

## SOUTH WEST COLLEGE GOVERNING BODY

Minutes of a meeting of the **Finance & General Purposes Committee**  
held on Wednesday 28 February 2024 at 9.00am  
via Microsoft Teams

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<b>PRESENT:</b>	Mr Michael Barnett, Committee Chair Mrs Maureen Brunt Dr David Cutting Mrs Maria Hackett Ms Celine McCartan, Chief Executive
<b>IN ATTENDANCE:</b>	Mrs Fiona McCauley, Secretary to the Governing Body Mrs Sharon McGrath, Director of Corporate Services Mr Sean O'Donnell, Head of Finance
<b>APOLOGIES:</b>	Mrs Deborah Brown

### **1.0 PRELIMINARIES AND APOLOGIES**

Mr Barnett, Committee Chair, opened the meeting by referencing the Minister for the Economy's strategic vision for the economy and noting the College's role in contributing to this vision. He also requested that the three key objectives set by the Department for the Economy (DfE) for the Further Education (FE) sector, of increasing enrolments, reducing costs and enhancing quality, are kept in mind during the course of the meeting.

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 10 January 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
- Paper 04.02 Management Update on Key Strategic Issues
- Paper 04.03 Accountability Meeting Presentation
- Paper 04.04 Agenda for FE Chairs and Principals Workshop.

#### **4.1 2023/24 and Longer Term Financial Planning**

Ms McCartan informed the meeting that the Annual Accountability Meeting with DfE had taken place, during which the College's relative efficiency, its alignment of curriculum with industry requirements and its cost of delivery were highlighted, as

was the ineffectiveness of the current funding model in encouraging efficient management and good performance.

She reported an additional funding allocation of £12.1 million to DfE to meet pay pressures as well as the accrual in the College's 2023/24 budget for a 5% pay increase, noting the non-baselined nature of this provision. She advised of a forthcoming meeting with trade unions during which employers will request a cessation of Action Short of Strike based on the potential for a pay settlement due to the allocations reported.

Ms McCartan went on to speak of her satisfaction with the projected budget out-turn to 31 March 2024 and of the re-allocation of the cost savings generated through efficiencies and the pay cost savings made through lecturers' strike action to other areas in preparation for a challenging 2024/25 budget position. She also advised of the scenario modelling underway within DfE on the impact of real term reductions of 5%, 7% and 10%.

She informed the Committee of the circa £1.5 million savings expected through the Reform to Save Scheme and noted the budget gap remaining when such savings, together with additional income through external projects, have been accounted for. She commented on the complex nature of the College's operations and on the need to balance efficiencies with service delivery.

In response to a query on the division of the savings to be made to meet the sectoral budget gap, Mr O'Donnell spoke of the collaborations with other colleges to identify savings and income generation opportunities.

#### **4.2 Review of the Further Education Delivery Model**

Ms McCartan explained that a workshop had been held involving DfE and the six colleges to progress the second stage of the Review of the FE Delivery Model. She undertook to circulate the draft Terms of Reference for the project, the College's feedback on these draft Terms of Reference and the report on the research undertaken into the models for FE delivery in England, Scotland, Wales, the Republic of Ireland and New Zealand.

##### **ACTIONS:**

- **Draft Terms of Reference for the second stage of the Review of the FE Delivery Model Project to be circulated;**
- **SWC feedback on the draft Terms of Reference to be circulated;**
- **Report on the research undertaken into models of FE delivery in other jurisdictions to be circulated.**

In response to a question on the status of the 10X Economic Vision Strategy, Ms McCartan referenced the Minister for the Economy's statement on his economic vision and associated objectives of good jobs, regional balance, productivity and decarbonisation and spoke of the work to be done to align the 10X Strategy with this vision.

Following a discussion on strategic matters for the Committee's consideration, it was agreed to add 'Sustainability' to the Committee's Key Strategic Issues. It was also noted that preparation for the handover of the College's PFI estate will require the Committee's attention in due course.

**AGREED: to add 'Sustainability' to the Committee's list of Key Strategic Issues.**

## 5.0 **MANAGEMENT REPORT**

PREVIOUSLY ISSUED to all members:

- Paper 05 Management Report
- Paper 05.01 Finance Report
- Paper 05.02 Budget Preparation Plan 2024/25
- Paper 05.03 Financial Management Report to 31 January 2024
- Paper 05.04 Report on Payments over £50k
- Paper 05.05 Estates Report
- Paper 05.06 Capital Budget Report 2023/24
- Paper 05.07 Revised Capital Allocation Letter 2023/24
- Paper 05.08 Erne Campus Budget Realisation Update
- Paper 05.09 Asset Management Policy
- Paper 05.10 Financial Regulations
- Paper 05.11 Summary of Changes to Financial Regulations
- Paper 05.12 Banking Review
- Paper 05.13 Hardship Fund Report
- Paper 05.14 Partnership Agreement.

### 5.1 **Budget Update**

#### 5.1.1 2023/24 Budget Update

*Ref: Management Report Section 1.1 and Paper 05.01*

Mr O'Donnell explained that the £285k pressure reported in the finance return to DfE on the budget to 31 March 2024 relates to the Rural Economic Accelerator Programme (REAP), funded by the UK Shared Prosperity Fund, and will close upon the transfer of funding for this project. He advised of actions taken to ensure the alignment of the financial out-turn with the 2023/24 budget.

#### 5.1.2 2024/25 Budget Update

*Ref: Management Report Section 1.2*

Mr O'Donnell informed the meeting of the College's £5.754 million share of the 2024/25 sectoral budget gap and noted that this had been updated to incorporate the 4% increase to the NI Teachers' Pension Scheme employer contribution rate.

#### 5.1.3 Budget Preparation Plan

*Ref: Management Report Section 1.3 and Paper 05.02*

Mr O'Donnell explained that engagement with budget holders will commence in April 2024 in relation to the preparation of the detailed budget to 31 July 2025. He added that this budget will not be available for the Committee's review at its May 2024 meeting and it was then agreed to convene a special meeting to facilitate this review.

**AGREED: to convene a special committee meeting to consider the budget to 31 July 2025.**

### 5.2 **Financial Management / Accounting**

#### 5.2.1 Financial Management Report

*Ref: Management Report Section 2.1 and Paper 05.03*

In relation to the budget to 31 July 2024, Mr O'Donnell reported a £570k adverse to budget position for the six months to 31 January 2024, explained that the adverse position is due to the profiling of DfE grant income and noted his confidence of a good financial performance at the year end.

He referenced the Committee's focus in previous years on part-time lecturing costs and reported lower expenditure in this area. He also advised of the ongoing analysis of cost per student per curriculum area and it was suggested that data on demand for programmes is incorporated into this analysis.

Ms McCartan informed the meeting of the impacts of the curriculum delivery efficiencies generated in reduced expenditure on part-time lecturers and reduced staff deployment, noting that the latter has been considered in the criteria applied to the Reform to Save Scheme.

#### 5.2.2 Payments Over £50k

*Ref: Management Report Section 2.2 and Paper 05.04*

In response to a query from a member, management undertook to circulate the values of the unitary payments made in relation to the PFI contracts in the Dungannon and Omagh campuses. Ms McCartan also informed the meeting of the capital and services elements of the unitary payments and of the negotiations underway with DfE to secure an inflationary increase to its contribution to the services element.

**ACTION: details of the value of the PFI unitary payments to be circulated.**

### 5.3 Estates

#### 5.3.1 Capital Budget

*Ref: Management Report Section 3.2 and Papers 05.06 & 05.07*

Mr O'Donnell reported an additional capital allocation of £100k received from DfE bringing the total capital budget for 2023/24 to £1.1 million and referenced the breakdown of this expenditure listed in paper 05.07. He also advised of a forthcoming senior management workshop to identify capital expenditure priorities for 2024/25.

Mr O'Donnell then explained that capital business cases are currently assessed and approved by the Chief Executive and proposed the delegation of authority to directors to approve capital business cases under £25k. This delegation of authority was supported by members and it was suggested that future Capital Expenditure Reports provide further detail on each item and identify the senior manager granting approval.

**AGREED: to support the delegation of authority to Directors to approve capital business cases under £25k.**

**ACTION: future Capital Expenditure Reports to provide further detail on each item and identify the senior manager granting approval.**

#### 5.3.2 Estates Report

*Ref: Management Report Section 3.1 and Paper 05.05*

Mrs McGrath reported on the finalisation of the closure protocols in relation to the Erne Campus development as well as on the forthcoming Steering Group meeting at which the recommendations made in Gateway 5 are expected to be closed.

Regarding carbon reporting, Mrs McGrath confirmed the completion of a 2021/22 Carbon Baseline Report for scope 1 (direct emissions from college owned facilities) and scope 2 (indirect emissions through college energy consumption at non-college owned facilities) data and advised of the engagements with Mitie and Resolis in relation to Scope 3 (other indirect emissions) data gathering in alignment with the College's Climate Change and Sustainable Development Action Plan.

Mrs McGrath also informed the meeting of the work underway to report 2020/21 and 2021/22 space utilisation data as required by DfE, of the commencement of an internal

audit of the College's Health & Safety arrangements and of the forthcoming meeting of the PFI Liaison Committee and of Mr Barnett's membership of this Committee. She also undertook to circulate details of the lease of an area of the Cookstown campus to the Education Authority NI (EANI).

**ACTION: details of the lease of an area of the Cookstown campus to EANI to be circulated.**

### 5.3.3 Erne Campus Benefits Realisation

*Ref: Management Report Section 3.3 and Paper 05.08*

Referencing paper 05.08, Mrs McGrath commented on the progress made in Erne Campus benefits realisation, noting the key focus on energy savings as well as the challenges in relation to transportation impacts due to the College's rural catchment area.

In response to a question on the reduction of fees, the Committee was advised of the funded initiatives which allow course fees to be reduced or waived as well as of the option to reduce fees to encourage enrolments to meet targets.

## 5.4 Policy Review

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

Mr O'Donnell outlined the amendments proposed to the Asset Management Policy and sought endorsement for its approval by the Governing Body. He also referenced the Financial Regulations tabled for the information of the Committee, noting the significant review undertaken thereof.

Mrs McGrath reminded the meeting of the plans to align the fees of the three colleges in the Strategic Alliance Group (SAG) to aid curriculum collaboration, commented on the significant variances in fees within the SAG and explained that an incremental increase in fees is under consideration by Management prior to the presentation of the Fees & Charges Policy 2024/25 to the Committee.

**AGREED: that the Asset Management Policy is recommended to the Governing Body for approval.**

## 5.5 Other

### 5.5.1 Banking Review

*Ref: Management Report Section 5.1 and Paper 05.12*

Mr O'Donnell highlighted the change to authorised banking signatories in light of personnel changes.

### 5.5.2 Student Hardship Fund

*Ref: Management Report Section 5.2 and Paper 05.13*

Mrs McGrath commented on the low number of applications to the Hardship Fund as well as on the limited awards made under the fund, noting that the surplus balance had been used to provide winter supports to students. She went on to explain that reasons for rejection of applications include students' receipt of Educational Maintenance Allowance, above threshold household income and non-submission of required supporting documentation.

Mrs McGrath made the Committee aware of the publication of the Report on Review of Student Support for FE Participants, provided an overview of the recommendations made within and undertook to circulate the report to members.

**ACTION: Report on Review of Student Support for FE Participants to be circulated.**

Members discussed the barriers to successful applications to the Hardship Fund noting that its rebranding to Support Fund may reduce any stigma associated with it and that awareness raising of the circumstances in which financial support may be offered whilst retaining other social security benefits may encourage applications. Management undertook to circulate the income thresholds for support under the Educational Maintenance Allowance, the Hardship Fund and the Further Education Award.

**ACTION: income thresholds for support under the Educational Maintenance Allowance, the Hardship Fund and the Further Education Award to be circulated.**

5.5.3 Partnership Agreement

*Ref: Management Report Section 5.3 and Paper 05.14*

Mr O'Donnell referenced the approved Partnership Agreement between DfE and South West College (SWC).

**6.0 REVIEW OF OUTSTANDING ACTIONS**

PREVIOUSLY ISSUED to all members:

- Paper 06 List of Outstanding Actions

A review of the status of each of the actions listed in paper 06 was undertaken.

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

**7.0 ANY OTHER BUSINESS**

In relation to the Reform to Save Scheme, Ms McCartan reported 112 applications to the scheme and advised of the assessment of applications by an internal panel against agreed criteria. She explained that the Minister for the Economy had confirmed his satisfaction to proceed with the scheme following consideration in light of representations made to him from trade unions for its revocation.

Mrs McGrath commented on the assessment process undertaken, noting the affordability controls considered, and advised of the timeframe for issue of letters of offer under the scheme.

In response to a question from a member, Ms McCartan commented on the significant oversubscription to the scheme and on the need to manage expectations in relation to outcomes.


**8.0 REFLECTION ON EFFECTIVENESS OF MEETING**

Members commented favourably on the proceedings of the meeting.

*The meeting concluded at 10:35 am.*

**CONFIRMED AND ADOPTED BY THE GOVERNING BODY AT A MEETING HELD ON THURSDAY 11 APRIL 2024**

CHAIRPERSON



DATE 11/04/2024

## 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	10/01/2024	6.3.4	Management to develop a process for determining the internal allocation of capital budgets to include the presentation of proposals to the Committee for approval.
3	28/02/2024	4.2	Management to circulate the draft Terms of Reference for the second stage of the Review of the FE Delivery Model Project and SWC feedback on this draft Terms of Reference.
4	28/02/2024	4.2	Management to circulate report on the research undertaken into models of FE delivery in other jurisdiction.
5	28/02/2024	5.1.3	Special committee meeting to consider the budget to 31 July 2025 to be convened.
6	28/02/2024	5.2.2	Management to circulate details of the value of the PFI unitary payments.
7	28/02/2024	5.3.1	Future Capital Expenditure Reports to provide further detail on each item and identify the senior manager granting approval.
8	28/02/2024	5.5.2	Management to circulate Report on Review of Student Support for FE Participants.
9	28/02/2024	5.5.2	Management to circulate income thresholds for support under the Educational Maintenance Allowance, the Hardship Fund and the Further Education Award.