

SOUTH WEST COLLEGE GOVERNING BODY

Minutes of a meeting of the **Finance & General Purposes Committee**
held on Wednesday 16 October 2024 at 9.10 am
in the Boardroom, Omagh Campus

- PRESENT:** Mr Michael Barnett, Committee Chair
Mrs Maureen Brunt (*via MS Teams*)
Mrs Maria Hackett (*via MS Teams*)
Mrs Sandra Isherwood
Ms Celine McCartan, Chief Executive
- IN ATTENDANCE:** Mrs Fiona McCauley, Secretary to the Governing Body
Mrs Sharon McGrath, Director of Corporate Services (*via MS Teams*)
Mr Sean O'Donnell, Head of Finance & Governance
- APOLOGIES:** Mrs Deborah Brown
Dr Lynsey Quinn

1.0 PRELIMINARIES AND APOLOGIES

Mr Barnett, Committee Chair, welcomed all present, extending a particular welcome to Mrs Isherwood on her first meeting as a committee member. In their absence, he also acknowledged Dr Quinn's appointment to the Committee as well as Mrs Brown's contribution to the Committee during her term of office as Support Staff Governor.

He welcomed the College's balanced budget position at the commencement of the year and reminded members of the objectives of increasing enrolments, maximising cost efficiency and enhancing the student experience.

Apologies were tendered on behalf of Mrs Brown and Dr Quinn.

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 03.01 Minutes of the Finance & General Purposes Committee meeting held on Wednesday 15 May 2024
- Paper 03.02 Minutes of the special meeting of the Finance & General Purposes Committee held on Thursday 5 September 2024.

Referencing paragraph 5.5 of the minutes of the committee meeting held on Wednesday 15 May 2024, Ms McCartan confirmed the success of an application for funding under the Peace Plus Programme for the Smart Rural Innovation Driven Empowerment (STRIDE) project and provided an overview of the objectives, benefits, financials and delivery arrangements of this project.

4.0 KEY STRATEGIC ISSUES

PREVIOUSLY ISSUED to all members:

- Paper 04.01 Key Strategic Issues.

4.1 Long Term Financial Planning

Ms McCartan reflected on the College's success in securing significant funding for the Rural Economic Accelerator Programme (REAP) under the UK Shared Prosperity Fund and for the YouthScape Plus and STRIDE projects under the Peace Plus Programme, noting the benefits of these projects to the College, its community and its students. She also advised of the applications submitted to deliver projects in the fields of green skills and industry decarbonisation.

Ms McCartan went on to apprise the meeting of the plans to develop a three year strategic framework for the approval of the Governing Body which would facilitate focused decision-making in relation to future funding opportunities.

Mr O'Donnell informed members of the sectoral information gathering exercise undertaken by the Department for the Economy (DfE) to collate forecast pressures over £100k over the forthcoming three years and undertook to circulate the College's submission. He explained that Environmental, Social & Governance (ESG) and Artificial Intelligence (AI) have been identified as key areas for investment by all six colleges.

ACTION: SWC submission of forecast pressures over £100k over the forthcoming three years to be circulated to the Committee.

In response to a query on the capacity of the College's estate to accommodate additional delivery, management spoke of the need to optimise the utilisation of existing estate to mitigate the physical space pressures encountered from time to time and confirmed that no new capital developments are planned.

4.2 Review of the Further Education Delivery Model

Ms McCartan referenced the update provided to the Governing Body at its 11 September 2024 meeting advising of the expectation of an announcement from the Minister for the Economy on the future of the Review of the FE Delivery Model. She confirmed that no further communication has been received and that the matter is likely to be raised at a Principals' Group meeting later in the month.

4.3 Sustainability

Referring to the detailed sustainability update provided in the Management Report, Mrs McGrath highlighted the endorsement sought for the Governing Body's approval of the Net Zero Action Plan and the Sustainability Action Plan.

She drew attention to the challenging targets set, including a 30% reduction in carbon emissions by 2030 and carbon neutrality by 2050, as well as to the progress made to date. She also reported on the roll out of Carbon Literacy training both internally and externally and on the sectoral engagement with RSM to provide ESG training.

Management made the Committee aware of the College's skilled resource in the area of sustainability and commended those involved in the internal development of the Carbon Baseline Report and the Net Zero and Sustainability Action Plans.

AGREED: that the Net Zero Action Plan and the Sustainability Action Plan are recommended to the Governing Body for approval.

5.0 **MANAGEMENT REPORT**

PREVIOUSLY ISSUED to all members:

- Paper 05 Management Report
- Paper 05.01 April to August 2024 Finance Report
- Paper 05.02 Draft 2023/24 Annual Report & Financial Statements
- Paper 05.03 Financial Management Report for Year Ended 31 July 2024
- Paper 05.04 Report on Payments over £50k
- Paper 05.05 Review of Provisions and Liabilities as at 31 July 2024
- Paper 05.06 Fixed Asset and Capital Expenditure Report
- Paper 05.07 Colleges 2024 Insurance Renewal Report
- Paper 05.08 Insurance Renewal Cost 2023 v 2024
- Paper 05.09 Estates Report
- Paper 05.09a SWC Carbon Baseline Report
- Paper 05.09b SWC Net Zero Action Plan
- Paper 05.09c SWC Sustainability Action Plan
- Paper 05.10 Capital Budget Report
- Paper 05.11 Financial Scheme of Delegation Policy & Procedure
- Paper 05.12 Procurement Policy
- Paper 05.13 2023/24 Hardship Fund Return
- Paper 05.14 DfE Letter on Systems Refresh.

5.1 **Budget Update**

5.1.1 **April – August 2024 Finance Report**

Ref: Management Report Section 1.1 and Paper 05.01

Mr O'Donnell explained that the overspend reported in the finance return to DfE for the budget to 31 March 2024 relates mainly to traineeship funding and the REAP project, the funding for which has yet to be added to the 2024/25 budget. He reported on the recent allocation of additional funding for the InnovateUs programme and added that further allocations may be awarded in-year which could be used to fund priority initiatives. He commented on the need for close monitoring of staff costs to evidence the savings projected through the Reform to Save Scheme, noting that a post project evaluation of same is likely to be undertaken in mid-2025, and advised that budget virements may be made following a mid-term review of internal cost centre expenditure.

Mr O'Donnell also apprised the meeting of the potential for a change to colleges' statutory financial year to align it with DfE's April to March annual reporting cycle from April 2026.

5.2 **Financial Management / Accounting**

5.2.1 **Draft 2023/24 Annual Report & Financial Statements**

Ref: Management Report Section 2.1 and Paper 05.02

Mr O'Donnell confirmed the submission of the draft 2023/24 Annual Report & Financial Statements to the NI Audit Office. He drew attention to the £4.1m deficit reported and provided assurance on the reduction of this deficit to circa £500k upon the removal of non-cash items.

Mr Barnett reported on his satisfaction with the draft 2023/24 Annual Report & Financial Statements following the receipt of a presentation of same, along with the Chair of the Audit & Risk Committee, prior to their submission for audit.

In response to questions and comments on the draft 2023/24 Annual Report & Financial

Statements, management explained that maintenance of the College's website falls within the remit of the Marketing team and undertook to consider the evidence that may be offered to the Governing Body to provide assurance on its maintenance and integrity; explained that sickness absence is monitored by the Staffing Committee, commented on the focus on reducing such absences and supporting staff to return to work, and undertook to circulate the 2023/24 Sickness Absence Report to the Committee; commented on the impact of resource reductions through the Reform to Save scheme on the staff and student experience noting the need to allow time for new structures to embed and highlighting the opportunities presented to staff through re-structured departments and the potential for the provision of additional resource to co-ordinate student experience initiatives; and undertook to move the disclosure of capital repayment of leases within the cashflow statement.

ACTIONS:

- **Management to consider the evidence that may be offered to the Governing Body to provide assurance on the maintenance and integrity of the College's website; and**
- **Management to circulate the 2023/24 Sickness Absence Report.**

5.2.2 2023/24 Financial Management Report

Ref: Management Report Section 2.2 and Paper 05.03

The 2023/24 Financial Management Report was noted by the Committee.

5.2.3 Payments Over £50k

Ref: Management Report Section 2.3 and Paper 05.04

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

5.2.4 Review of Provisions and Liabilities as at 31 July 2024

Ref: Management Report Section 2.4 and Paper 05.05

Mr O'Donnell highlighted the £299k provision in relation to backpay of holiday entitlements for overtime. In response to a query on the status of the holiday pay issue, management commented on the sufficiency of the provision made and explained that a business case has been submitted to DfE to adopt the NI Civil Service Holiday Pay Policy in relation to holiday pay going forward and that a further business case is under development to address retrospective entitlements.

5.2.5 Report on Fixed Assets and Capital Expenditure 2023/24

Ref: Management Report Section 2.5 and Paper 05.06

The 2023/24 Report on Fixed Assets and Capital Expenditure was noted by the Committee.

5.3 Insurance

5.3.1 Insurance Renewal

Ref: Management Report Section 3.1 and Papers 05.07 & 05.08

Mr O'Donnell reported on the reduced insurance premium for 2024/25 due to a reduction in the LPS valuation of college buildings.

5.4 Estates

5.4.1 Estates Report

Ref: Management Report Section 4.1 and Papers 05.09, 05.09a, 05.09b & 05.09c

5.4.1.1 Budget

Mrs McGrath reported on the favourable budget position for the Estates department in 2023/24 noting the reduction in utility costs. She highlighted the overspend in catering services in the Enniskillen campuses and explained that a staff restructure has now been undertaken and a marginal price increase applied, providing assurances that a hot meal can still be purchased within the Free School Meals allowance.

5.4.1.2 Sustainability

It was noted that a comprehensive discussion on sustainability had taken place under the Key Strategic Issues agenda item and it was suggested that Carbon Literacy Training should align with the Net Zero and Sustainability Action Plans.

5.4.1.3 CREST Pavilion Roof

Mrs McGrath apprised the meeting of the deterioration in the condition of the roof of the CREST Pavilion at the Technology & Skills Centre campus. She advised of the significant repair cost anticipated and of the business case in development to seek direct financial support from DfE for remedial works.

In response to a question on the risk to staff and students, Mrs McGrath confirmed that the building had been deemed structurally stable following a survey undertaken in early October 2024.

5.4.1.4 Health & Safety

Mrs McGrath commented on the priority placed on Health & Safety within the Estates department as well as on the focus on inspections. She also advised of forthcoming IOSH Managing Safety training, of the implementation of the recommendations made following a 2023/24 internal audit of Health & Safety and of the scheduled presentation of a deep dive of the risk associated with Health & Safety to the Audit & Risk Committee.

5.4.1.5 FE Capital Projects Steering Group

Mrs McGrath reported that the Erne Campus development remains within the scope of the FE Capital Steering Group pending the closure of the outstanding actions identified in the project's Gateway 5 review. It was acknowledged that the outstanding actions are outside the College's control and are being pursued through the Project Manager.

5.4.1.6 PFI Contracts

Mrs McGrath advised that the PFI Liaison Committee meeting had been rescheduled by Belfast Educational Services (BES) to late October 2024.

5.4.1.7 Sectoral Update

Mrs McGrath explained that an extension has been requested for Integrated Consultancy Team / Property Management Framework contracts pending a procurement exercise for the provision of these services beyond the current contracts.

5.4.2 2023/24 Capital Budget Report

Ref: Management Report Section 4.2 and Paper 05.10

Mr O'Donnell referenced the 2023/24 Capital Budget Report and advised that most 2023/24 capital projects have now completed. He also reminded members of the £1m 2024/25 capital budget allocation, explained that revised business case templates have been developed by DfE and reported on revised internal delegated authority limits for approval of capital expenditure.

5.5 Policy Review

Ref: Management Report Section 5.0 and Papers 05.11 & 05.12

Mr O'Donnell undertook to revise the Financial Scheme of Delegation Policy & Procedure to address the minor issues previously identified by a member and to revise the Procurement Policy to adopt a standardised presentation of the procurement value threshold levels listed in relation to value added tax (VAT) at the suggestion of the Committee Chair.

The Committee then discussed the benefits of incorporating social value into the College's procurement approach and it was suggested that the Procurement Policy presented is recommended to the Governing Body for approval, subject to the revision outlined above, and that the Committee's review of this policy is brought forward to October 2025 to facilitate consideration of such an approach.

AGREED: that the Financial Scheme of Delegation Policy & Procedure and the Procurement Policy are recommended to the Governing Body for approval, subject to the revisions referenced above.

5.6 Other

5.6.1 Student Hardship Fund

Ref: Management Report Section 6.1 and Paper 05.13

Mrs McGrath explained that uncommitted hardship funding remained at the end of 2023/24 despite efforts to increase access to the fund and undertook to present the 2023/24 Student Hardship Fund Report to the January 2025 committee meeting. She noted that no changes have been made to the scheme following the publication of DfE's Report on the Review of Student Support.

In response to a comment on the proportion of incomplete applications reported in paper 05.13, management explained that refusal of assistance under these grounds is due mainly to lack of evidence and provided assurances on the support provided by staff in completing applications. Management also apprised the meeting of plans to submit a business case to DfE to utilise uncommitted funds for a scheme to provide nutrition support to the wider student body.

ACTION: Management to present the 2023/24 Student Hardship Fund Report to the January 2025 committee meeting.

5.6.2 Systems Refresh

Ref: Management Report Section 6.3 and Paper 05.14

The letter from DfE on sectoral contracts under the Systems, Technology and Services (STS) project was noted by the Committee.

6.0 REVIEW OF FINANCE & GENERAL PURPOSES COMMITTEE TERMS OF REFERENCE

PREVIOUSLY ISSUED to all members:

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

It was noted that a review of the Committee's Terms of Reference had been undertaken with no amendments proposed.

AGREED: to recommend the retention of the unamended Finance & General Purposes Committee Terms of Reference to the Governing Body for approval.

7.0 PROPOSED 2024/25 PROGRAMME OF BUSINESS

PREVIOUSLY ISSUED to all members:

- Paper 07 Finance & General Purposes Committee Terms of Reference.

AGREED: acceptance of the proposed 2024/25 Programme of Business.

8.0 REVIEW OF OUTSTANDING ACTIONS

PREVIOUSLY ISSUED to all members:

- Paper 08 List of Outstanding Actions.

Mrs McGrath undertook to circulate the report on the details of the lease of the first floor of the Cookstown campus to the Education Authority. It was noted that all other items had been actioned.

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

ACTION: Mrs McGrath to circulate the report on the details of the lease of the first floor of the Cookstown campus to the Education Authority.

9.0 ANY OTHER BUSINESS

No further business was raised.

10.0 REFLECTION ON EFFECTIVENESS OF MEETING

Members commented favourably on the effectiveness of the meeting.

The meeting concluded at 11:00 am.

CONFIRMED AND ADOPTED BY THE GOVERNING BODY AT A MEETING HELD ON WEDNESDAY 20 NOVEMBER 2024

CHAIRPERSON 

DATE 20/11/2024

SUMMARY OF OUTSTANDING ACTIONS

| Item | Meeting Date | Minute Ref | Action |
|------|--|-----------------------|---|
| 1 | 18/10/2023 & 28/02/2024 & 16/10/2024 | 6.6.3 5.3.2 8.0 | Mrs McGrath to circulate a report on the details of the lease of the first floor of the Cookstown campus to the Education Authority when finalised. |
| 2 | 16/10/2024 | 4.1 | SWC submission of forecast pressures over £100k over the forthcoming three years to be circulated to the Committee. |
| 3 | 16/10/2024 | 5.2.1 | Management to consider the evidence that may be offered to the Governing Body to provide assurance on the maintenance and integrity of the College's website. |
| 4 | 16/10/2024 | 5.2.1 | 2023/24 Sickness Absence Report to be circulated. |
| 5 | 16/10/2024 | 5.6.1 | Management to present the 2023/24 Student Hardship Fund Report to the January 2025 committee meeting. |