

SOUTH WEST COLLEGE GOVERNING BODY

Minutes of a meeting of the **Finance & General Purposes Committee**
held on Wednesday 12 October 2022 at 9.00 am
via Microsoft Teams

- PRESENT:** Mrs Deborah Brown (*items 1.0 – 4.4 only*)
Mr Seamus McCaffrey, Committee Chair
Ms Celine McCartan, Chief Executive
Mr Michael McGuckin
Dr Nicholas O'Shiel
- IN ATTENDANCE:** Dr Jill Cush, Deputy Chief Executive
Mrs Fiona McCauley, Secretary to the Governing Body
Mrs Sharon McGrath, Head of Services
Mr Sean O'Donnell, Head of Finance

1.0 APOLOGIES

It was noted that all members were present.

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 8 June 2022.

In response to questions from members, the meeting was informed of the communications provided directly to staff to date on the Change Management Process as well as of the trade union engagements held and planned. It was also noted that an overview of college systems will be provided to governors as part of a forthcoming development and strategy event.

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

Ms McCartan explained that an internal audit of the Lost Learning funding provided by DfE will be undertaken in 2022/23 and that further funding for Covid-19 mitigations is unlikely. She suggested that Covid-19 Recovery & Resilience is removed from the Committee's list of key strategic issues.

4.2 Impact of Brexit

Ms McCartan detailed the complex issues to be managed arising from the discontinuation of access to ESF programmes and the gap between the conclusion of current programmes on 31 March 2023 and the commencement of replacement programmes, including the impact on the 36 staff employed to deliver the College's four social inclusion projects. She advised that an internal project team has been established to manage the issues in accordance with policy.

In response to questions and comments from members, the Committee was made aware of the staff engagements taking place in relation to the conclusion of the programmes and was advised of the more substantial impact on South West College in comparison with other colleges due to the broader provision offered.

Ms McCartan commented on the value of the interventions provided through the College's social inclusion programmes and on the need to reflect on a strategic level on whether such interventions may be delivered by the College in the future without external funding. She suggested that the Impact of Brexit is reported on under a new 'Funding Opportunities including the UK Shared Prosperity Fund' key strategic issue for future meetings.

4.3 Erne Campus Development and Years 1 – 3 Operation

Ms McCartan explained that a request has been submitted to defer the Erne Campus Development's post project evaluation and Gateway 5 review until 2023 to allow further time to accurately measure the targeted benefits in light of operational challenges in year one.

Regarding disposal of the Fairview site, Ms McCartan reported that the sale of plot 6 to the Education Authority is progressing subject to a clause stipulating a profit share of any onward sale of the plot in the forthcoming ten years. She commented on the challenging nature of the remaining eight plots and advised that they will now be offered to the open market due to a lack of interest in the public sector trawl.

In response to questions and comments, the meeting was apprised of the duty of care and costs incurred in maintaining the Fairview site, was informed that the planned disposal timeframe of March 2023 would not be met and was assured that these issues would be highlighted to DfE. Ms McCartan also outlined the circumstances of a personal injury claim relating to the Fairview site.

In relation to the Erne Campus Project, Ms McCartan sought confirmation of her appointment as Senior Responsible Owner for the development.

AGREED: to recommend to the Governing Body that Ms McCartan be formally appointed as Senior Responsible Owner for the Erne Campus Project.

4.4 Long Term Financial Planning and Global College Budget

Ms McCartan outlined the circumstances surrounding the anticipated increasingly challenging sectoral budget for 2023/24. She advised that colleges had been asked to identify actions to reduce spending and commented on the need to protect spend in critical areas.

Ms McCartan, supported by Dr O'Shiel, advised that early findings from the first stage of the Review of the FE Delivery Model had been shared with Chairs and Principals which indicate an increased cost per student from prior years. It was noted that government policy in relation to vocational education in schools impacts college enrolments as does the recent lowering of university entry requirements. Ms

McCartan reflected on the 2007 FE sector structural change and advised that a further structural change may arise out of the Review of the FE Delivery Model. She suggested that these issues are monitored under a new 'FE Review and Long Term Financial Planning' key strategic issue for future meetings.

In response to questions and comments, the draft status of the report of the review was highlighted and it was noted that a further meeting will be held later in the month to receive clarity on validation of the bases used in the review and to offer colleges' collective response to the report. It was also noted that a sectoral growth strategy will be required to address falling enrolments alongside cost saving measures, that Ministerial approval for the second stage of the review may be received in the forthcoming weeks and that it is hoped that the report will be available for the Governing Body's consideration in advance of its next meeting on 16 November 2022.

Mrs Brown withdrew from the meeting at this juncture.

4.5 International Delivery of College Services

Ms McCartan commented on the need to focus on enrolments in the medium term in light of the issues already discussed and suggested that this item is removed from the Committee's list of key strategic issues with relevant updates provided under the Student Experience item.

4.6 PFI Contracts

Ms McCartan advised that the College's two PFI contracts are now in the second half of their duration and suggested that external legal support is procured to interrogate the contracts and train college staff on the detail within. Members questioned the value of the Annual PFI Contracts Review Meetings with Belfast Educational Services in their current format and it was agreed that advice would be taken from Ms McCartan on the optimal format of these meetings to maximize their effectiveness.

ACTION: Ms McCartan to advise on the optimal format of Annual PFI Contracts Review Meetings with Belfast Educational Services.

4.7 Student Experience

Ms McCartan reported on the ambition to enhance the careers provision offered by the College, the roll out of breakfast clubs for students and the need for a relaxation of Student Hardship Fund criteria. Members welcomed a sectoral discussion on departmental policy relating to student support funding.

4.8 College of the Future

It was suggested that this item is removed from the Committee's list of key strategic issues.

AGREED: that the following items form the Finance & General Purposes revised list of key strategic issues for close monitoring:

- **Funding Opportunities including the UK Shared Prosperity Fund**
- **Erne Campus Development and Years 1 – 3 Operation**
- **FE Review and Long Term Financial Planning**
- **PFI Contracts**
- **Student Experience.**

5.0 **MANAGEMENT REPORT**

PREVIOUSLY ISSUED to all members:

- Paper 05 Management Report
- Paper 05.01 Annual Report & Financial Statements 2021/22
- Paper 05.02 Financial Management Report 2021/22
- Paper 05.03 Review of Provisions and Liabilities as at 31 July 2022
- Paper 05.04 STS Finance Three Year Roadmap
- Paper 05.05 Finance Return
- Paper 05.06 DfE Funding Letter September 2022
- Paper 05.07 SWC Capital Allocation Letter 2022-23
- Paper 05.08 Payments over £50,000
- Paper 05.09 Petty Cash and Float Policy
- Paper 05.10 Hospitality and Gifts Policy
- Paper 05.11 Student Hardship Fund Policy
- Paper 05.12 Estates Report
- Paper 05.13 Fairview Disposal Update
- Paper 05.14 Insurance Renewal Report 2022/23
- Paper 05.16 Student Hardship Fund Report 2021/22
- Paper 05.17 Hardship Fund Monitoring Form 2021/22.

5.1 **Financial Accounting**

5.1.1 Draft Annual Report and Financial Statements 2021/22

Ref: Management Report Section 1.1 and Paper 05.01

Ms McCartan noted amendments to the version of the Statement of Corporate Governance and Internal Control within the Annual Report & Financial Statements reviewed by the Audit & Risk Committee at its September 2022 meeting.

5.1.2 Financial Management Report 2021/21

Ref: Management Report Section 1.2 and Paper 05.02

Mr O'Donnell referenced the Financial Management Report for 2021/22 and commented on the reasonable financial out-turn.

In response to a query, he detailed the inflationary impact on the PFI service charge noting that the increase is derived from a lower base due to the reprofile of the financial model undertaken in 2019/20.

5.1.3 Review of Provisions and Liabilities

Ref: Management Report Section 1.3 and Paper 05.03

Mr O'Donnell highlighted the £294k provision made in relation to the PSNI v Agnew case regarding holiday pay.

5.1.4 Annual Report on Consultancy Expenditure 2021/22

Ref: Management Report Section 1.4

It was noted that there had been no expenditure on consultants in 2021/22.

5.1.5 Agresso Workflow Changes

Ref: Management Report Section 1.5 and Paper 05.04

Mr O'Donnell referenced the three year roadmap for the Agresso strand of the STS project adding that £100k per annum for three years has been committed by DfE.

5.2 Financial Planning and Compliance

5.2.1 NDPB Monthly Monitoring

Ref: Management Report Section 2.1 and Papers 05.05 & 05.06

Mr O'Donnell reported an additional allocation of £1.429m as outlined in paper 05.06 and drew attention to the allocations for cost of living pressures, contractual salary payments and repayment of the imputed loan. He confirmed that the allocation for cost of living pressures would not be available in subsequent years and must therefore be absorbed by the College and that the proposed pay award for business support staff had not yet been agreed.

Members then discussed the impact of enrolments on key metrics such as cost per student and it was agreed that enrolment and cost per student figures would be provided in the Management Report going forward.

ACTION: Enrolment and cost per student figures to be included in Management Report.

Mr O'Donnell went on to advise that some clawback may be made due to underperformance in relation to Full Time Higher Education enrolment targets and it was noted that increased enrolments to Higher Level Apprenticeships goes some way to reducing this impact.

A discussion took place on the potential for significantly increasing the profile of the College and its provision within the local community. The opportunity to leverage the benefits of the new and unique Advanced Technical Certificate qualification was raised and it was suggested that governor input is provided to a forthcoming marketing and communications workshop.

ACTION: governor input to be provided to Marketing and Communications Workshop.

5.2.2 Capital Funding 2022/23

Ref: Management Report Section 2.2 and Paper 05.07

Mr O'Donnell referenced the capital funding allocations contained within paper 05.07 and confirmed that an expenditure plan is in place.

Ms McCartan provided an overview of the competitive business case process used to prioritise projects to be implemented and suggested that the process may benefit from governor oversight.

5.3 Bank & Treasury Management

Ref: Management Report Section 3.0 and Paper 05.08

The updates provided on Treasury Management and Payments over £50k were noted by the Committee.

5.4 Policy Matters

Ref: Management Report Section 4.0 and Papers 05.09, 05.10 & 05.11

AGREED: that the Petty Cash & Float Policy, the Hospitality & Gifts Policy and the Student Hardship Policy & Procedure be recommended to the Governing Body for approval.

5.5 Estates

Ref: Management Report Sections 5.1, 5.2, 5.3 & 5.4 and Papers 05.12, 05.13, 05.14 & 05.15

It was noted that an update on the Erne campus, PFI contracts and the disposal of the Fairview campus had been provided earlier in the meeting.

Mrs McGrath advised on the implementation of the Computer Aided Facilities Management software across the sector and commented on the aspiration to develop a three year minor works plan to aid optimal uptake of additional capital funding opportunities arising in-year. She explained that the 2021/22 Sustainability Report would be presented at the Committee's December 2022 meeting and requested that time is allocated for a comprehensive discussion on sustainability at this meeting.

Mr McGuckin commented on the success of the Building a Sustainable Future conference and congratulated all involved in its delivery.

5.6 Student Hardship Fund Report

Ref: Management Report Section 5.5 and Papers 05.16 & 05.17

Mrs McGrath commented on the negative impact of the stringent criteria for support under the Student Hardship Fund and explained that a sectoral review of student support has been undertaken.

6.0 FINANCIAL PERFORMANCE OF THE PROFESSIONAL AND SOCIAL SCIENCES FACULTY

PREVIOUSLY ISSUED to all members:

- Paper 06 Financial Performance of the Professional & Social Sciences Faculty.

It was noted that the presentation from the Head of the Professional & Social Sciences Faculty had been cancelled in order to dedicate time to strategic and other matters. It was agreed that the presentations scheduled for delivery at the December 2022 and February 2023 meetings would also be cancelled with a decision taken thereafter on the delivery of scheduled presentations at subsequent meetings. The value of the information provided in paper 06 was noted and it was agreed that reports on the financial performance of the faculties should be submitted to the Committee in lieu of the cancelled presentations.

AGREED: written reports to be submitted in lieu of the presentations scheduled for the December 2022 and February 2023 committee meetings.

7.0 REVIEW OF COMMITTEE'S TERMS OF REFERENCE

PREVIOUSLY ISSUED to all members:

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

It was noted that the Finance & General Purposes Committee Terms of Reference had been reviewed with no amendments proposed.

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

8.0 PROGRAMME OF BUSINESS 2022/23

PREVIOUSLY ISSUED to all members:

- Paper 08 Proposed Programme of Business 2022/23.

AGREED: that the proposed Programme of Business 2022/23 be amended as follows:

- **Written reports to be submitted in lieu of the presentations scheduled for the December 2022 and February 2023 committee meetings;**
- **Removal of Treasury Management Report;**
- **Inclusion of enrolment and cost per student figures in the Management Report from the February 2023 meeting;**
- **Possible change to the format of the Annual PFI Contracts Review Meetings with Belfast Educational Services.**

9.0 REVIEW OF OUTSTANDING ACTIONS

PREVIOUSLY ISSUED to all members:

- Paper 09 List of Outstanding Actions

Following a review of the outstanding actions listed in paper 09, it was noted that benefits realization in relation to the Erne campus will be reported through the Key Strategic Issues report, that a survey of the building fabric of the Dungannon campus will be commissioned by the College in the absence of the legal advice from BES, that Ms McCartan will sit on the Sustainability Impact Group and that the proposed impact model for the region will be explored.

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

10.0 ANY OTHER RELEVANT BUSINESS

No further business was raised.

11.0 REFLECTION ON EFFECTIVENESS OF MEETING

Dr O'Shiel spoke favourably of the high level discussions held at the meeting.

The meeting concluded at 11:05 am.

**CONFIRMED AND ADOPTED BY THE GOVERNING BODY AT A MEETING HELD ON WEDNESDAY
16 NOVEMBER 2022**

CHAIRMAN



DATE 16/11/2022

SUMMARY OF OUTSTANDING ACTIONS

Item	Meeting Date	Minute Ref	Action
1	06/04/2022	6.0	Mr Murphy and Dr Cush to explore the development of an Impact Model for the region.
2	12/10/2022	4.6	Ms McCartan to advise on the optimal format of Annual PFI Contracts Review Meetings with Belfast Educational Services.
3	12/10/2022	5.2.1	Enrolment figures and cost per student to be included in Management Report.
4	12/10/2022	5.2.1	Governor input to be provided to Marketing and Communications Workshop.