SOUTH WEST COLLEGE GOVERNING BODY

Minutes of a meeting of the **Finance & General Purposes Committee**
held on Wednesday 10 June 2026 at 9.00 am
via MS Teams

PRESENT:	Mr Michael Barnett, Committee Chair Mrs Maureen Brunt Mrs Maria Hackett Mrs Sandra Isherwood Ms Celine McCartan, Principal & Chief Executive
IN ATTENDANCE:	Mrs Sharon McGrath, Director of Corporate Services Mrs Nicola Nugent, Executive Support Officer Mr Sean O'Donnell, Head of Finance & Governance

1.0 APOLOGIES

Apologies noted from Dr Lynsey Quinn.

2.0 CONFLICT OF INTEREST DECLARATIONS

None

3.0 MATTERS ARISING FROM MINUTES OF PREVIOUS MEETING

PREVIOUSLY ISSUED to all members:
- Paper 03 — Minutes of the Finance & General Purposes Committee meeting held on Wednesday 11 March 2026.

There were no matters arising from the minutes.

4.0 KEY STRATEGIC ISSUES

PREVIOUSLY ISSUED to all members:
- Paper 04.01 — List of Key Strategic Issues
- Paper 04.02 — Management Update on Key Strategic Issues.

4.1 Financial Stability

Ms McCartan advised of the continued uncertainty around the College's financial position following receipt of the Department's contingency planning correspondence for 2026/27. She reported that the College had been advised to plan on the basis of a resource allocation equivalent to 94% of the planning allocation issued in July 2025, with the contingency planning envelope issued on 12 May 2026 at approximately £32.8m, resulting in an estimated budget shortfall of £4.5m.

She went on to report that the College had undertaken a cross-college review of potential mitigations and submitted its return to DfE on 22 May 2026, setting out proposed contingency measures and associated impacts. Members noted that the mitigations identified at that stage totalled approximately £1m and did not fully close the gap, leaving a remaining shortfall of £3.5m.

Members also noted that the position remains subject to material uncertainty pending further feedback from the Department, including clarity on the impact of some income streams and unresolved College pressures.

4.2 **Further Education Transformation**

Ms McCartan advised of significant progression in the Department's "Fit for the Future" FE Reform programme, with activity now moving beyond initial scoping into structured design across curriculum, funding and performance, governance and wider system alignment. She reported that the curriculum strand is currently the most advanced, with detailed sectoral engagement underway to inform development of a future curriculum framework.

She spoke of emerging evidence from this work, including the complexity of the current learner cohort, challenges in transition from school to FE, and increasing clarity around cross-system issues in literacy, numeracy and digital skills. She further noted the continued strengths of the current FE system, including strong vocational pathways, established industry partnerships, and the development of traineeships and project-based learning approaches.

Members noted that the College continues to engage proactively across all strands of the programme and is well positioned to influence its development, albeit that the scale and pace of reform alongside financial pressures present a significant organisational challenge.

AGREED: Management to recirculate South West College's response to the Further Education Fit for the Future initial proposals.

4.3 **Sustainability**

Ms McCartan spoke of continued progression in relation to Sustainability, with activity increasingly focused on statutory compliance, governance and the development of a more structured ESG framework across the College. She advised that a key milestone had been the completion and submission of the College's Climate Change Public Body Adaptation Report on 31 March 2026, supported by work to implement the Department of Finance sustainability reporting guidance for 2025/26 and beyond.

She further reported that governance and coordination arrangements had been strengthened through the establishment of an internal cross-functional working group and that a dedicated Sustainability Officer had commenced in June 2026 to support compliance, reporting coordination and the development of a more integrated approach across the College.

Members noted that externally funded programmes, including the GRASP project, continue to make a significant contribution to the College's sustainability agenda and that key priorities now include strengthening the integration of climate-related risks within the corporate risk framework and consolidating existing sustainability and net zero action plans into a single delivery framework.

Members noted that sustainability reporting will form part of the Annual Report and Financial Statements for 2025/26, with additional disclosures currently being developed for inclusion.

5.0 MANAGEMENT REPORT

PREVIOUSLY ISSUED to all members:

- Paper 05 — Management Report
- Paper 05.01 — Final Finance Outturn 2025/26
- Paper 05.02 — Contingency Planning Envelope 2026/27
- Paper 05.03 — Summary of Impact on Ministerial Priorities and Operational Delivery
- Paper 05.04 — Finance Return 2026/27
- Paper 05.05 — DfE Partnership Meeting Budget Update 2026/27
- Paper 05.06 — Financial Management Report to 31st March 2026
- Paper 05.07 — Payments Over £50k
- Paper 05.08 — Trade Debtors & Creditors Report at 30th April 2026
- Paper 05.09 — Estates Report
- Paper 05.09a — Compliance with Climate Change and ESG Requirements
- Paper 05.09b — Climate Change Public Body Adaption Report
- Paper 05.09c — NI Sustainability Reporting Guidance Letter
- Paper 05.09d — NI Sustainable Reporting Guidance and Template
- Paper 05.10 — Capital Contingency Planning 2026/27
- Paper 05.11 — Externally Funded Projects Report
- Paper 05.12 — Student Hardship Fund Report
- Paper 05.13 — PFI Liaison Report.

5.1 Budget Update 2025/26 & 2026/27

5.1.1 NDPB Finance Report 2025/26
Ref: Management Report Section 2.1 and Paper 05.01

Mr O'Donnell confirmed that the Final Finance Return for 2025/26 had been submitted to DfE on 21 April 2026 and reported an easement of £422k, representing 1.16% of the DEL Resource Budget (£36.23M). He advised that additional monies had been vired across cost centres over the final four months of the year, but that all projected expenditure did not materialise.

He drew attention to factors contributing to the easement, including higher than projected income in AppsNI and Skills for Life & Work, together with underspends across a number of expenditure headings.

Members acknowledged that the shortened accounting period presented challenges in committing expenditure in advance of the new year end. They also recognised the efforts of the Finance team to maximise utilisation of the available budget. However, it was noted that the underspend had a potential adverse impact on the student experience.

Mr O'Donnell highlighted that additional support within the Finance team, through the recent appointment of a Management Accountant, has strengthened engagement with budget holders and enhanced focus on budget planning, which is expected to improve the accuracy of forecasting and reduce the likelihood of a significant underspend or overspend in the future.

5.1.2 Budget 2026/27
Ref: Management Report Section 2.2 and Papers 05.02, 05.03, 05.04 and 05.05

Mr O'Donnell reminded members that the College had received a Resource Contingency Allocation of £32.848M for 2026/27 on 12 May 2026, representing 94% of the DEL Resource Budget for 2025/26 and £2.96M less than the final outturn for 2025/26. He reported that an assessment submitted to DfE indicated a budget shortfall of £4.503M and maximum achievable savings of £1.002M.

Ms McCartan advised that, in the absence of an agreed NI Executive Budget, DfE had issued a 94% contingency allocation, with a further 1% potentially withheld. She highlighted that this represents a significant reduction when combined with ongoing pay pressures, equating to an estimated real-terms reduction of between 10% and 12%. Members noted the challenging financial environment and the ongoing engagement with the Department to highlight the scale of the pressures, including potential impacts arising from apprenticeship provision.

Mr O'Donnell outlined the Potential Savings Plan (Paper 05.03), noting that the College is already operating on a lean basis, with identified non-pay savings of £537k. He further advised that the proposed savings include reductions across teaching and non-teaching expenditure, including an intended 5% reduction in learner delivery. It was confirmed that the first Finance Return for 2026/27, submitted on 29 May 2026, reflects the same level of financial pressure.

Ms McCartan advised that further cost control measures are being considered, including the introduction of vacancy management, with all posts to be reviewed on a case-by-case basis, alongside a strengthened focus on cost control across the organisation.

She further emphasised the importance of aligning financial planning with the College Development Plan (CDP), noting that the Department expects delivery of core services within the 94% allocation. Members noted that the CDP must reflect the financial context and be positioned as a deliverable plan rather than aspirational, with the submission deadline extended to 18 June 2026.

Reference was also made to the summary note of the Partnership Meeting with the DfE Permanent Secretary on 27 April 2026, which reinforced the scale of the financial challenge facing the sector.

5.2 <u>Financial Management / Accounting</u>

5.2.1 <u>Financial Management Report – Eight months to 31st March 2026</u>
Ref: Management Report Section 3.1 and Paper 05.06

Mr O'Donnell reported that the detailed Financial Management Report for the eight-month period to 31 March 2026 indicated an accounting deficit of £1.93M for the period, which was £327k ahead of budget and closely aligned to the final outturn for 2025/26.

He also drew attention to the lower than projected income for European funded projects (£1.49M), noting that this was largely due to slow verification of project claims, albeit offset by equally lower expenditure costs.

5.2.2 <u>Payments Over £50k</u>
Ref: Management Report Section 3.2 and Paper 05.07

The Report on Payments over £50k was noted by the Committee.

Ms McCartan advised that there had been particular challenges in relation to IT staffing during the year, which necessitated the temporary outsourcing of support. She confirmed that recruitment to key posts, including a Cyber Security Officer and two Infrastructure roles, has now been successfully completed.

Mr O'Donnell drew members' attention to the increase in Audit Office fees, noting that these have risen to £55k compared with approximately £23k six years ago, representing an increase in excess of inflation.

5.2.3 Trade Debtors & Creditors Report
Ref: Management Report Section 3.3 and Paper 05.08

Mr O'Donnell drew attention to the Trade Debtors and Creditors position at 30 April 2026, including comparative figures for the previous year. He reported that the Finance Department had processed 1,487 more invoices than at the same point in 2024/25, resulting in a slight reduction in the proportion of invoices paid within 30 days from 91% to 90%, while payments within 10 days had improved from 53% to 58%.

He further advised that the overall level of debt at 30 April 2026 was more than £1M lower than at the same point in the previous year, with £872k of this difference relating to DfE invoices for the HLA programme which had been invoiced and paid more quickly this year. Student debt was also reported as being just under £117k lower than at the same stage last year.

5.3 Estates
Ref: Management Report Section 4.1 and Papers 05.09, 05.09a-d

With reference to the Estates Report, Mrs McGrath advised that the Estates budget continues to be managed effectively, although pressures are anticipated in 2026/27, particularly in relation to planned preventative maintenance arising from reduced DfE funding assumptions. She also reported progress in relation to statutory climate change and ESG compliance, including submission of the public body adaptation report and the commencement of the new Sustainability Officer.

Mrs McGrath highlighted significant progress in relation to the Erne Project, noting that the draft BREEAM assessment indicates an 'Outstanding' rating. She also provided an update on ongoing efforts to recover costs associated with latent defects, with technical work progressing to support potential recovery actions.

In relation to PFI, it was noted that a Liaison Meeting had taken place on 21 May 2026. Members discussed the ongoing review of asset responsibilities and maintenance obligations across sites, with engagement continuing with providers to seek agreement on the allocation of liabilities.

An update was also provided on the PMF and ICT frameworks procurement process, with progress reported against the agreed timeline and assurance given that interim arrangements are in place, reducing the risk pending appointment of new contractors.

Members noted their appreciation for the substantial work undertaken in relation to sustainability reporting and compliance requirements.

5.4 Capital Budget Report

Ref: Management Report Section 5 and Paper 05.10

Mr O'Donnell referenced correspondence from the Permanent Secretary requesting that Colleges exercise judgement in determining how to manage and commit capital funding in the year ahead prior to confirmation of capital funding for 2026/27. Members were advised that a list of potential capital projects had been prepared and that priority projects are being agreed pending confirmation of the capital allocation.

Members were subsequently advised that a contingency capital allocation of £450k has now been received for 2026/27. It was noted that this represents a reduction on the previous year; however, it provides a clearer basis for planning.

Mrs McGrath confirmed that a three-year capital planning framework is in place, with statutory and essential works expected to absorb a significant proportion of the available allocation.

Mr O'Donnell further advised that a number of critical IT infrastructure projects, including firewall upgrades and network switches, will require prioritisation within the 2026/27 capital programme.

It was also noted, for information, that capital expenditure in relation to the GRASP project, including the procurement of a vehicle, will be funded separately through the project budget.

5.5 Externally Funded Projects

Ref: Management Report Section 6 and Paper 05.11

Mr O'Donnell drew attention to the report on live Externally Funded Projects, detailing activity across Social Inclusion, Enterprise/Industry and Student Experience. He advised that funding for 2026/27 has not yet been confirmed for the Going Places and STEP UP social inclusion projects, representing a potential loss of £550k.

He further noted that the report includes detail on the four high value PEACEPLUS funded projects Including details of duration, partners and values.

Ms McCartan highlighted the heightened level of uncertainty surrounding the Going Places and STEP UP programmes and advised that mitigating actions are being considered, including increased activity within Skills for Life and Work provision, for which funding has been confirmed to March 2027. She confirmed that, in the absence of funding clarity, a process to identify posts at risk is being progressed and will be reported through the Staffing Committee as appropriate.

In response to a query, Ms McCartan confirmed that the College will seek to highlight the equality impact arising from any potential loss of these programmes with the relevant funding bodies.

Members discussed the potential implications for staff and were advised that established processes will be followed, whereby posts must first be identified as at risk before redeployment options can be considered.

Mr O'Donnell also provided comparative context at sector level, noting the College's strong performance in securing external income streams.

AGREED: Management to engage with relevant funding bodies to highlight the potential equality impacts arising from the loss of Going Places and STEP UP funding.

5.6 **Student Hardship Fund Report**
Ref: Management Report Section 7.1 and Paper 05.12

Mr O'Donnell drew attention to the Student Hardship Fund Report, advising that 50 of the 94 applicants had been assisted during the first two terms of the 2025/26 academic year and that £32,820 had been distributed, leaving a balance of £91,112. He noted that the principal reasons for unsuccessful applications were failure to satisfy the eligibility criteria and lack of supporting evidence.

In response to a member's concern regarding the three-year residency requirement within the eligibility criteria and the potential for this to give rise to equality implications, Ms McCartan advised that the criteria are currently under review, with an expectation that updated guidance will be issued, taking account of both eligibility requirements and the broader learner experience.

AGREED: Management to circulate the current Student Hardship Fund eligibility criteria to Committee members.

5.7 **PFI Liaison Committee**
Ref: Management Report Section 8.1 and Paper 05.13

Discussed at 5.3 above.

6.0 **REVIEW OF COMMITTEE'S PERFORMANCE IN 2025/26**

PREVIOUSLY ISSUED to all members:
- Paper 06 Review of Committee's Performance in 2025/26.

With reference to Paper 06, the Chair advised that the self-assessment checklist had been completed where a factual response was available and sought members' views on remaining questions. The resulting review is attached at Appendix A.

7.0 **SCHEDULE OF MEETINGS 2026/27**

PREVIOUSLY ISSUED to all members:
- Paper 07 Schedule of Meetings 2026/27.

The Committee accepted the proposed schedule of meetings for 2026/27.

AGREED: acceptance of the proposed schedule of Finance & General Purposes Committee meetings for 2026/27.

8.0 **REVIEW OF OUTSTANDING ACTIONS**

PREVIOUSLY ISSUED to all members:
- Paper 08 List of Outstanding Actions.

Noted no outstanding actions.

9.0 ANY OTHER BUSINESS

9.1 Budget Position 2026/27 (Sector Update)

Ms McCartan advised that two key documents have been prepared at sector level: a draft contribution to the Department's Equality Impact Assessment (EQIA), setting out the potential impacts of the proposed budget position on the Further Education sector; and a summative letter collating the financial position across all colleges, including submitted funding assumptions and associated pressures.

Ms McCartan noted that, based on current projections, a funding gap of approximately £3.5M remains, which may increase further in the event of a pay award, although there is an expectation that the Department may bring forward additional funding in such circumstances.

AGREED: Management to circulate the FE Sector EQIA input and sectoral budget position documentation to members on a confidential basis.

10.0 REFLECTION ON EFFECTIVENESS OF MEETING

Members conveyed their satisfaction with the proceedings of the meeting.

The Chair thanked members for their continued commitment and engagement and extended his appreciation to Management for their contribution and support.

The meeting concluded at 10.38 am.

CONFIRMED AND ADOPTED BY THE GOVERNING BODY AT A MEETING HELD ON WEDNESDAY 24 JUNE 2026

GB CHAIRPERSON ____ **DATE** ____________________

APPENDIX A

REVIEW OF PERFORMANCE OF FINANCE & GENERAL PURPOSES COMMITTEE 2025/26

		Yes	No	Comments
Terms of Reference				
1	Does the Finance & General Purposes Committee have written terms of reference?	✓		
2	Were the terms of reference reviewed by the Committee and approved by the Governing Body in this academic year?	✓		Reviewed by the Committee on 15 October 2025 and approved by the GB on 19 November 2025.
3	Has the Committee complied with the provisions of its terms of reference in its proceedings throughout the year?	✓		
Programme of Business				
4	Did the Committee agree a programme of business for the academic year?	✓		Reviewed by the Committee on 15 October 2025 and approved by the GB on 19 November 2025.
5	Did the Committee cover all business listed in the programme of business?	✓		
6	Have all actions identified by the committee been satisfactorily delivered?	✓		
7	Is there any business that members feel do not need to be covered next year?		✓	
8	Was there any additional business that members feel should be included next year?		✓	
Skills, Knowledge and Competences of Members				
9	Does the appropriate mix of skills, knowledge and competences exist within the Committee to perform most effectively?	✓		
Governing Body Key Performance Indicators				
10	Did attendance levels at Committee meetings average at least 65%?	✓		88.9% average year to date
11	Did Committee meetings generally last no more than two hours?	✓		
Additional Comments				
12				

APPENDIX B

SUMMARY OF OUTSTANDING ACTIONS

	Meeting Date	Minute Ref	Action
1	10/06/2026	4.2	Management to recirculate South West College's response to the Further Education Fit for the Future initial proposals.
2	10/06/2026	5.5	Management to engage with relevant funding bodies to highlight the potential equality impacts arising from the loss of Going Places and STEP UP funding.
3	10/06/2026	5.6	Management to circulate the current Student Hardship Fund eligibility criteria to Committee members.
4	10/06/2026	9.1	Management to circulate the FE Sector EQIA input and sectoral budget position documentation to members on a confidential basis.