

SOUTH WEST COLLEGE GOVERNING BODY

Minutes of an online meeting of the **Finance & General Purposes Committee**
held on Wednesday 07 October 2020 at 9.00 am

PRESENT: Mrs Joanne Lucas
Mr Michael McAlister, Chief Executive
Mr Seamus McCaffrey (Chair)
Mr Michael McGuckin
Dr Nicholas O'Shiel

IN ATTENDANCE: Dr Jill Cush, Deputy Chief Executive
Ms Tracey McElroy, Boardroom Apprentice
Mrs Sharon McGrath, Head of Services
Mr Sean O'Donnell, Head of Finance
Mrs Shirley Patterson, Acting Secretary to the Governing Body
Mrs Carol Viney, Head of Faculty (Item 6 only)

PRELIMINARIES

At the outset the Chair explained that the meeting would be audio recorded, with this recording deleted after the minutes had been finalised.

1.0 APOLOGIES

None

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 10 June 2020.

There were no matters arising.

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

The Chief Executive started his report by advising of a sector wide bid for additional COVID 19 funding, the funding is to cover costs related to the revised curriculum delivery model; potential loss of income due to reduced enrolments; and PPE and IT equipment for students. The College has bid for £1.4M and the Department for Economy (DfE) have provided an interim allocation of £450K against this bid.

In reference to the DfE Apprenticeship Recovery Package the Chief Executive welcomed the support and noted the College will use this to support students where possible. He further detailed the Challenge Fund which is open for support of the promotion of apprenticeships, explaining that the College are at an early stage of developing a bid.

He further commented on new coding received from DfE to help identify enrolments of students which were originally planned as completing in the 2019/20 academic year, but because of the suspension of a range of College activities due to COVID 19, will now span two separate academic years.

In relation to future European funding opportunities, Dr Cush outlined work ongoing by the College to keep a strong presence within the European Network. She advised the College is in a consortium 'Network of Networks' and that this year the College has received approval of six new projects, providing a strong and credible profile over the coming years.

The Chief Executive then apprised members of the revised completion date for the Erne Campus as 14th January 2021. He noted additional funding has been approved by DfE to address COVID 19 related costs. In relation to the Fairview Campus, he explained work is ongoing with Land Registry for re-registration of plots.

He referenced the College Development Plan (CPD), explaining that it has been submitted and over the coming year the College will report to the Department via Education Report Cards. Furthermore, he referred to staff pay remit and the ongoing legacy deficit, welcoming that these have now been baselined by DfE.

In relation to PFI contracts, the Chief Executive provided a summary of the Deed of Variation in relation to Omagh and Dungannon campuses, noting the documents involved are a deed of variation; a new guarantee; and a new bank direct agreement.

AGREED: that the Deed of Variation paper will be circulated with Governors.

In concluding his report, the Chief Executive detailed student surveys that will be carried out following the September enrolment period. He commented on work ongoing for the Further Education Leavers Survey (FELS), noting that once completed, retention, achievement and success figures will be available for 2019-20. He further noted early indications suggest the new student intake will be able to cope with a hybrid delivery model.

5.0 MANAGEMENT REPORT

PREVIOUSLY ISSUED to all members:

- Paper 05 Management Report
- Paper 05.01 Draft Annual Report and Financial Statements

- Paper 05.02 Financial Management Report
- Paper 05.03 FRS 102 Accounting Results Schedule
- Paper 05.04 Review of Provisions Liabilities
- Paper 05.06 NDPB Financial Report
- Paper 05.07 PTL Costs by Faculty Actual vs Budget
- Paper 05.08 Payments over 50k
- Paper 05.09 Estates Report
- Paper 05.10 SWC Capital Funding
- Paper 05.11 Insurance Renewal Report
- Paper 05.12 Hardship Fund Report

5.1 Financial Management/Accounting

5.1.1 Draft Annual Report and Financial Statements 2019/20

Ref: Management Report Section 1.1 and Paper 05.01

It was noted that the audit started on 21st September 2020 by PWC and is ongoing.

5.1.2 Financial Management Report 2019/20

Ref: Management Report Section 1.2 and Paper 05.02

Mr. O'Donnell provided a summary of the Financial Management report, he began by noting that the College had a good financial performance in 2019/20. The deficit recorded for the year was £3.34M against a projected deficit of £4.27M, he also commented that if the NILGOSH pension charge which is non-cash is taken into consideration the reported deficit becomes £1.61M. He further apprised members that the income for the year is ahead by £1.63M and explained that this is due to a number of variances. Mr O'Donnell made reference to pay costs for the year, he acknowledged the focus on part time lecturing costs and advised that although over budget the costs were £791K lower than the previous year.

5.1.3 FRS 102 Accounting for Pensions Report

Ref: Management Report Section 1.3 and Paper 05.03

Noted

5.1.4 Review of Provisions and Liabilities as at 31 July 2020

Ref: Management Report Section 1.4 and Paper 05.04

Noted

5.1.5 Annual Report on Consultancy Expenditure 2019/20

Ref: Management Report Section 1.5

Noted

5.1.6 Erne Project Finance Report

Ref: Management Report Section 1.6 and Paper 05.05

It was noted that an updated on the Erne Project finance was provided in item 4.

5.2 **Financial Planning & Compliance**

5.2.1 NDPB – September 2020 Forecast

Ref: Management Report Section 2.1 and Paper 05.06

Mr O'Donnell referenced the submission of monthly projections to DfE and noted it is 0.17% over budget. He further referenced the submission of £1.4M to DfE for pressures associated to COVID-19 and advised to date £448k of this funding has been secured. He explained that work is ongoing to provide DfE with up to date information in relation to the bid and this will be submitted at the end of October.

5.2.2 Part-time Lecturing Report – 12 Months to 31st July 2020

It was noted that the part time lecturing budget was over budget and extra allowance has been allocated for 2020/21.

5.3 **Bank & Treasury Management**

5.3.1 Treasury Management Report

Ref: Management Report Section 3.1

Noted

5.3.2 Payments over £50,000

Ref: Management Report Section 3.2 and paper 05.08

Noted

5.4 **Estates Matters**

5.4.1 Estates Report

Ref: Management Report Section 4.1 and paper 05.09

Mrs McGrath provided an overview of the Estates Report, she referenced the work on campus in relation to COVID-19 and the College wide COVID risk assessment. In relation to the sustainability strategy she advised a final draft has been submitted.

AGREED: draft Sustainability Strategy will be circulated with the Committee for feedback.

With reference to the Erne Campus and decant from the Fairview Campus, she advised a phased move will be the planned approach with designated groups on Campus from 12th April 2021, she informed members that details of the decant will be available at the next Committee meeting in December. She provided an update on PFI, explaining that further meetings have been held and discussions are ongoing in relation to catering VAT. With reference to the Gortin Road site, she updated members that the project is now complete and decant from Killybrack has taken place, she further noted that there is an outstanding bill in relation to Killybrack. In response to a question regarding any instances of COVID-19, Mrs McGrath provided a summary of instances and noted the protocols in place.

5.4.2 Capital Funding 2020/21

Ref: Management Report Section 4.2 and paper 05.10

Noted

5.5 Other Issues

5.5.1 Insurance Cover Report 2020/21

Ref: Management Report Section 5.1 and paper 05.11

Noted

5.5.1 Student Hardship Report 2020/21

Ref: Management Report Section 5.12 and paper 05.12

Noted

6.0 PRESENTATION ON THE FINANCIAL PERFORMANCE OF THE PROFESSIONAL & SOCIAL SCIENCE FACULTY

PREVIOUSLY ISSUED to all members:

- Paper 06.0 Financial performance of the Professional & Social Science Faculty

Mrs Viney joined the meeting for this item.

Mrs Viney began her presentation by providing an overview of the enrolment figures across the faculty, she outlined a high number of enrolments in comparison to other faculties due to the high interest in part time professional qualifications on offer within the faculty. She continued with a summary of the curriculum model for 2020/21, detailing the breakdown of face to face and remote learning for each Level. She concluded her presentation with an analysis of lecturing costs.

Mr McGuckin commented to note appreciation of the challenges faced in the current circumstances. In response to a query regarding the loss of income from the salons and restaurants in this Faculty, Mr O'Donnell confirmed this loss of income has been included in the bid to DfE. Dr O'Shiel commented to acknowledge the useful slide presented detailing the current curriculum model and asked post COVID 19 will a blended learning approach continue. In response the Chief Executive referred to the current blended model and student surveys, he advised that it is likely the College will continue with blended learning but not to the same extent.

Mrs Viney was thanked for her presentation and they left the meeting at this juncture.

7.0 REVIEW OF FINANCE & GENERAL PURPOSES COMMITTEE TERMS OF REFERENCE

PREVIOUSLY ISSUED to all members:

- Paper 10 Finance & General Purposes Committee Terms of Reference

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

8.0 PROGRAMME OF BUSINESS 2020/21

PREVIOUSLY ISSUED to all members:

- Paper 11 Proposed Programme of Business 2020/21

AGREED: acceptance of the Programme of Business 2020/21

9.0 ANY OTHER RELEVANT BUSINESS

No further business was raised.

10.0 REVIEW OF OUTSTANDING ACTIONS

PREVIOUSLY ISSUED to all members:

- Paper 10 List of Outstanding Actions

With reference to the outstanding actions in appendix A the following was noted:

Item 6.0

- (I) Mr O'Donnell provided an update on this item, he advised the proposal has not been received and that he will follow up with the Director of IFM, he noted that going forward it will not be an issue as tills have been updated for the VAT.
- (II) It was noted Mrs McGrath referred to this in item 5.4, she advised documents have been requested in advance of the SPV meeting on 22nd October.

(III) As above (item ii)

Item 7.0

It was agreed that the amended terms of reference will be presented at the next committee meeting on 16 December 2020.

12.0 EVALUATION OF MEETING

Members advised of difficulties following papers in a MS Team meeting, it was agreed consideration would be given to have an additional person present to share the papers on screen.

The meeting concluded at 10:50 am.

**CONFIRMED AND ADOPTED BY THE GOVERNING BODY AT A MEETING HELD ON WEDNESDAY
11 NOVEMBER 2020**

CHAIRMAN _____

DATE _____

SUMMARY OF OUTSTANDING ACTIONS

Meeting Date	Minute Ref	Action
10/06/2020	6.0	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; (iii) the BES analysis spreadsheet on supply and maintain items.
10/06/2020	7.0	Terms of reference for Mr McManus's presentation to be differentiated from those of the heads of faculty moving forward. Also, the work heads of faculty do to generate the £7m CfE income should also be factored into their presentations
07/10/2020	10.0	The amended terms of reference will be presented at the next committee meeting on 16 December 2020.