

SOUTH WEST COLLEGE GOVERNING BODY

Minutes of a meeting of the **Finance & General Purposes Committee**
held on Wednesday 16 June 2021 at 9.00 am
via Microsoft Teams

PRESENT:

Mr Michael McAlister, Chief Executive
Mr Seamus McCaffrey, Committee Chair
Mr Michael McGuckin
Dr Nicholas O'Shiel
Mrs Deborah Brown

IN ATTENDANCE:

Dr Jill Cush, Deputy Chief Executive
Mr Ciaran McManus, Assistant Chief Executive Industry
Partnerships & Centres for Excellence (*Item 6.0 only*)
Mrs Tracey McElroy, Boardroom Apprentice
Mrs Sharon McGrath, Head of Services
Mr Sean O'Donnell, Head of Finance
Mrs Lindsey Johnston, Risk & Compliance Administrator (Note
taker)

1.0 APOLOGIES

The following apologies were noted:

Mr Gerard O'Hanlon

Mrs Fiona McCauley, Secretary to the Governing Body

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 21 April 2021.

There were no matters arising.

4.0 KEY STRATEGIC ISSUES

PREVIOUSLY ISSUED to all members:

- Paper 04.01 Key Strategic Issues
- Paper 04.02 Key Strategic Issues Management Update.

4.1 Covid-19 Recovery & Resilience

Mr McAlister drew attention to the statistics provided in paper 04.02 on Covid-19 diagnoses in the College community. He explained that the College had transitioned to Stage 4 in the 'Pathway out of Restrictions' on 24 May 2021, which resulted in increased face to face teaching and resumption of extra-curricular activities. He added it is anticipated, within the sector, through continued and expanded testing; confidence within the community will increase enabling Colleges to reach Stage 5 in advance of September. This would mean normal delivery of services. Mr McAlister further explained that the College may have its own variation on this delivery, established locally, and that a blended model may continue to be implemented.

Mr McAlister provided an overview of the on-going Lateral Flow testing pilot which began on 10th May 2021, confirming that risk assessments have been carried out and online training provided. He further informed the Committee on Assisted Testing Sites (ATS) which will take place on the Dungannon Campus and work is underway to gather participants.

4.2 Impact of Brexit

Mr McAlister provided an update on the impact of Brexit noting that a meeting had taken place with the Deputy Head of the Cities & Local Growth Unit (NI) and the response has been shared regarding potential funding opportunities. Mr McAlister provided explanation on match funding. Members discussed the function and structure of the Cities & Local Growth Unit.

Mr McAlister emphasized the importance of reviewing and considering funding streams to replace the deficit from previous EU funding, to determine what may be accessible to the College over the coming year.

Dr Cush informed that under the UK Community Renewal Fund an application is underway, collaboratively, with Mid-South West Growth Deal Team, QUB and SRC. Dr Cush provided an overview of the application.

4.3 Erne Campus Development and Years 1 – 3 Operation

Mr McAlister provided an update on the Erne Campus development noting that the Capital Projects Steering Group Meeting had been hosted on site, which was attended by DfE and SIB. He added that the group received a tour of the campus describing this as a positive opportunity to showcase the new building.

Mr McAlister confirmed that the project is currently in the phase of snagging and rectification of defects. He reported that the G99 license has not yet been received from NIE, however communication has been issued in relation to this in order to progress the matter.

In addition, Mr McAlister informed that Minister Mallon had visited the campus on 11 June 2021 and was very interested in learning from the technologies implemented by the College on the new site.

The Official Opening has been confirmed for 22 September 2021 and a working group has been established to manage this. Marketing have been working to engage potential high profile attendees for the opening. Members echoed their enthusiasm.

4.4 Long Term Financial Planning including Social Bond and Global College Budget

Mr McAlister advised that this will be covered in detail in the update provided by Mr O'Donnell (Item 5.0).

4.5 International Delivery of College Services

Mr McAlister provided an overview of the Global Skills Spotlight. He added that there is learning for the College to take forward from this and emphasized the importance of College participation to strive to contribute within the FE arena.

Mr McAlister noted that an enquiry had been received from a local councillor to enquire if the College were working with, or supporting any Colleges in Israel. Following investigation, it was found that the College has no activity in Israel and none has been requested by the British Council or scheduled.

4.6 PFI Contracts

It was noted that an update on PFI contracts would be provided by Mr O'Donnell and Mrs McGrath later in the meeting.

4.7 Student Experience

Mr McAlister provided an update regarding the current challenges as detailed in paper 04.02, giving assurances that work is on-going to resolve issues around assessment approaches. He added that special provision has been made through Covid-19 funding to provide additional tuition in September for students who do not complete this year. In addition, Mr McAlister confirmed that the Permanent Secretary has convened a group comprising of the Colleges, universities etc, working to agree an overall position.

Issues around applications to third level institutions were discussed by members, acknowledging the stress and difficulties experienced by students and potential increase in interest to SWC courses.

Mr McAlister confirmed there have been no referrals to Social Services in last period and support continues to be provided to students internally.

4.8 College of the Future

Mr McAlister advised there is no further update on this at present.

5.0 MANAGEMENT REPORT

PREVIOUSLY ISSUED to all members:

- Paper 05 Management Report
- Paper 05.01 Financial Management Report August 2020 - April 2021
- Paper 05.02 Erne Campus Finance Report
- Paper 05.03 Part-Time Lecturing Report
- Paper 05.04 Debtor and Creditors Report Finance Return March 2021
- Paper 05.05 Finance Return March 2021
- Paper 05.06 Finance Return April 2021
- Paper 05.07 DfE Indicative Budget Allocation Letter 2021/22
- Paper 05.08 Covid-19 Study Disruption Funding - SWC
- Paper 05.09 DfE Capital Allocation Letter 2021/22

- Paper 05.10 Budget Paper 2021/22
- Paper 05.11 Payments over £50,000
- Paper 05.12 Credit Control Debt Management Policy
- Paper 05.13 Fees and Charges Policy
- Paper 05.14 Student Hardship Fund Report
- Paper 05.15 Financial Regulations
- Paper 05.16 Estates Report
- Paper 05.17 OPL Big Ideas Tabulation
- Paper 05.18 Externally Funded Projects June 2021
- Paper 05.19 Draft Digital Strategy Action Plan

5.1 Financial Accounting

5.1.1 Financial Reports

Ref: Management Report Section 1.1 and Papers 05.01

Mr O'Donnell explained that report details the financial performance of the College for the first nine months of the academic year to the 30 April 2021. He highlighted that income and expenditure have not been typical, as in other years, due to the impact of the pandemic and lockdowns imposed.

Mr O'Donnell detailed that the College is reporting a favorable variance, under £1.7 million ahead of the budgeted position, while acknowledging that the College was behind on DfE grants due to the cash draw down basis. He noted £6.9 million in the bank at the end of April, which is very high compared to normal circumstances of around £4 million advising there have been significant savings resulting from the impact of Covid-19, further detail of which is included in the report. Mr O'Donnell explained that funding has been relocated from areas of savings to other identified areas of need; for example £20,000 was allocated for marketing to advertise HE courses. Mr O'Donnell summarized that the College is in a very good financial position, the position hasn't changed, or deteriorated for the period albeit in an unprecedented year.

5.1.2 Erne Campus Financial Report

Ref: Management Report Section 1.2 and Paper 05.02

Mr O'Donnell summarized that had it not been for the outbreak of the Covid-19 pandemic the project would have been completed on time and within budget, however the project was able to avail of Covid-19 funding. He detailed an ongoing open book exercise to substantiate Covid-19 costs incurred by the contractor confirming these will be paid once validated by the Project Manager. Mr O'Donnell advised that the project is still on target to have the building completed within the revised allocated budget. He reiterated the need to ensure via the Project Manager that the final accounts are closed out.

Mr McGuckin commended the success of the project in achieving delivery that would have been on time and to budget and congratulated all involved.

5.1.3 Part-Time Lecturing Costs Report

Ref: Management Report Section 1.3 and Paper 05.03

Mr O'Donnell outlined that part time lecturing costs are under budget for the year and that a draft budget has been prepared for next year. Retention of the part time lecturing costs report as an agenda item was discussed and agreed.

AGREED: Part Time Lecturing Costs will be retained on the agenda.

5.1.4 Report on Debtors and Creditors as at 30th April 2021

Ref: Management Report Section 1.4 and Paper 05.04

Mr O'Donnell noted a date correction and confirmed that the report is up to 31 May 2021.

Mr O'Donnell summarized the current position whereby the College total debtors is £874,000 which is the same figure as last year, however the composition of the debt is very different. Mr O'Donnell raised concerns regarding student debt which equates to £501,000, significantly higher than last year. He detailed the reasons for this which included implementation of EBS and issues encountered therein. He noted that no interventions took place this year and advised that meetings are taking place to work to close out the position.

Mr O'Donnell confirmed that steps had been taken to increase the bad debt provision significantly, from £100,000 to £300,000, and explained the reasons for this. Concerns were discussed by members regarding the debt and composition of the debt. Mr McGuckin added that it may be beneficial to consider an action plan to resolve. In response, Mr O'Donnell assured that he would investigate the matter and implement plans to reduce the high level of student debt. Mr McAlister sought clarification regarding core management funding, the elements involved and how this works, which were discussed. Further to this Mr O'Donnell noted availability of the hardship fund however considered issues with uptake on this funding. Dr O'Shiel acknowledged that the situation has been particularly complicated by Covid-19, and that while the College takes a fair and sensitive approach to student debt there must be clear way forward, which will potentially require additional resources to resolve.

5.2 Financial Compliance

5.2.1 NDPB Monthly Monitoring

Ref: Management Report Section 2.1 and Papers 05.05, 05.06 & 05.07

Mr O'Donnell described complexities of reporting within two different reporting periods.

Two finance returns included with papers. One paper is the close out return until March 2021 and Mr O'Donnell advised that the College is comfortably within budget which is reflected in the report. Mr O'Donnell detailed that the College is £398,000 behind budget explaining some of this was due to change in the administration of the £500 payments which are now agency payments and do not sit within the College income and expenditure. He added that the College previously surrendered £110,000 as too much had been allocated for £60 payments. He reiterated that the College position is very comfortably within budget by March 2021 and recognized this was achieved partly due to savings associated with Covid-19. He added that £100,000 has been received for PPE which is recognized in the 2020/21 budget but intended for use in 2021/22. Mr

O'Donnell confirmed the College submitted the first NDPB return in May with the second due in July. He advised that the College forecast predicts the College will sustain the current position and remain in budget, however noted that this is difficult to forecast early in the year. Mr O'Donnell confirmed the indicative budget letter for the year has been received but highlighted that numerous variables remain such as £9million Covid-19 monies still to be allocated across the colleges which will have to be considered.

Mr O'Donnell explained that excluding Covid-19 variables the College budget is £28.565 million which compares to £28.725 million in the previous year and while this is slightly behind budget cover, advised that Covid-19 and MaSN are not included.

Mr O'Donnell updated that work around the lecturer pay business case is continuing and a consistent approach, in line, with other Colleges on the business case and associated funding has been agreed.

5.2.2 Covid-19 Disruption Payments and Audit Requirements

Ref: Management Report Section 2.2 and paper 05.08

Mr O'Donnell advised that a DfE letter has been received confirming an audit process will be initiated regarding the Covid-19 payments and £500 payments. He reported that over 2000 students' bank details remain outstanding re: £60 payment, and three approaches have been made to date. He further added that there are around 30-40 outstanding on £500 payments. Mr O'Donnell noted that some students had opted to offset the £500 against student debt. To date the total payments made is just under £435,000.

Mr O'Donnell detailed difficulties encountered in making payments due to students not being forthcoming with their details, describing how this has been extremely time consuming and draining on resources. Mrs Brown made a number of suggestions regarding potential ways to alleviate these issues such as collecting more details during the induction process.

5.2.3 Capital Funding 2021/22

Ref: Management Report Section 2.3 and Paper 05.09

Mr O'Donnell confirmed that indicative capital funding for minor works of £1million has been received, however advised that an additional £1million has been requested. Mr O'Donnell added that the College received £2million in the previous year, however not all the monies have been claimed with £264,000 unclaimed to date. Mr O'Donnell confirmed a spend of £1.75 million 2020/21 adding that this will be presented to Committee in a report to the September meeting providing more detailed breakdown of the spending.

5.3 Budget 2021/22

5.3.1 2021/22 Budget and 2022-2026 Projections

Ref: Management Report Section 3.1 and Paper 05.10

Mr O'Donnell provided an overview of budget detail and advised due to 2020/21 circumstances a revision will be likely on account of a number of assumptions made. Mr O'Donnell reiterated that the allocation of the £9million Covid-19 budget remains

unknown at present but will have to be accounted for once flexibility of spend has been determined. He advised that a total of 687 MaSN places have been held back which equates to £3.7million. Mr O'Donnell informed that the draft budget includes £600,000 for MaSN adding that SWC got 38% of withheld funding last year.

In response to enquiries regarding projected savings from avenues such as travel expenses Mr O'Donnell confirmed around £80,000, adding staff have been asked to reduce expenditure by 25%.

Mr O'Donnell advised that the rates for Erne Campus are around £400,000 and that a bid had been made for additional funds through Rates 2020 and an application for rates exemption has been submitted for Fairview.

AGREED that the Budget 2021/22 be recommended to Governing Body for approval.

5.4 Treasury Management

5.4.1 Treasury Management

No comments were noted under this section.

5.5.2 Payments over £50,000

Ref: Management Report Section 4.2 and Paper 05.11

No comments were noted under this section.

5.5 Policy Matters

5.5.1 Credit Control & Debt Management Policy

Ref: Management Report Section 5.1 and Paper 05.12

AGREED that the Credit Control & Debt Management Policy be recommended to Governing Body for approval.

5.5.2 Fees & Charges Policy 2021/22

Ref: Management Report Section 5.2 and Paper 05.13

AGREED that the Fees & Charges Policy 2021/22 be recommended to Governing Body for approval.

5.5.3 Student Hardship Fund

Ref: Management Report Section 5.3 and Paper 05.14

No comments were noted under this section

5.5.4 Financial Regulations

Ref: Management Report Section 5.4 and Paper 05.15

For information

No comments were noted under this section

5.6 Estates

5.6.1 Estates Report

Ref: Management Report Section 6.1 and Papers 05.16 & 05.17

Mrs McGrath provided an overview and update of the Estates report including Sector update, Sustainability (OPL Big Ideas), Minor Works Projects and Statutory Returns.

Mrs McGrath provided an update on the Erne Campus including detail of visits planned and those that have taken place. She confirmed snagging is minimal with work progressing well, noting that some larger items remain but is satisfied that work is actively progressing.

Mr McGuckin noted that local residents had previously raised concerns around parking and access therefore it might be prudent to notify them of the official opening. Mrs McGrath confirmed that no specific communications have been planned but will note and consider within the wider communication plan.

Mr McAlister noted a need to manage expectations regarding visits. He noted that MLAs are keen to visit and efforts are being made to try to accommodate this on one date. Mr McAlister requested that the Committee would consider availability to meet with the MLAs.

ACTION: Communication to be drafted to local residents re: Campus becoming operational.

7.0 Other reports

7.1 Report on Externally Funded Projects

Ref: Management Report Section 7.1 Paper 05.18

No comments were made under this item.

7.2 Draft Digital Strategy Action Plan

Ref: Management Report Section 7.2 Paper 05.19

No comments were made under this item.

6.0 Presentation on the Financial Performance of Centres for Excellence

PREVIOUSLY ISSUED to all members:

- Paper 06 Financial Performance of the Centres of Excellence

Mr Ciaran McManus joined the meeting for this item.

Mr McManus commenced the report providing an overview of the role of the Centres of Excellence in generating income and emphasizing the importance of partnerships in achieving this.

In commencing the report on the financial performance of the Centres of Excellence, Mr McManus detailed the performance in areas including Work Based Learning, Social Inclusion, Digital Learning, Further Education and Higher Education. Mr McManus noted that WBL responsible for managing Training for Success and Apprentice NI processing

claims around £8 million annually while Social Inclusion generates income of around £2.5 million.

Mr McManus provided the Committee with an overview of potential new projects and summary breakdown which include Peace Plus, All Age and Public Sector Apprenticeships, WHSCT Pathfinder, and Virtual Production. He also noted positive progress with Portland Dental and the launch of 21 dental nursing apprenticeships and Oakleaf Contracts with 12 apprenticeships.

Mr McManus noted work with Higher Education Programmes which has resulted in implementation of Level 6 programme in engineering enabling the full framework of engineering apprenticeships.

Mr McManus noted recognition for the work of training support officers through whom an average £1.7 million worth of recruitment and retention incentives for 248 separate employers employing 553 apprentices was secured.

In response to queries around any further areas of industry are being targeted at present Mr McManus reported that opportunities are being explored within Pharmacy services in both the private and public sector particularly for pharmacy technicians and HSC and potential pre-nursing higher level apprenticeships via Pathfinder.

Mr McManus was thanked for his presentation and withdrew from the meeting at this juncture.

7.0 Review of Committee's Performance in 2020/21

PREVIOUSLY ISSUED to all members:

- Paper 07 Partially Complete Review of Committee Performance

Discussed, reviewed and completed outstanding.

8.0 SCHEDULE OF MEETINGS

PREVIOUSLY ISSUED to all members:

- Paper 08 Schedule of Meetings 2021/22

To be circulated.

9.0 ANY OTHER RELEVANT BUSINESS

Mr McAlister provided an update on the re-signing of the guarantor. He proposed that Dr O'Shiel, Mrs McGrath and Mrs Lucas should meet to review assurances and additional signing within guarantor process. This was agreed by the Committee.

AGREED: Meeting to be taken forward re: guarantor process.

10.0 REVIEW OF OUTSTANDING ACTIONS

Item 1 – Mrs McGrath advised that a response has been received with significant work and progress on catering VAT, confirming that agreement on the way forward and

payments has been reached. Mr McCaffrey requested a paper to summarise the final outcome.

Item 2 – Mr O'Donnell provided a verbal update confirming in 2018/19 the teaching hours were 245,000, this dropped to 238,000 in 19/20 and the current year there 229,000 hours recorded. He confirmed that the staff deployment this year is at 94.91%. The previous year was 98.58%, Mr O'Donnell explained that this can be impacted by student numbers and demand in specific areas.

ACTION: Item 1 – Summary paper to be tabled.

11.0 REFLECTION ON EFFECTIVENESS OF MEETING.

Members commented favourably on the proceedings of the meeting.

**CONFIRMED AND ADOPTED BY THE GOVERNING BODY AT A MEETING HELD ON WEDNESDAY
30 June 2021**

CHAIRMAN _____

DATE _____

SUMMARY OF OUTSTANDING ACTIONS

Item	Meeting Date	Minute Ref	Action
1	16/06/2021	5.6.1	Estates Report - Erne Campus Update Communication for local residents to be considered in communication plan
2	16/06/2021	6.0	Summary paper to be tabled re: BES to provide (i) proposals from the Director of IFM in relation to catering VAT; (ii) their legal advice in relation to the 3 year/30 year supply and maintain contract and their analysis on supply and maintain items.

**REVIEW OF PERFORMANCE OF FINANCE AND GENERAL PURPOSES COMMITTEE
2020/21**

		Yes	No	Comments
Terms of Reference				
1	Does the Finance and 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 in October 2020 by the Committee and approved by the GB in November 2020
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?	✓		Agreed by the Committee at its October 2020 meeting
5	Did the Committee cover all business listed in the programme of business?		✓	Energy Management Policy and Estates Strategy delayed pending finalisation of OPL Action Plan Hardship Fund Policy 21/22 delayed pending receipt of indicative allocation.
6	Have all actions identified by the committee been satisfactorily delivered?	✓		
7	Was 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%?	✓		93% average.
11	Did Committee meetings generally last no more than two hours?	✓		