

## SOUTH WEST COLLEGE GOVERNING BODY

Minutes of a meeting of the **Finance & General Purposes Committee**  
held on Wednesday 19 April 2023 at 9.00 am  
via Microsoft Teams

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**PRESENT:** Mrs Deborah Brown  
Mrs Maureen Brunt  
Mr Seamus McCaffrey, Committee Chair  
Ms Celine McCartan, Chief Executive  
Mr Michael McGuckin (*from item 4.1*)

**IN ATTENDANCE:** Mrs Fiona McCauley, Secretary to the Governing Body  
Mrs Sharon McGrath, Head of Services  
Mr Sean O'Donnell, Head of Finance

**APOLOGIES:** Dr Jill Cush, Deputy Chief Executive  
Dr Nicholas O'Shiel

### **1.0 APOLOGIES**

Apologies were tendered on behalf of Dr Cush and Dr O'Shiel.

### **2.0 CONFLICT OF INTEREST DECLARATIONS**

No conflict of interest declarations were made.

### **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 22 February 2023.

There were no matters arising from the minutes.

### **4.0 KEY STRATEGIC ISSUES**

PREVIOUSLY ISSUED to all members:

- Paper 04.01 Key Strategic Issues
- Paper 04.02 Key Strategic Issues Management Update
- Paper 05.04 Budget Scenarios 2023/24
- Paper 05.05 DfE Budget Planning Presentation 2023/24
- Paper 05.06 Permanent Secretary Budget Communication.

### **4.1 FE Review and Long Term Financial Planning**

Regarding the Review of the Further Education (FE) Delivery Model, Ms McCartan apprised the meeting of the recent approval by the Permanent Secretary of the Department for the Economy (DfE) to proceed to the second stage of the review and provided an update on the progress of the proposed Strategic Alliance with Northern Regional College and North West Regional College.

***Mr McGuckin joined the meeting at this juncture.***

Regarding Long Term Financial Planning, Ms McCartan reported that the College's 2023/24 budget had not yet been allocated and drew attention to the Permanent Secretary's correspondence in paper 05.06 referencing the anticipated challenging budget and cautioning against entering into additional financial commitments.

Ms McCartan then reminded members of the background to the lecturers' pay settlement issue, colleges' accrual for such pay increases in 2022/23 budgets and DfE's non-approval of the lecturers' pay settlement business case due to its impact on affordability in future years. She explained funding had very recently been identified by DfE from which it is proposed to make baselined consolidated pay increases for 2021/22 and 2022/23 to lecturing staff as well as a one-off cost of living ex-gratia payment in order to bring pay settlements up to date. She commented on the remaining financial challenges and the continued need to create efficiencies. Members welcomed the developments in relation to the lecturers' pay settlement noting the possible positive impact on industrial relations, staff morale and recruitment.

Mr O'Donnell reported on the anticipated sectoral financial pressure in 2023/24 and advised of a forthcoming NIFON meeting to establish cost bases, agree an approach to apportionment of the sectoral savings and discuss a potential invest to save scheme to fund any redundancies arising from an efficiencies program. With reference to papers 05.04 and 05.05, he outlined the composition of the College's 2022/23 budget as a baseline and quantified the financial pressure resulting from various 2023/24 budget scenarios.

Members commented on the governance issues arising from the uncertain budget situation, provided assurance on their confidence in the Management Team to endeavour to protect college services and staff where possible and offered their support in raising awareness of the impact of stark financial cuts if required.

**4.2 Erne Campus Development and Years 1 to 3 Operation**

Ms McCartan reported on the purchase process for the Fairview campus and confirmed the sale of both the campus and carpark sites. She added that the campus site has been sold on a conditional contract, provided details of the conditions and spoke of her confidence that the sale will be finalized by the long stop date of 30 September 2023. She also noted the College's responsibility in maintaining the Fairview campus in the meantime, confirmed DfE's approval for retention of the proceeds of the sale and paid tribute to Mrs McGrath, the Estates Team and representatives of Carson McDowell Solicitors for their support in the disposal process. The Committee Chair congratulated Ms McCartan and the Estates Team for their achievement in securing the sale in complex circumstances in the required timeframe.

Regarding the Erne Campus, Ms McCartan confirmed the submission of the Post Project Evaluation of the Erne Campus development to be considered at a forthcoming DfE Capital Projects Steering Group meeting.

**4.3 Funding Opportunities including the UK Shared Prosperity Fund**

Ms McCartan advised of the College's success in leading a consortium which has secured £2.8 million from the UK Shared Prosperity Fund to deliver the Rural Economic Accelerator Programme (REAP). She commented on the benefits of the programme to participants and the College and acknowledged the work of the Assistant Chief Executive for Industry Partnerships and his team in forming the consortium and developing the funding application. She also referenced the applications under

development for funding under the Peace Plus Programme and undertook to circulate a report on current and proposed externally funded projects.

#### **4.4 Student Experience**

Ms McCartan commented on the restrictive criteria for support under the Student Hardship Fund and advised that the possibility of using uncommitted funds for student support initiatives will be explored. This proposal was welcomed by members.

#### **4.5 PFI Contracts**

Ms McCartan reported that the PFI Liaison Committee meeting is scheduled to take place in May 2023. She noted the enhanced focus on preparing for end contract arrangements as well as the College's close collaboration with other bodies managing PFI contracts.

### **5.0 MANAGEMENT REPORT**

PREVIOUSLY ISSUED to all members:

- Paper 05 Management Report
- Paper 05.01 Financial Management Report to 28 February 2023
- Paper 05.02 Bad Debt Write Off Proposal
- Paper 05.03 Finance Return
- Paper 05.04 Budget Scenarios 2023/24
- Paper 05.05 DfE Budget Planning Presentation 2023/24
- Paper 05.06 Permanent Secretary Communication on Budget April 2023
- Paper 05.07 DfE Budget Update Communication January 2023
- Paper 05.08 Report on Payments over £50k
- Paper 05.09 Budget Preparation Procedures 2023/24
- Paper 05.10 Review of Banking Mandates
- Paper 05.11 Hospitality & Gifts Policy
- Paper 05.12 Estates Report
- Paper 05.13 Revised SWC Capital Allocation Letter 2022/23 – February '23
- Paper 05.14 Report on Business Cases 2022/23
- Paper 05.15 Semester 2 Report.

#### **5.1 Financial Accounting**

##### **5.1.1 Financial Management Report to 28 February 2023**

*Ref: Management Report Section 1.1 and Paper 05.01*

The Financial Management Report was noted by the Committee.

##### **5.1.2 Bad Debt Write Off Proposal**

*Ref: Management Report Section 1.2 and Paper 05.02*

The Bad Debt Write Off Proposal was noted by the Committee.

#### **5.2 Financial Compliance**

##### **5.2.1 NDPB Monthly Monitoring**

*Ref: Management Report Section 2.1 and Paper 05.03*

The monthly finance return to 28 February 2023 was noted by the Committee.

## 5.2.2 Budgetary Outlook 2023/24

*Ref: Management Report Section 2.2 and Papers 05.04, 05.05, 05.06 & 05.07*

It was noted that the budgetary outlook had been discussed by the Committee under the Key Strategic Issues agenda item.

## 5.2.3 Payments over £50,000

*Ref: Management Report Section 2.3 and Paper 05.08*

The Report on payments over £50,000 was noted by the Committee.

## 5.3 College Budget 2023/24

### 5.3.1 Detailed 2023/24 Budget Preparation Plan

*Ref: Management Report Section 3.1 and Paper 05.09*

Mr O'Donnell explained that the sectoral budget uncertainty and pending management realignment will impact on preparations for the internal 2023/24 budget allocation process.

## 5.4 Treasury Management

### 5.4.1 Review of Banking Mandates

*Ref: Management Report Section 4.1 and Paper 05.10*

Mr O'Donnell explained that it is proposed to amend Delegated and Authorised Payment Levels to reflect the change in management positions.

**AGREED: that the Banking Mandates be recommended to the Governing Body for approval.**

## 5.5 Policy Matters

### 5.5.1 Hospitality & Gifts Policy

*Ref: Management Report Section 5.1 and Paper 05.11*

Mr O'Donnell drew attention to the amendment made to the Hospitality & Gifts Policy to reflect the new requirement to publish the Register of Hospitality & Gifts on the College's website and confirmed that internal processes had been put in place to facilitate this requirement.

**AGREED: that the Hospitality & Gifts Policy be recommended to the Governing Body for approval.**

## 5.6 Estates

### 5.6.1 Estates Report

*Ref: Management Report Section 6.1 and Paper 05.12*

Mrs McGrath referenced the updates provided in the Estates Report noting that the disposal of the Fairview campus and the Post Project Evaluation of the Erne Campus development had been discussed earlier in the meeting. She also apprised the meeting of the retention of monies pending resolution of a number of latent defects in the Erne Campus.

In response to a queries from members, Mrs McGrath reported high staff satisfaction levels with the Erne Campus and advised that PFI service charges account for over 85% of the Estates budget.

#### 5.6.2 Capital Funding 2022/23

*Ref: Management Report Section 6.2 and Paper 05.13*

Mr O'Donnell referenced the most recent 2022/23 capital funding allocation, advised that the 2023/24 allocation had not yet been confirmed and noted his expectation of a reasonable budget for minor works.

Ms McCartan commented on the need for the Committee to agree a strategy for the prioritization of capital funding expenditure, when allocated, and suggested that expenditure is focused on initiatives to support the College's sustainability agenda, in light of carbon reduction targets, as well as investments in equipment to support the priorities of the Skills for a 10X Economy Strategy.

**AGREED: that expenditure of the 2023/24 Capital Funding Allocation is focused on initiatives to support the College's sustainability agenda and investments in equipment to support the priorities of the Skills for a 10X Economy Strategy.**

Ms McCartan informed the Committee of an offer of a piece of robotic equipment of substantial value and sought approval to accept the gift and meet the expense of its transport to and commissioning in the College. Members commented on the governance arrangements around this gift and suggested that advice from DfE is sought.

**AGREED: that the gift offered is accepted and that the costs of its transport and commissioning are met by the College, subject to advice from DfE.**

#### 5.6.3 Business Cases 2022/23

*Ref: Management Report Section 6.3 and Paper 05.14*

The Report on 2022/23 Business Cases was noted by the Committee.

### 5.7 Other Reporting

#### 5.7.1 Student Hardship Fund Report

*Ref: Management Report Section 7.1 and Paper 05.15*

The Student Hardship Fund Report was noted by the Committee.

#### 5.7.2 Business Development Unit Finance Report

*Ref: Management Report Section 7.2 and Paper 05.16*

The Report on the Financial Performance of the Business Development Unit was noted by the Committee.

### 6.0 TERMS OF REFERENCE

PREVIOUSLY ISSUED to all members:

- Paper 06 Proposed Finance & General Purposes Committee Terms of Reference.

**AGREED: that the revised Finance & General Purposes Committee Terms of Reference be recommended to the Governing Body for adoption.**

**7.0 REVIEW OF OUTSTANDING ACTIONS**

PREVIOUSLY ISSUED to all members:

- Paper 07 List of Outstanding Actions

It was noted that the advanced draft of the Post Project Evaluation of the Erne Campus Development and the sectoral update on the implementation of the Trainee and Apprentice Management System (TAMS) had been circulated to the Committee and that a report on the Annual PFI Contracts Review Meeting will be provided to the Committee at its June 2023 meeting.

A revised list of outstanding actions is included as Appendix A.

**8.0 ANY OTHER RELEVANT BUSINESS**

No further business was raised.

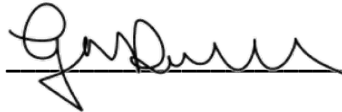
**9.0 REFLECTION ON EFFECTIVENESS OF MEETING**

Members commented on the value of the papers in providing information to the Committee and supported the focus on discussion of strategic matters. Management was also commended for the transparency offered to members during the meeting.

*The meeting concluded at 10:40 am.*

**CONFIRMED AND ADOPTED BY THE GOVERNING BODY AT A MEETING HELD ON WEDNESDAY  
26 APRIL 2023**

VICE CHAIR

  
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DATE 26/04/2023

## SUMMARY OF OUTSTANDING ACTIONS

Item	Meeting Date	Minute Ref	Action
1	22/02/2023	4.5	Report on the Annual PFI Contracts Review Meeting with BES be provided to the Committee at its April 2023 meeting.
2	19/04/2023	4.3	Report on current and proposed externally funded projects to be circulated to the Committee.