

SOUTH WEST COLLEGE GOVERNING BODY

Minutes of a meeting of the **Finance & General Purposes Committee**
held on Wednesday 7 June 2023 at 9.00 am
via Microsoft Teams

PRESENT:

- Mrs Deborah Brown
- Mrs Maureen Brunt
- Mr Seamus McCaffrey, Committee Chair
- Ms Celine McCartan, Chief Executive
- Mr Michael McGuckin
- Dr Nicholas O'Shiel

IN ATTENDANCE:

- Mrs Fiona McCauley, Secretary to the Governing Body
- Mrs Sharon McGrath, Head of Services
- Mr Sean O'Donnell, Head of Finance

1.0 APOLOGIES

It was noted that all members were present.

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 19 April 2023.

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 Financial Planning 2023/24
- Paper 05.05 Draft 2023/24 Budget Allocation Letter
- Paper 05.06 2023/24 Budget v 2022/23 Outturn
- Paper 05.07 Skills Focus and InnovateUs Budget Allocation Letter 2023/24.

4.1 2023/24 and Longer Term Financial Planning

Mr O'Donnell apprised the meeting of the draft 2023/24 budget allocation of £29.409m noting the 10.23% reduction against the 2022/23 outturn. He explained that the allocation provides contributions for salary and cost of living operating cost pressures and that funding for Traineeships and Advanced Technicals is still to be confirmed.

Ms McCartan commented on the other increasing overhead costs, the anticipated Apprenticeship income, income expected from new externally funded projects and the

implementation of the cost saving plan, which would likely result in the overall impact of a budget reduction of circa 5%. She also reported that a high level budget would be presented to the Governing Body at its 21 June 2023 meeting for approval in principle and proposed the postponement of the presentation of a detailed budget until September 2023 when further insight is available on 2023/24 enrolments.

In response to questions and comments from members, management advised that a top down approach would be taken to preparing budgets initially, given the circumstances, in a change to the previous approach where budgets were built up from cost centres; that college allocations would be made available at a sectoral level for transparency; that Peace Plus activity is expected to commence in the 2024/25 financial year; and that focus will be placed on reporting to the 31 March year end pending the anticipated long-term change to colleges' financial year to align it with that of the Department for the Economy (DfE).

Members acknowledged the challenges presented for college management and staff by the 2023/24 budget allocation and wished them well in navigating these challenges in the interests of students and staff.

4.2 Review of the Further Education Delivery Model

Ms McCartan reminded the Committee of progression to the second stage of the review of the Further Education (FE) delivery model as advised by DfE.

She went on to outline high-level developments within the strategic alliance engagement including the establishment of a working group for six work strands as well as an overarching Task & Finish Group. Mrs McGrath noted her membership of the Corporate & Support Services Working Group, commented on the good working relationships between staff representing each of the colleges and provided an overview of the collaborations planned including potential for resource sharing and a joint review of systems and policies.

The Committee also reflected on the objective of any alliance to increase enrolments, reduce costs and enhance quality.

Following a brief discussion on the priorities on the Committee, it was agreed to amend its Key Strategic Issues to focus on 2023/24 and Longer Term Financial Planning and the Review of the FE Delivery Model.

AGREED: that the Committee's Key Strategic Issues are redefined as follows:

- **2023/24 and Longer Term Financial Planning; and**
- **The Review of the FE Delivery Model.**

5.0 MANAGEMENT REPORT

PREVIOUSLY ISSUED to all members:

- Paper 05 Management Report
- Paper 05.01 Financial Management Summary to 30 April 2023
- Paper 05.02 Report on Debtors and Creditors
- Paper 05.03 Finance Return
- Paper 05.04 DfE Authorised Overspend 2022/23 Communication
- Paper 05.05 Draft Budget Allocation 2023/24
- Paper 05.06 Budget 2023/24 v 2022/23 Outturn
- Paper 05.07 Skills Focus and InnovateUs Budget Allocation 2023/24
- Paper 05.08 Report on Payments over £50k

- Paper 05.09 Draft New Cost Centre Structure
- Paper 05.10 Credit Control & Debt Management Policy
- Paper 05.11 Fees & Charges Policy
- Paper 05.12 Estates Report
- Paper 05.13 Capital Allocation Letter 2023/24
- Paper 05.14 Report on Business Cases 2022/23
- Paper 05.15 Report on Externally Funded Projects
- Paper 05.16 Report on Financial Performance of Centres for Excellence.

5.1 Financial Accounting

5.1.1 Financial Management Summary to 30 April 2023

Ref: Management Report Section 1.1 and Paper 05.01

The Financial Management Summary was noted by the Committee.

In response to a query on the format of the paper presented, the Committee confirmed its satisfaction with the revised high level format.

5.1.2 Report on Debtors and Creditors

Ref: Management Report Section 1.2 and Paper 05.02

Mr O'Donnell highlighted the marked reduction in debtors compared to the same point in 2022.

In response to a query, Mr O'Donnell explained the various reasons for the underperformance in prompt payment statistics and advised that systems had been put in place to address them.

5.2 Financial Compliance

5.2.1 NDPB Finance Monitoring

Ref: Management Report Section 2.1 and Papers 05.03 & 05.04

Mr O'Donnell referenced the final finance return for the 2022/23 DfE financial year detailing the areas of overspend and highlighting the authorisation granted for this overspend.

5.2.2 Draft Budget Allocation 2023/24

Ref: Management Report Section 2.1 and Papers 05.05, 05.06 & 05.07

Mr O'Donnell detailed the budget allocation for the Skills Focus and InnovateUs programmes in 2023/24 noting reductions of £50k and £54k respectively from 2022/23 allocations.

It was noted that the draft 2023/24 budget allocation had been discussed earlier in the meeting under the Key Strategic Issues agenda item.

In response to a question on the full time Higher Education (HE) funding, Ms McCartan detailed DfE's amended approach to fund places on an enrolment basis only. She commented on the challenge in recruiting the required number of students to meet the Maximum Student Number (MaSN) allocation, particularly in light of the popularity of the Higher Level Apprenticeship (HLA) route, as well as on the opportunity for collaboration with other colleges in this area.

5.2.3 Payments over £50,000

Ref: Management Report Section 2.2 and Paper 05.08

The Report on Payments over £50,000 was noted by the Committee.

In response to a query on the payments made to Belfast Educational Services (BES), Ms McCartan advised that funding is provided by DfE for PFI capital related costs and that facility management costs are met by the College.

5.3 College Budget 2023/24

Ref: Management Report Section 3.0 and Paper 05.09

Mr O'Donnell referenced the development of a new cost centre structure to align it with the new organisational structure.

5.4 Policy Matters

Ref: Management Report Sections 4.1 & 4.2 and Papers 05.10 & 5.11

Mr O'Donnell drew attention to the amendments made to the Credit Control & Debt Management Policy and the 2023/24 Fees & Charges Policy and undertook to correct an omission highlighted by a member.

AGREED: that the Credit Control & Debt Management Policy and the 2023/24 Fees & Charges Policy, subject to the amendment noted above, be recommended to the Governing Body for approval.

5.5 Estates

5.5.1 Estates Report

Ref: Management Report Section 5.1 and Paper 05.12

With reference to the Estates Report, Mrs McGrath advised that the space utilisation report will be completed and submitted to DfE by end June 2023, of the close monitoring of the status of the conditions of sale of the Fairview campus, of the analysis to be undertaken of the Efficiency Plan recently received from BES to assess monetary and carbon impact, and of the postponement of PFI Liaison Committee meeting pending the availability of all relevant information to facilitate an effective meeting.

5.5.2 Capital Funding 2022/23

Ref: Management Report Section 5.2 and Paper 05.13

The update provided on the 2023/24 capital funding allocation was noted by the Committee.

5.5.3 Business Cases 2022/23

Ref: Management Report Section 5.3 and Paper 05.14

The Report on 2022/23 Business Cases was noted by the Committee.

5.6 Other Reporting

5.7.1 Report on Externally Funded Projects

Ref: Management Report Section 7.1 and Paper 05.15

The Report on Externally Funded Projects was noted by the Committee.

5.7.2 Report on the Financial Performance of the Centres for Excellence

Ref: Management Report Section 7.2 and Paper 05.16

The Report on the Financial Performance of the Centres for Excellence was noted by the Committee.

6.0 **REVIEW OF COMMITTEE'S PERFORMANCE IN 2022/23**

PREVIOUSLY ISSUED to all members:

- Paper 06 Review of Committee's Performance in 2022/23.

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 2023/24**

PREVIOUSLY ISSUED to all members:

- Paper 07 Proposed Schedule of Meetings 2023/24.

The Committee agreed to convene 2023/24 committee meetings as per the proposed schedule with all meetings commencing at 9:00 am.

AGREED: acceptance of the proposed schedule of Finance & General Purposes Committee meetings for 2023/24.

8.0 **REVIEW OF OUTSTANDING ACTIONS**

PREVIOUSLY ISSUED to all members:

- Paper 08 List of Outstanding Actions

It was noted that the report on current and proposed externally funded projects had been circulated to the Committee and that the report on PFI Liaison Committee meeting will be provided subsequent to meeting.

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

8.0 **ANY OTHER RELEVANT BUSINESS**

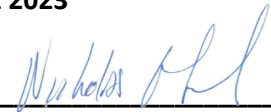
In acknowledgement of the forthcoming end of the term of office of Mr McCaffrey and Mr McGuckin, management thanked them for their contribution to the Committee and support to the College during their tenure as committee chairs and members.

9.0 **REFLECTION ON EFFECTIVENESS OF MEETING**

Members commented on the efficiency and effectiveness of the meeting.

The meeting concluded at 10:10 am.

**CONFIRMED AND ADOPTED BY THE GOVERNING BODY AT A MEETING HELD ON WEDNESDAY
21 JUNE 2023**

CHAIR 

DATE 21/06/2023

APPENDIX A

REVIEW OF PERFORMANCE OF FINANCE & GENERAL PURPOSES COMMITTEE 2022/23

		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 October 2022 and April 2023 by the Committee and approved by the GB in November 2022 and April 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 October 2022 meeting
5	Did the Committee cover all business listed in the programme of business?		✓	Student Hardship Report to be provided at October 2023 meeting. Not possible to produce three year financial projections in light of budget uncertainty.
6	Have all actions identified by the committee been satisfactorily delivered?		✓	Report on PFI Liaison Committee meeting will be provided subsequent to the meeting being held.
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?		✓	Note forthcoming loss of Mr McCaffrey and Mr McGuckin due to end of term of office. To be discussed by the Governing Body.
Governing Body Key Performance Indicators				
10	Did attendance levels at Committee meetings average at least 65%?	✓		90% average.
11	Did Committee meetings generally last no more than two hours?	✓		
Additional Comments				
12	Mr McCaffrey was commended for his effective chairmanship of the Committee in 2022/23.			

SUMMARY OF OUTSTANDING ACTIONS

Item	Meeting Date	Minute Ref	Action
1	22/02/2023	4.5	Report on the Annual PFI Contracts Review Meeting with BES be provided to the Committee at its April 2023 meeting.
	07/06/2023	8.0	Report on PFI Liaison Committee meeting to be provided to the F&GP Committee subsequent to meeting.