

SOUTH WEST COLLEGE GOVERNING BODY

Minutes of a meeting of the **Finance & General Purposes Committee**
held on Wednesday 13 October 2021 at 9.00 am
via Microsoft Teams

PRESENT:

- Mrs Deborah Brown
- Mr Colin Lewis, Interim Chief Executive
- Mr Seamus McCaffrey, Committee Chair (*Items 1.0 - 9.0 only*)
- Mr Michael McGuckin
- Mr Gerard O'Hanlon
- 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
- Professor Alan Strong, SMART Region Collaborative Officer (*Item 9.0 only*)
- Ms Carol Viney, Head of Professional & Social Sciences Faculty (*Item 8.0 only*)

1.0 PRELIMINARIES

The Committee Chair, Mr McCaffrey, welcomed all present to the meeting, and extended a particular welcome to Mr Lewis, Interim Chief Executive, on his first attendance at a committee meeting. Dr O'Shiel echoed Mr McCaffrey's words of welcome to Mr Lewis on behalf of the College and the Governing Body.

2.0 ELECTION OF COMMITTEE CHAIR 2021/22 – 2022/23

Nominations for the position of Committee Chair were invited by the Secretary to the Governing Body.

AGREED: on the proposal of Dr O'Shiel, seconded by Mr O'Hanlon, that Mr McCaffrey be re-elected to the position of Chair of the Finance & General Purposes Committee for the 2021/22 & 2022-23 period.

3.0 APOLOGIES

It was noted that all members were present.

4.0 CONFLICT OF INTEREST DECLARATIONS

No conflict of interest declarations were made.

5.0 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 16 June 2021.

There were no matters arising.

6.0 KEY STRATEGIC ISSUES

PREVIOUSLY ISSUED to all members:

- Paper 05.01 Key Strategic Issues
- Paper 05.02 Key Strategic Issues Management Update.

6.1 Covid-19 Recovery & Resilience

Dr Cush reported that a bid for circa £1 million has been submitted to DfE to fund activities to address lost learning due to the restrictions in place in the 2020/21 year and commented on the time bound nature of any such funding provided.

6.2 Impact of Brexit

Dr Cush advised that the progress of Peace Plus programme is closely monitored by the College with a view to submitting applications for funding to build on college projects currently funded by Peace IV. She noted that there may be a period of time between the end of Peace IV funding and the commencement of Peace Plus funding and, in response to a query, explained the resourcing implications of such a gap. Dr Cush also informed the Committee of the development of a training academy for HGV Driving in response to industry demand.

At the suggestion of a member, Dr Cush undertook to provide an update paper on the implications of Brexit for the College.

6.3 Erne Campus Development and Years 1 – 3 Operation

It was noted that an update on this item would be provided by Mrs McGrath later in the meeting.

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

Dr Cush reported that there was no change in the status of the Social Bond proposal.

She advised that a stable global college budget is anticipated for 2021/22 but cautioned of potential budget reductions in the longer term as well as a sectoral trend towards a decline in enrolments due to competition from schools and universities.

She highlighted the opportunities afforded to the College through DfE's 10x Economic Strategy and associated Economic Recovery Action Plan due to the focus on skills development therein.

In response to questions, Dr Cush then listed the curricular areas with declining enrolments due to competition from schools, noting that these subjects do not require significant investment in equipment; referenced the ongoing review to differentiate school and FE College provision; and explained that funded projects are cost neutral and act as a feeder to mainstream college provision.

Mr Lewis commented on the NI government's current budgetary environment and on the anticipated challenging impacts on non-departmental public bodies.

6.5 International Delivery of College Services

Dr Cush outlined the mentoring programmes ongoing in Ghana and Mauritius.

In response to a query regarding the Turing Scheme, Dr Cush reminded the meeting that this programme funds international mobilities previously funded through Erasmus and provided assurance that the exchanges referenced in paper 05.02 can be delivered within the funding available, without a College subsidy.

6.6 PFI Contracts

It was noted that an update on this item would be provided by Mrs McGrath later in the meeting.

6.7 Student Experience

Dr Cush provided assurance that finances are not constraining the delivery of an excellent educational experience to students.

6.8 College of the Future

It was noted that there had been no developments in this area since the previous committee meeting.

7.0 MANAGEMENT REPORT

PREVIOUSLY ISSUED to all members:

- Paper 06 Management Report
- Paper 06.01 Draft Annual Report & Financial Statements 2020/21
- Paper 06.02 Financial Management Report to 31 July 2021
- Paper 06.03 Review of Provisions and Liabilities as at 31 July 2021
- Paper 06.04 Consultancy Expenditure 2020-21
- Paper 06.05 Erne Campus Finance Report
- Paper 06.06 NI Colleges Procurement Changes Workshop
- Paper 06.07 NDPB Finance Report
- Paper 06.08 October Monitoring Allocations
- Paper 06.09 DfE Capital Funding Letter
- Paper 06.10 Part Time Lecturer Report 2020/21
- Paper 06.11 Payments over £50,000
- Paper 06.12 Petty Cash and Float Policy
- Paper 06.13 Financial Scheme of Delegation
- Paper 06.14 Procurement Policy
- Paper 06.15 Fees and Charges Policy
- Paper 06.16 Estates Report
- Paper 06.17 Insurance Renewal Report 2021/22
- Paper 06.18 Student Hardship Fund Report 2020-21.

7.1 Financial Management / Accounting

7.1.1 Annual Report and Financial Statements 2020/21

Ref: Management Report Section 1.1 and Paper 06.01

Mr O'Donnell updated the Committee on the progress of the ongoing remote audit of the College's 2020/21 financial statements, noting that no issues had been raised to date.

7.1.2 Financial Management Report 2020/21

Ref: Management Report Section 1.2 and Paper 06.02

Mr O'Donnell referenced the financial management report for the 2020/21 year. He commented on the irregular pattern of income and expenditure and on the favourable out-turn despite the challenges encountered, acknowledging the financial support provided by DfE. He highlighted the reported deficit of £5.6m, the operating cash surplus of £760k and the increase of cash reserves to £4.8m.

In response to a query from a member, Mr O'Donnell reported that satisfactory assurance had been awarded following an internal audit review of Budgetary Control and Financial Management and noted his confidence in-year of a good financial out-turn despite the irregular pattern of transactions. He also highlighted the requirement for an additional audit of financial statements to the 31 March year end from 2023.

Mr Lewis reflected on the operational adaptations made by organisations as a result of the pandemic and on the consequent difficulty in comparing 2020/21 financial statements with that of previous years.

7.1.3 Review of Provisions and Liabilities as at 31 July 2021

Ref: Management Report Section 1.3 and Paper 06.03

Mr O'Donnell referenced the review of provisions and liabilities in paper 06.03 and drew attention to the increase in insurance provision due to an additional £25k excess for cyber security cover.

7.1.4 Annual Report on Consultancy Expenditure

Ref: Management Report Section 1.4 and Paper 06.04

The Committee was informed that the review of the College's culture and structure had been deemed as consultancy and is listed in paper 06.04.

7.1.5 Erne Project Finance Report

Ref: Management Report Section 1.5 and Paper 06.05

Mr O'Donnell explained that work is ongoing to validate the additional costs presented by the IST and sub-contractors as a result of the pandemic and commented on his confidence that the final out-turn will be within budget

7.1.6 Agresso Workflow Changes

Ref: Management Report Section 1.6 and Paper 06.06

Mr O'Donnell informed the Committee of a sectoral change to financial processes to resolve an issue regarding a potential liability for additional Agresso licences.

7.2 Financial Planning and Compliance

7.2.1 NDPB Monthly Monitoring

Ref: Management Report Section 2.1 and Papers 06.07 & 06.08

Mr O'Donnell referenced the return provided in paper 06.07 detailing the actual income and expenditure to 30 September 2021 as well as that forecast to 31 March 2022. He highlighted the reported projected overspend of £414k for assumed salary allocations and explained that confirmation of this funding has since been received. He added that funding associated with DfE's Economic Recovery Action Plan has also been confirmed, that funding to meet costs incurred as a result of the pandemic have yet to be allocated and that a provision has been made for staff pay awards.

7.2.2 Capital Funding

Ref: Management Report Section 2.2 and Paper 06.09

Mr O'Donnell reported that an updated capital funding allocation of £1.7m had been made to South West College to be spent by 31 March 2022 and that £200k of this is ringfenced for the Enniskillen Workhouse project.

7.2.3 Part-Time Lecturing Costs Report 2020/21

Ref: Management Report Section 2.3 and Paper 06.10

With reference to paper 06.10, Mr O'Donnell drew attention to the overspend of £104k on part-time lecturers in 2020/21 and noted the significant decrease in the prior year overspend. He reminded members that additional part-time lecturing costs were incurred as a result of the requirement to split classes due to pandemic restrictions and added that funding was provided by DfE and DE to cover this cost.

The disincentive of the current mechanism for monitoring part-time lecturing expenditure to faculties in providing additional curriculum in-year to meet emerging needs was highlighted by a member. The need for further refinement of this mechanism was acknowledged by Mr O'Donnell.

7.3 Bank and Treasury Management

7.3.1 Treasury Management

Ref: Management Report Section 3.1

It was noted that no investments are currently held.

7.3.2 Payments over £50,000

Ref: Management Report Section 3.2 and Paper 06.11

The report on payments over £50,000 was noted by the Committee.

7.4 Policy Matters

Ref: Management Report Section 4.1, 4.2, 4.3 & 4.4 and Papers 06.12, 06.13, 06.14 & 06.15

Mr O'Donnell provided an overview of the amendments proposed to the Petty Cash & Float Policy, the Financial Scheme of Delegation Policy & Procedure and the Procurement Policy. Regarding the Fees & Charges Policy, he explained that the amendment to collect a 25% deposit for course fees over £200 had been introduced across the sector in response to an increase in student debt and recommended that the Credit Control & Debt Management Policy is amended to align with this change.

AGREED: that the Petty Cash & Float Policy, the Financial Scheme of Delegation Policy & Procedure, the Procurement Policy, the Fees & Charges Policy and the Credit Control & Debt Management Policy be recommended to the Governing Body for approval.

Mrs Brown acknowledged the robust procurement procedures in place and queried whether a pre-paid credit card could be made available to facilitate the more flexible delivery approach required for social inclusion programmes. Mr O'Donnell undertook to liaise with CPD regarding this request.

In response to a query from a member, Dr Cush confirmed that a review of policies is being undertaken to reflect the change of Chief Executive.

7.5 Insurance Cover Report 2021/22

Ref: Management Report Section 5.3 and Paper 06.17

Mr O'Donnell reported on the total insurance premium of £226k for 2021/22 and commented on the significant increase in insurance premiums generally due to market conditions.

7.6 Estates

Ref: Management Report Section 5.1 and Paper 06.16

7.6.1 Sector Update

Mrs McGrath reported that the new sectoral ICT and IST frameworks are now operational and that early feedback has been positive. She added that an analysis will be undertaken to determine savings levels.

7.6.2 Sustainability

Mrs McGrath made the Committee aware of the College's invitation to host an event at the COP 26 Climate Change Conference which in which the Erne Campus will be showcased.

7.6.3 Minor Works Projects

Mrs McGrath referenced the minor works projects listed in paper 06.16.

7.6.4 Statutory Returns

It was noted that no statutory returns were due in the reporting period.

7.6.5 Erne Campus

Mrs McGrath advised that the Defects Register has now been formalized and that items with curriculum or health and safety implications are prioritized. She noted that it is anticipated that the G99 licence will be issued by end October which will allow issue of the completion certificate. She explained that the one year defects period for items currently in use commenced on the takeover date (16 April 2021) whereas the one year defects period for outstanding items will commence on the completion date. Mrs McGrath also commented on the engagement with staff regarding temperature levels and the ongoing familiarization with the mechanical ventilation system.

7.6.6 PFI Contracts

Mrs McGrath referenced the update provided in paper 05.02 on the 3 year / 30 year supply and maintain matter and advised that a meeting with BES is scheduled to agree a way forward to resolve the issue.

Regarding the outstanding catering VAT issue, Mr O'Donnell reminded the meeting of the historic VAT liability in relation to canteens and advised that Cavanagh Kelly had been commissioned to review Mitie's proposal prior to implementation of the new invoicing process and undertook to provide this opinion to the Committee when available.

7.7 Other

7.7.1 Student Hardship Fund

Ref: Management Report Section 5.3 and Paper 06.18

With reference to the 2020/21 Student Hardship Fund Report, Mrs McGrath highlighted the significant surplus and noted that this position is replicated sectorally despite DfE's minor relaxations to the eligibility criteria. In response to a question from a member, she confirmed that the College does not have authority to change the title of the fund but that it had been marketed to emphasize support for students.

8.0 FINANCIAL PERFORMANCE OF THE PROFESSIONAL AND SOCIAL SCIENCES FACULTY

PREVIOUSLY ISSUED to all members:

- Paper 07 Financial Performance of the Professional and Social Sciences Faculty.

Ms Carol Viney, Head of Professional & Social Sciences Faculty joined the meeting for this item.

In commencing her report on the financial performance of the Professional and Social Sciences Faculty, Ms Viney listed the three schools within her faculty and commented on the disparate nature of the curriculum offered within. She proceeded to provide a breakdown of staff deployment rates in the year to date, noting the faculty average of 92%; provide an analysis of lecturing costs for 2020/21 and 2021/22 to date; comment on the drive to reduce part-time lecturing costs; provide an analysis of enrolments, highlighting the majority within the FE and HE routes, and noting the introduction of traineeships and apprenticeships to the faculty; explain that her students had been disproportionately affected by the restrictions in place in 2020/21 due to the practical nature of much of the curriculum provided within the faculty, and reporting that funding has been sought to provide additional tuition to affected students; and detail the proportion of curriculum delivered on-site.

In response to questions and comments from members, Ms Viney reflected on the objective of providing the best quality of education to students and on the balance to be achieved in maximizing the deployment of fixed cost lecturers and utilizing part-time lecturers with specialist industry expertise. She also advised that a determination on the optimum level of remote delivery will be made on a case by case basis depending on the nature of the course and the needs of the students.

Ms Viney was thanked for her presentation and withdrew from the meeting at this juncture.

9.0 ONE PLANET LIVING

PREVIOUSLY ISSUED to all members:

- Paper 08.01 Proposed Content of One Planet Living Action Plan
- Paper 08.02 Big Ideas Tabulation
- Paper 08.03 One Planet Living Signature Projects
- Paper 08.04 One Planet Living Ten Guiding Principles.

Professor Alan Strong, SMART Region Collaborative Officer, joined the meeting for this item.

With the aid of a PowerPoint presentation, Professor Strong began his report by drawing attention to the key themes within the College's Sustainability Strategy and highlighting the alignment of the One Planet Living Action Plan with this strategy. He went on to list the ten guiding principles of the One Planet Living framework and reference the 60 actions and 11 signature projects proposed by the College. He provided an overview of the cross college resources required, the proposed accountability framework and the plans to establish a sustainability office. He then sought the Committee's recommendation to the Governing Body for approval for the submission of an application to Bioregional for One Planet Living leadership status.

In response to questions and comments from members, Professor Strong, supported by Mrs McGrath provided assurances on the whole college approach to the One Planet

Living aspirations, spoke of the enthusiasm of staff for the initiative, and informed the Committee of the circa £5k review fee.

AGREED: that the submission of an application to Bioregional for One Planet Living leadership status is recommended to the Governing Body for approval.

Mr McCaffrey withdrew from the meeting during the above discussion. Dr O'Shiel presided over the remainder of the meeting.

Professor Strong was thanked for his presentation and withdrew from the meeting at this juncture.

10.0 ANNUAL REVIEW OF FINANCE & GENERAL PURPOSES COMMITTEE TERMS OF REFERENCE

PREVIOUSLY ISSUED to all members:

- Paper 09.01 Finance & General Purposes Committee Terms of Reference
- Paper 09.02 Amendments to Finance & General Purposes Committee Terms of Reference.

The Secretary to the Governing Body drew attention to the amendment proposed to the Finance & General Purposes Committee's Terms of Reference to reflect the Committee's role in monitoring the implementation of the College's Sustainability Strategy.

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

11.0 PROGRAMME OF COMMITTEE BUSINESS 2021/22

PREVIOUSLY ISSUED to all members:

Paper 10 Programme of Staffing Committee Business 2021/22.

It was noted that the Programme of Business presented may be updated as the year progresses to incorporate emerging issues.

AGREED: acceptance of the proposed programme.

12.0 ANY OTHER RELEVANT BUSINESS

No further business was raised.

13.0 REVIEW OF OUTSTANDING ACTIONS

PREVIOUSLY ISSUED to all members:

- Paper 12 List of Outstanding Actions

It was noted that item 1 had been superseded, that item 2 should remain on the list of outstanding actions and that the list will be amended to reflect the proceedings of the meeting and appended as Appendix A.


14.0 REFLECTION ON EFFECTIVENESS OF MEETING

Members commented on the Committee Chair's effective management of the agenda.

The meeting concluded at 11:00 am.

**CONFIRMED AND ADOPTED BY THE GOVERNING BODY AT A MEETING HELD ON WEDNESDAY
17 NOVEMBER 2021**

CHAIRMAN



DATE 17/11/2021

SUMMARY OF OUTSTANDING ACTIONS

Item	Meeting Date	Minute Ref	Action
1	16/06/2021	6.0	Update to be provided 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.
2	13/10/2021	6.2	Dr Cush to provide an update paper on the implications of Brexit for the College.
3	13/10/2021	7.6.6	Mr O'Donnell to circulate Cavanagh Kelly's opinion on catering VAT liability to the Committee when available.