

SOUTH WEST COLLEGE GOVERNING BODY

Minutes of a meeting of the **Finance & General Purposes Committee**
held on Wednesday 10 January 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
Dr Nicholas O'Shiel

IN ATTENDANCE: Mrs Fiona McCauley, Secretary to the Governing Body
Mrs Sharon McGrath, Director of Corporate Services
Mr Sean O'Donnell, Head of Finance

APOLOGIES: Mrs Deborah Brown

1.0 ELECTION OF COMMITTEE CHAIR

Dr O'Shiel, Interim Committee Chair, welcomed all present to the meeting and referenced the Committee's deferral of the election of its Chair at the previous meeting.

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

AGREED: on the proposal of Mrs Brunt, seconded by Dr O'Shiel, that Mr Barnett be elected as Chair of the Finance & General Purposes Committee for the 2023/24 and 2024/25 years.

Mr Barnett accepted the position and thanked members for their support.

2.0 APOLOGIES

An apology was tendered on behalf of Mrs Brown.

3.0 CONFLICT OF INTEREST DECLARATIONS

No conflict of interest declarations were made.

4.0 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 18 October 2023.

There were no matters arising from the minutes.

5.0 **KEY STRATEGIC ISSUES**

PREVIOUSLY ISSUED to all members:

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

5.1 **2023/24 and Longer Term Financial Planning**

Ms McCartan expressed her confidence in the College's ability to adhere to its budget to 31 March 2024 due to the implementation of efficiencies and the receipt of additional income.

She then spoke of the concerns regarding the 2024/25 budget due to the significant value of non-baselined items and reported on the measures taken to advise the Department of the Economy (DfE) of the College's 2024/25 £34.5m resource requirement as well as of the efficiencies already created. She welcomed the receipt of in-year allocations to alleviate current and prior year pressures but noted the unsatisfactory nature of this approach and the need to adjust the methodology for determining the baseline budget. She explained that legal advice had been sought on this matter and undertook to circulate the advice received.

ACTION: legal advice received on the legislative framework to support an adjustment of the College's baseline budget to be circulated to members.

Ms McCartan went on to inform the meeting of the details of a successful bid for funding for a YouthScape Plus programme under Peace Plus, valued at €7.2m, and commented on the financial benefits of this programme in addition to the Rural Economic Accelerator Programme (REAP) funded by the UK Shared Prosperity Fund and the partnership with Ireland's SOLAS agency to deliver apprenticeships.

She commented on the cost savings created through the lease of an area of the Cookstown Campus to the Education Authority NI (EANI) and noted the limited scope to further reduce fixed costs.

She also reported on the commencement of the detailed budgeting process for 2024/25.

Members congratulated staff on successfully securing funding from external sources and commented on the need for sectoral equity in efficiency metrics. In response to a question from a member, Ms McCartan outlined the interventions to be provided under the YouthScape Plus programme and commented on the aim to transition participants into mainstream further education (FE) and higher education (HE) courses. She also noted the work underway to differentiate the target participants in each area of college provision.

5.2 **Review of the Further Education Delivery Model**

Ms McCartan informed the meeting of a forthcoming co-design workshop in relation to the Review of the FE Delivery Model. She commented on the likelihood of enhanced sectoral collaborations in both curriculum and business support areas and on the need to make preparations to fully engage in such activities.

In response to a question from a member, Ms McCartan provided an overview of the collaborations underway within the Strategic Alliance Group and on the opportunity to extend these collaborations to involve all six colleges. She spoke of the insight gained into the College's efficiency status relative to the sector through the analysis undertaken by the Strategic Alliance Group but noted the need for increased enrolments in order to compare favourably with wider UK colleges and the post-primary schools sector. She also reminded the meeting of the cost saving objective of the Reform to Save Scheme.

6.0 MANAGEMENT REPORT

PREVIOUSLY ISSUED to all members:

- Paper 06 Management Report
- Paper 06.01 Finance Report
- Paper 06.02 DfE Letter on 2024-25 Budget Gap
- Paper 06.03 SWC Response to Budget Gap Letter
- Paper 06.04 2022-23 Annual Report and Financial Statements
- Paper 06.05 Financial Management Report Quarter Ended 31-10-2023
- Paper 06.06 Report on Payments over £50k
- Paper 06.07 Estates Report
- Paper 06.08 PFI Liaison Committee Report December 2023
- Paper 06.09 Capital Budget Report 2023-24
- Paper 06.10 2022-23 Sustainability Report
- Paper 06.11 Energy Management Policy
- Paper 06.12 Bad Debt Policy
- Paper 06.13 Fees and Charges Policy 2024-25
- Paper 06.14 Technical Services Report
- Paper 06.15 Digital Strategy.

6.1 Budget Update

6.1.1 2023/24 Financial Reporting

Ref: Management Report Section 1.1 and Paper 06.01

Mr O'Donnell referenced the finance report in paper 06.01 detailing expenditure to 30 November 2023 and explained that the pressures listed have been alleviated through confirmation of funding commitments, noting the non-baselined status of these commitments. He also reported on the receipt of an additional allocation of £115k to provide support to students over the Winter period. He commented on the College's adherence to the 2023/24 budget and on the attention to preparations for the 2024/25 budget.

In response to questions from members, management clarified that the funding committed by DfE for a lecturers' pay increase had been accrued but not yet allocated in light of the ongoing pay dispute; confirmed the receipt of an additional £500k for minor works in 2023/24; and explained that business cases are prepared on an ongoing basis facilitating expeditious disbursement of additional allocations in priority areas to enhance facilities.

6.1.2 2024/25 Budget

Ref: Management Report Section 1.2 and Papers 06.02 & 06.03

Mr O'Donnell referenced the update provided earlier in the meeting on the 2024/25 budget and drew attention to the £5.3m budget pressures outlined in correspondence from DfE in paper 06.02 as well as to the College's response in paper 06.03.

6.2 Financial Management / Accounting

6.2.1 2022/23 Annual Report & Financial Statements

Ref: Management Report Section 2.1 and Paper 06.04

Mr O'Donnell apprised the Committee of an issue raised by the NI Audit Office regarding the treatment of PFI in the College's 2022/23 financial statements following their approval by the Governing Body. He explained that the matter will be dealt with

in the accounts to 31 March 2024 and that the Report to Those Charged with Governance has now been received.

6.2.2 Financial Management Report

Ref: Management Report Section 2.2 and Paper 06.05

Mr O'Donnell reported a £848k favourable to budget position at the most recent quarterly financial management checkpoint of 31 October 2023.

6.2.3 Payments Over £50k

Ref: Management Report Section 2.3 and Paper 06.06

The Report on Payments over £50k was noted by the Committee.

6.3 Estates

6.3.1 Estates Report

Ref: Management Report Section 3.1 and Paper 06.07

Mrs McGrath reported on the November 2023 meeting of the Erne Project Capital Steering Group noting the 'green' status achieved following the Gateway 5 review as well as the imminent closure of the project pending the implementation of two outstanding actions.

She went on to apprise the Committee of the forthcoming legislative requirement to report on carbon emissions in the College's Annual Report & Financial Statements; of the survey undertaken to establish baseline carbon emissions data; and of the development of a Carbon Reduction Plan.

Mrs McGrath also provided assurances on the delivery of training to managers on business continuity and critical incidents.

6.3.2 PFI Liaison Committee

Ref: Management Report Section 3.2 and Paper 06.08

Mrs McGrath expressed the College's dissatisfaction with the first meeting of the PFI Liaison Committee with Resolis and explained that service delivery issues have been raised and a PFI Efficiencies Plan requested.

In response to a questions and comments from members, Mrs McGrath noted that contractual penalties may be enforced should service delivery fall below requirements and welcomed the appointment of a member of the Finance & General Purposes Committee to the PFI Liaison Committee to support the College.

ACTION: members to consider their position in relation to proposed membership of the PFI Liaison Committee.

6.3.3 2022/23 Sustainability Report

Ref: Management Report Section 3.4 and Paper 06.10

Mrs McGrath drew attention to the 2022/23 Sustainability Report detailing the College's sustainability initiatives and performance in 2022/23. She highlighted the increase in electricity consumption as well as the reduction in heating and water consumption. She also highlighted the significant increase in solar output due to the electricity generated at the Erne Campus and noted the inability to export surplus energy to the NI Electricity Grid due to infrastructure issues. Ms McCartan apprised the meeting of the export of electricity to the Enniskillen Workhouse as well as of the potential to extend this to other facilities adjacent to the Erne Campus.

In response to a query from a member, management advised of the background to the biomass boiler in the Omagh Campus, reported the non-operational nature of this boiler due to the high cost of necessary repairs, and explained that potential solutions will be explored.

6.3.4 Capital Budget

Ref: Management Report Section 3.3 and Paper 06.09

Mr O'Donnell drew attention to the breakdown provided of the expenditure of the £1m 2023/24 capital budget. He also informed the Committee of the plans to use a portion of the 2024/25 capital budget to replace the biomass boiler in the Omagh campus, dependent on the quantum of the allocation received.

In response to a query from the Committee Chair on the internal capital budget allocation process, management commented on the balance to be achieved between planned and reactive works, advised of the Moderation Committee established to assess minor works applications, and undertook to enhance governance in this area by formalizing the process for determining the internal allocation of capital budgets to include the presentation of proposals to the Committee for approval.

ACTION: to develop a process for determining the internal allocation of capital budgets to include the presentation of proposals to the Committee for approval.

6.4 Policy Review

Ref: Management Report Section 4.0 and Papers 06.11, 06.12 & 06.13

Mrs McGrath and Mr O'Donnell outlined the amendments proposed to the Energy Management Policy and the Bad Debt Policy respectively. It was noted that fees and charges will be aligned with that of Northern Regional College and North West Regional College as agreed within the Strategic Alliance Group and that the 2024/25 Fees & Charges Policy will be presented to the Committee for review at its next meeting.

AGREED: that the Energy Management Policy and the Bad Debt Policy be recommended to the Governing Body for approval.

6.5 Technical Services Report

Ref: Management Report Section 5.1 and Paper 06.14

With reference to paper 06.14, Mrs McGrath drew attention to the update provided on the 2023/24 IT Services budget, noting the significant value of software license fees, and reported on the fully resourced status of the Technical Services team as well as on the pending recruitment exercise to appoint to the new Head of IT Services post.

6.6 Digital Strategy

Ref: Management Report Section 5.1 and Paper 06.15

Mrs McGrath provided an overview of the Digital Services Strategy highlighting the vision of the strategy, its four themes, its four principles, its strategic context and its key stakeholders. She also drew attention to the action plan developed to implement the strategy and the pending establishment of a Digital Steering Committee.

In response to a recommendation from a member, Mrs McGrath undertook to review the draft strategy to reference the importance of digital literacy amongst all learners.

ACTION: that the Digital Strategy be recommended to the Governing Body for approval, subject to the recommendation listed above.

7.0 REVIEW OF OUTSTANDING ACTIONS

PREVIOUSLY ISSUED to all members:

- Paper 07 List of Outstanding Actions

During a review of the status of the actions listed, the Committee was apprised of the approval received from DfE to utilize surplus Student Hardship funds on Winter supports for students as well as of the compromise reached with the Education Authority regarding its requests in relation to its lease of an area of the Cookstown campus.

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

8.0 ANY OTHER BUSINESS

Ms McCartan made the meeting aware of a forthcoming Accountability Meeting with DfE's Permanent Secretary focusing on learners, staffing, finance and governance.

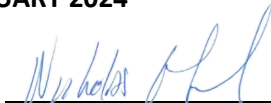
9.0 REFLECTION ON EFFECTIVENESS OF MEETING

Members commented favourably on the proceedings of the meeting.

The meeting concluded at 10:30 am.

**CONFIRMED AND ADOPTED BY THE GOVERNING BODY AT A MEETING HELD ON WEDNESDAY
31 JANUARY 2024**

CHAIR



DATE 31/01/2024

SUMMARY OF OUTSTANDING ACTIONS

Item	Meeting Date	Minute Ref	Action
1	18/10/2023	6.4	Mrs McGrath to provide the Committee with further information on the reasons for rejection of applications to the Student Hardship Fund due to incomplete applications.
2	18/10/2023	6.6.3	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.
3	10/01/2024	5.1	Ms McCartan to circulate the legal advice received on the legislative framework to support an adjustment of the College's baseline budget.
4	10/01/2024	6.3.2	Members to consider their position in relation to proposed membership of the PFI Liaison Committee.
5	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.