2 months to 30 September 2017 and have been superseded by the Budget Paper which reflects the changes reported on under this tem 49.5, Report 7, Budget 2017/18.

**NDPB Return October 2017****NDPB Return Sector October 2017**

The Director referred to the NDPB Returns for the College and the Sector for October 2017 which showed a shortfall of £1.5m under the Delegated Expenditure Limits (DEL) Resource for the College. This represents a 31% of the total share of the Sector overspend which is a total shortfall of £4.8m.

The Department may receive cover through easement in other Departments or from End of Year Flexibility. The Director added that due to the current political instability and the possibility of Direct Rule being implemented it is not clear how matters will proceed.

Due to the uncertainty, members considered it may be necessary to hold another Committee meeting before the next scheduled one.

**Agreed Action: The GB Secretary to schedule a date for a Committee Meeting to have in the calendar if required.**

**Student Council Reports & Financial Statements to 31 July 2017**

**It was agreed to recommend approval to the Governing Body of the Student Union Accounts to 31 July 2017.**

**PROPOSED;** Mr S McGregor

**SECONDED;** Mr A Magee

**Bad Debt Write-off**

The Director was pleased to report that there were no debts requiring approval to write-off. Members welcomed this news.

In concluding his Report, the Director stated prompt payment for the year to date (1 August 2017) was 84% and for October 2017 was 96%.

The Chair thanked Mr McKeown for his report.

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**49.6 REVIEW OF COMMITTEE'S TERMS OF REFERENCE****➤ PREVIOUSLY ISSUED TO ALL MEMBERS**

Report 1        Terms of Reference  
Report 2        Amendments to Terms of Reference

**It was agreed to recommend approval to the Governing Body the Committee's Terms of Reference with the proposed amendments.**

**PROPOSED; Mr S McGregor**

**SECONDED; Mr B Quinn**

**49.7 CORRESPONDENCE**

There was no correspondence received.

**49.8 ANY OTHER BUSINESS**

There was no any other business to discuss.

That being the end of business the Chair thanked everyone and closed the meeting at 1710

**DATE OF NEXT MEETING;** tbc

**SIGNED;** \_\_\_\_\_ **CHAIR**  
**Mr S Gillespie**

**DATE; 17 January 2018**