

SOUTH WEST COLLEGE GOVERNING BODY

Minutes of a meeting of the **Finance & General Purposes Committee**
held on Wednesday 15 May 2024 at 9.00am
via Microsoft Teams

PRESENT: Mr Michael Barnett, Committee Chair
Mrs Maureen Brunt
Dr David Cutting
Mrs Maria Hackett
Ms Celine McCartan, 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

APOLOGIES: Mrs Deborah Brown

1.0 PRELIMINARIES AND APOLOGIES

Mr Barnett, Committee Chair, opened the meeting by welcoming members to the fourth meeting of the year.

An apology was tendered on behalf of Mrs Brown.

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 04 Minutes of the Finance & General Purposes Committee meeting held on Wednesday 28 February 2024.

There were no matters arising from the minutes.

4.0 KEY STRATEGIC ISSUES

PREVIOUSLY ISSUED to all members:

- Paper 04.01 Key Strategic Issues

4.1 Long Term Financial Planning

Ms McCartan provided an overview of a Senior Responsible Owner (SRO) Event on Procurement and Project Assurances which she had attended during which Neil Gibson, Department of Finance (DoF) Permanent Secretary, reflected on the budget context. He outlined the stark realities of increased service demands, additional costs in relation to staffing, overheads and compliance, and challenges around the tax base resulting in the need for 'ultra-efficiency' and prioritisation.

She informed the Committee that the Budget Allocation for 2024/25 was outstanding from the Department for the Economy (DfE) and reminded members that correspondence was issued to the Department in December 2023 highlighting the minimum budget required for 2024/25 year and how this should now be updated to reflect confirmed pay uplifts.

Mr O'Donnell advised that he was currently reviewing efficiencies for cost savings through the budget setting process and budget holders were encouraged to look for other streams of income to support the College's objectives. He further noted that the NI Audit Office fees had increased by £13,000 in a two-year period from £27,000 in 2021/22 to £40,000 in 2023/24.

Ms McCartan advised that all areas with scope for efficiency would be challenged and agreed to bring a high-level budget to the Governing Body to ensure ongoing consideration and oversight.

ACTION: A special meeting of the Finance and General Purposes Committee would be convened to review draft budget details for 2024/25 once funding allocations were available.

4.2 Review of the Further Education Delivery Model

Ms McCartan advised that there had been no significant updates since the Workshop in February 2024 and confirmed that, operationally, the College continued to focus on aligning the curriculum; the funding model; and staffing and skills.

She further noted that at the Economy Committee of the Assembly on 17 April 2024, Departmental Officials confirmed that a one-college structure was not presently under consideration.

4.3 Sustainability

Mrs McGrath provided an update on Sustainability and advised that sectorally, a review of the policies and procedures would be undertaken to ensure achievement of reaching net zero. She advised that a new round of funding had commenced, and business cases would be submitted for substantial improvements that were required across all campuses e.g. installation of PV panels.

She informed Members of the Energy and Carbon Data Repository (ECDR) which enabled access to software which shares data direct from the NI energy providers, allowing data to be extracted.

Mrs McGrath confirmed that NIFON have had discussion on Environmental, Social & Governance (ESG) and workshops by RSM would be rolled out on what is expected going forward.

She advised that three cohorts of staff and students had recently completed the Carbon Literacy programme internally to raise awareness in the College and that the Sustainability Officer had scheduled further workshops on sustainability, specifically on Call for Action, establishing the College's carbon baseline, Action Planning on net zero etc. which would set the scene on what is required from the College.

ACTION: A tailored virtual training session for Governing Body members on sustainability within the College would be arranged before the end of the academic year.

5.0 MANAGEMENT REPORT

PREVIOUSLY ISSUED to all members:

- Paper 05 Management Report
- Paper 05.01 NDPB Finance Report 2023/24
- Paper 05.02 SWC Reform to Save Scheme Cost and Savings
- Paper 05.03 Financial Management Report to 31 March 2024

- Paper 05.04 Report on Payments over £50k
- Paper 05.05 Trade Debtors and Creditors Report at 30 April 2024
- Paper 05.06 Bad Debt Write Off Proposal
- Paper 05.07 Estates Report
- Paper 05.08 Capital Budget Report 2023/24
- Paper 05.09 Credit Control and Bad Debt Management Policy
- Paper 05.10 Fees and Charges Policy 2024-25
- Paper 05.11 Report on Externally Funded Projects
- Paper 05.12 Hardship Fund Report.

5.1 Budget Update

5.1.1 NDPB Finance Report 2023/24

Ref: Management Report Section 1.1 and Papers 05.01 and 05.02

Mr O'Donnell advised that a satisfactory financial return for 2023/24 financial year was submitted to DfE on 24 April 2024.

It was agreed that Reform to Save Scheme detail would be discussed under confidential business.

5.1.2 2024/25 Budget Update

Ref: Management Report Section 1.2

Mr O'Donnell confirmed, as previously advised, that the Budget Allocation for 2024/25 was outstanding from the Department and that a special meeting of the Finance and General Purposes Committee would be convened to review budgets.

5.2 Financial Management/Accounting

5.2.1 Financial Management Report

Ref: Management Report Section 2.1 and Paper 05.03

Mr O'Donnell outlined the financial management report to 31st March 2024 and highlighted the factors affecting various variances, i.e. additional grant income, including costs due to Reform to Save Scheme; changes in how tuition fee income is recognised; and direct teaching costs due to the lecturing pay award.

In response to a query, Mr O'Donnell confirmed that the income from tuition fees were drawn down each month and recognised.

5.2.2 Payments Over £50k

Ref: Management Report Section 2.2 and Paper 05.04

Noted

5.2.3 Trade Debtors & Creditors Report

Ref: Management Report Section 2.3 and Paper 05.05

Noted.

5.2.4 Bad Debt Write Off Proposal

Ref: Management Report Section 2.4 and Paper 05.06

In response to a query, Mr O'Donnell confirmed that the College used a debt collection agency

and the £16,615.70 written off was based on a total fee income of £1.9 million.

Ms McCartan provided a variety of circumstances that may have resulted in the bad debts, e.g. early withdrawal or non-completion of course, dissatisfaction with teaching provision during the Covid 19 pandemic etc. and confirmed that students would not receive any certification or graduate from their course without payment of debts. Mrs McGrath further confirmed that when a student finds themselves in debt, all avenues of support were exhausted through student engagement in the first instance.

5.3 Estates

5.3.1 Estates Report

Ref: Management Report Section 3.1 and Papers 05.07

Mrs McGrath provided a brief overview of the review of catering services provision at the Erne and Skills Centre campuses driven by operational needs and cost efficiency. She reassured members that options for free school meals would be protected and students would not be disadvantaged by the review.

It was noted that a satisfactory assurance was established following the Health and Safety Audit conducted by RSM in April 2024, along with eight 'low' and one 'medium' priority management actions.

Mrs McGrath provided an update on the Erne Campus and Benefits Realisation and advised that the College was concentrating on the closing out of the Gateway recommendations. She further advised that the final BREEAM accreditation was still outstanding as a new assessor was being identified.

She further updated members on the PFI Contracts and advised that the audit recommendations relating to PFI accounting would be progressed in the next few months. It was noted that the next PFI Liaison Committee was scheduled for 24 June 2024. It was further noted that the full budget for college estates for 2023/24 was £8.7 million with a total of £5.1 million representing PFI costs.

5.3.2 Capital Budget

Ref: Management Report Section 3.2 and Papers 05.08

Mr O'Donnell outlined to members the proposals that Business Case delegated approvals would be increased from £25k to £30k for Directorates and £30k - £1m for the Accounting Officer.

It was noted that a Business Case team would be developed within the College.

AGREED: to support the delegation of authority to Directors to approve capital business cases under £30k as per new DfE business case templates.

5.4 Policy Review

Ref: Management Report Section 4.0

Ms McCartan advised that a review was underway of the 110 policies, 10 procedures and 10 plans within the College to streamline so that these were more manageable and easily understood. Mr O'Donnell confirmed that a review had been undertaken of the policies within the Finance section.

AGREED: that:

- **Bad Debt Policy – to be subsumed within Credit Control and Debt Management Policy;**
- **Credit Card Policy – to be subsumed within Procurement Policy; and**

- **Bank and Cash Handling Procedures – to be subsumed within Financial Procedures.**

5.4.1 Credit Control & Debt Management Policy

Ref: Management Report Section 4.1 and Papers 05.09

In response to a query, Mr O'Donnell confirmed that individual sums of up to £7,000 could be written off by the Chief Executive and the Head of Finance and Governance and would be reported to the next available meeting of the Finance and General Purposes Committee.

5.4.2 2024/25 Fees & Charges Policy

Ref: Management Report Section 4.2 and Papers 05.10

In response to a query, Mr O'Donnell agreed to amend the policy by removing the section on bad debt as it was already reflected on in the Credit Control & Debt Management Policy

ACTION: that Annex 3 - Delegation and Annex 8 – Financial Management Responsibilities of the College of the Partnership Agreement would be sent to members for ease of access.

AGREED: that the Credit Control & Debt Management Policy and the 2024/25 Fees & Charges Policy (with amendments) are recommended to the Governing Body for approval.

5.5 Other

5.5.1 Externally Funded Projects

Ref: Management Report Section 5.1 and Paper 05.11

Noted that the Report on Externally Funded Projects would also be presented to the Curriculum and Quality Assurance Committee meeting in May.

Congratulations was extended to the Business Support team on the success of the projects.

5.5.2 Student Hardship Fund

Ref: Management Report Section 5.2 and Paper 05.12

Mr O'Donnell provided a summary of the Hardship Report and commented that a significant budget remained unallocated. Mrs McGrath advised that, as previously reported to the Committee, a Report on Review of Student Support for FE Participants had been issued by the Department which had a number of recommendations which would be taken forward and, as a sector, would continue to lobby for these support programmes e.g. Winter Warmers.

6.0 REVIEW OF COMMITTEE'S PERFORMANCE IN 2023/24

PREVIOUSLY ISSUED to all members:

- Paper 06 Review of Committee's Performance in 2023/24.

With reference to paper 06, it was noted that the review had been partially completed by the Secretary to the Governing Body where a factual response was available. The Committee Chair then sought members' views on the self-assessment with the resulting review attached as Appendix A.

7.0 SCHEDULE OF MEETINGS 2024/25

PREVIOUSLY ISSUED to all members:

- Paper 07 Proposed Schedule of Meetings 2024/25.

AGREED: acceptance of the proposed schedule of Finance & General Purposes Committee meetings for 2024/25 with all meetings commencing at 9:00 am virtually with the exception of 16 October 2024, which would be conducted in person.

8.0 REVIEW OF OUTSTANDING ACTIONS

PREVIOUSLY ISSUED to all members:

- Paper 08 List of Outstanding Actions

A review of the status of each of the actions listed in Paper 08 was undertaken during which it was noted that a draft report on the details of the lease of the first floor of the Cookstown campus to the Education Authority had been circulated with a final report to follow.

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

9.0 ANY OTHER BUSINESS

No further business was raised.

10.0 REFLECTION ON EFFECTIVENESS OF MEETING

Members commented favourably on the proceedings of the meeting.

The meeting went into confidential session and concluded at 10:40 am.

CONFIRMED AND ADOPTED BY THE GOVERNING BODY AT A MEETING HELD ON WEDNESDAY 12 JUNE 2024

CHAIRPERSON 

DATE 12/06/2024

REVIEW OF PERFORMANCE OF FINANCE AND GENERAL PURPOSES COMMITTEE 2023/24

		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 18 October 2023 by the Committee and approved by the GB on 15 November 2023
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 18 October 2023 meeting
5	Did the Committee cover all business listed in the programme of business?	✓		
6	Have all actions identified by the Committee been satisfactorily delivered?		✓	Some actions to be carried forward to 2024/25.
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%?	✓		82% average.
11	Did Committee meetings generally last no more than two hours?	✓		
Additional Comments				
12				

SUMMARY OF OUTSTANDING ACTIONS

Item	Meeting Date	Minute Ref	Action
1	18/10/2023 & 28/02/2024	6.6.3 5.3.2	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	28/02/2024	5.1.3	Special committee meeting to consider the budget to 31 July 2025 to be convened.
3	15/05/2024	4.3	Management to arrange a tailored virtual training session for governors on sustainability within the College before the end of the academic year.