



SOUTH EASTERN REGIONAL COLLEGE

Governing Body – Finance and General Purposes Committee

Minutes of the meeting of the Governing Body Finance and General Purposes Committee,
held on Tuesday 6th March 2018, 5pm, Lisburn Campus

<p>1. Chair's Business</p>	<p>a) Attendance and Apologies:</p> <p>Present: Mr E. Jackson, Mr K. Webb (Items 3, 4c-9 Only), Professor A. Woodside Mr D. Sagar (Chair of the Governing Body), Ms C. Goodwin, Mrs K Scott</p> <p>In attendance: Mr T. Martin (Chief Finance Officer), Mr D McCullough (Financial Controller) Mrs C. Williamson (Secretary to Governing Body),</p> <p>Apologies: Mrs K Fraser, Mr A Corbett, Mrs B Larkin, A Hamilton (Boardroom Apprentice)</p> <p>In the Chair: Mr E. Jackson</p> <p>The Chair welcomed members to the meeting and noted the apologies.</p> <p>b) Conflicts of Interest:</p> <p>The Chair asked if any members wished to declare an interest in respect of any item on the agenda. There were no declarations of conflicts of interest.</p> <p>c) Minutes of the meeting held on 22nd November 2017:</p> <p>The Chair asked members to review the minutes from the previous meeting on 22nd November 2017. The Chair of the Governing Body requested if under agenda item 3 it could be recorded that he queried if the enrolment figure was inaccurate. The Chair of the GB requested that</p>
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under agenda item 4B if the CFO could record discrete items such as income raising via SPACE. The CFO advised that as this is a set template from DfE he is unable to add any additional lines to the report. The Chair suggested an extra report that focussed on income raising measures might be helpful in a future meeting to address this request.

Proposer: Christine Goodwin

Seconder: Alan Woodside

Action Point: The CFO agreed to provide a paper focussing on SPACE income generation at a future meeting

d) Matters arising:

The Chair advised that all action points were addressed on the agenda or ongoing items. The Chair provided a brief verbal update on the correspondence he received from DfE in response to his letter highlighting the committee's concerns around the use of Properties Division. He advised the committee there are no immediate plans from DfE to address the matter and asked members if they wanted to continue pursuing this matter with DfE. Members agreed that as an NDPB the College should be seeking value for money and not driving huge inefficiencies which is ultimately what PD is doing. Members suggested that the Chair should write a follow up letter requested a meeting with the other Colleges as they are also affected by this issue.

The committee requested if the action point from the meeting in September to invite a budget holder to a meeting to discuss how they manage staff costs and react to costs saving measures could be actioned for the next meeting.

Action Point: The Chair will write a further letter to DfE to request a Sector meeting to discuss the mandatory use of Properties Division

Action Point: In response to a request from the Chair of the GB the Chair requested if the committee could receive a report at a future meeting detailing the student financial support mechanisms in place

	across the College specifically the volume and details of what is provided
2. Correspondence:	<p>The Chair advised the committee that he had recently received written correspondence from DfE confirming that his term has been extended until September 2018.</p> <p>The Chair directed members to the two pieces of correspondence received setting out the plans for the Public Sector Shared Services Programme. The CFO advised the committee that we are unsure what the detailed implications of the PSSSP is for the College as it is still at a very early stage but it is important to note that the scope of the programme has extended beyond “hard shared services” to include collaboration.</p>
3. Items for Approval	<p>The Chair asked the committee to consider the Complaints and Compliments Policy for approval, he advised that changes had been made since it was last presented to the committee in November as discussed, a brief discussion took place and the following points were noted:</p> <ul style="list-style-type: none"> • The Chair of the GB requested if this policy could be considered by the full Governing Body at their next meeting on 12th March as he felt that as Governors are responsible for the final delivery to all students they should be given an opportunity to consider their role in the complaints process. The Principal advised that if the Governing Body did assume more of a role in this process care it would need to be clarified if they are assuming an operational role in the process. The Chair of the GB replied he didn’t feel that the Governing Body’s involvement would be operational and advised that he would have concerns that if something were to go wrong the Governing Body aren’t accountable. The Principal replied that governors having a role in the policy would be operational and advised against this course of action • Members enquired if management had a feel yet of how many complaints have been reviewed by the Northern Ireland Public Services Ombudsman (NIPSO) as this is a new part of the appeals

	<p>process, it was highlighted that this would give the Governing Body a sense of how the College is handling complaints and evidence that it is working well.</p> <ul style="list-style-type: none"> • The Financial Controller informed the committee that in the period from November to February zero complaints have been appealed to NIPSO. • The Chair suggested that the policy is reviewed by the full Governing Body on 12th March and members suggested that it would be beneficial to Governors to be clear on what they are being asked to consider. <p>Action Point: The committee agreed to refer the policy to the GB subject reminding governors of their accountability for it and considering serious full delegation or as now to continue with governors having no role in the</p>
<p>4. Items for Information</p>	<p>a) Resource Budget & Forecast</p> <p>The Chief Finance Officer presented the Financial Governance Report which presents the forecast financial position of the College at 31 March 2018 and the 31 July 2018. The CFO advised members that DfE no longer require the high level of reporting that the committee has been presented with however the College feel that is quite important and have decided to continue using this template in house, crucially the template has highlighted the report details the forecast position at 31 March 2018 (i.e. the Departmental yearend). For governance purposes, the report also provides detail of the forecast position as at 31 July 2018, being the College’s statutory year end.</p> <p>The CFO provided a brief overview of the report, a brief discussion took place and the following points were noted:</p> <ul style="list-style-type: none"> • Members were asked to note that the forecast outcome for year to 31 March 2018, as at Period 5, is a Resource Requirement of £32,275k. This is an increased Resource Requirement of £215k on the original budget. This is attributed to lower Higher-Level

	<p>Apprenticeship funding, a shortfall in tuition and fees and an unexpected underspend in staffing costs. This is an increase of £215K against the original plan which DfE have accepted and the College is therefore on target.</p> <ul style="list-style-type: none">• Professor Woodside enquired if there is anything further the College could be doing to address the issues around HLA's, he advised that other Colleges in the Sector have successfully delivered HLA's and enquired if the College can do more in this area in terms of income. The CFO explained that many of the HLA programs receive lower funding than the corresponding pilot programs from the previous year. In response to a suggestion that the College should change its policy on Foundation Degrees and Higher National Diplomas to accommodate DfE, the CFO advised that this is an ongoing policy debate which cannot be resolved for this financial year.• The Chair of the GB enquired if the numbers agreed with DfE for the Voluntary Exit Scheme would have an impact on the Resource Requirement as it was showing as a large variance. The CFO confirmed there is no impact as VES funding and costs match off against each other, he further explained that although such costs and income are not included in the Budget, they are included in the forecast.• The committee enquired if there was any impact on the Resource Requirement on the issue of Driver Certificate of Professional Competence. The CFO advised that a full report on the financial impact was requested by the Audit committee as this was discussed as a risk at their last meeting. The College will have to absorb these costs as DfE will not cover the exposure, the numbers will be reflected in the forecast going forward.• The Chair enquired about the variance included in Grant-in-Aid for Pension Pressure Funding and Inescapable Pressure Funding. The CFO informed the committee that these amounts had been
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ringfenced the previous year and it was assumed that after successfully lobbying for amounts to cover these it would be allocated again this year. However, DfE have advised that the College must absorb these costs which amounts to £700k. The Chair enquired if this had any impact on the Resource Requirement as it is £450k more than what had been originally budgeted. The CFO replied that as the costings are contained within the Resource Requirement, the fact that the associated income has been removed from Grant-in-Aid does not have an impact on the College's performance against target.

b) NDPB Budgeting and Forecasting Submission

The CFO asked members to note the latest return was submitted on 29th January 2018 - the 'Forecast Expenditure' schedule is attached. It covers the period April 2017 – March 2018 and reflects:

1. Actual performance as per SERC's (draft) Financial Statements for the period April to July 2017.
2. Actual performance as per SERC's Period 5 Management Accounts for the period August to December 2017.
3. Forecast performance as per SERC's Period 4 Management Accounts 2017/18 for the period January to March 2018.

The return highlights a full year forecast (excluding VES) of £38,766k for the April 2017 to March 2018 year. It includes a DEL Resource requirement (excluding VES) of £32,279k. The College's DEL Resource for 2016/17 was finalised at £32,279k. The currently forecasted 2017/18 out-turn is therefore in line with previous year performance.

DfE confirmed SERC's Final 2017/18 Budget Allocation of £32,275k on 18th January. The College's NDPB Forecast is therefore on target.

c) Debt Report

The Financial Controller presented the Debt Report to the committee and asked members to note the new format and the debt position as of 19th February 2018. The committee enquired if the debt listed on the report as greater than 120 days was in line with calendar expectations. The FC advised the committee that a large element of this debt relates to Student Loans and the delay is partially due to the fact students have enrolled in June but the money is not sent to the College until September, he advised this is a standard process for all the Colleges and there is no risk for the College as there are sanctions in place to tackle nonpayment.

The chair of the GB highlighted that the debt appeared to be a very high share of what overall the college needs to collect as only a small part of revenue is fees or non-DfE income. The CFO advised that the fees policy for 2018/19 includes incentives for early payments and further commented that he didn't agree that people are paying late. He pointed out that early enrolments are showing as aged debt; that the College has a debt policy in place; that it works with a debt collection agency; and that it has sanctions in place as previously mentioned. The CFO informed members that there is minimal bad debt written off each year, and that any such debt is presented to the committee for review.

Members enquired if there had been any improvement paying suppliers within 30 days of invoices being received, the FC advised that this process is improving all the time and the main issue has been getting invoices sent directly to the finance department. Measures have been put in place to address this issue such as requesting new suppliers email their invoice instead of posting it, reminding suppliers of the direct postal address on purchase orders and encouraging existing suppliers to use the email address too.

d) Bank Report

	The committee noted the bank position as of 19 th February 2018.
5. Capital Projects and Estates	<p>The CFO asked members to note the written update on Capital Projects and Estates and provided a high-level summary of the report. The Chair enquired if there were any issues in meeting the capital expenditure deadline of 31st March. The CFO advised that problems with procuring through PD have been well documented and that the College has contingency plans in place to redirect spend in order to procure alternative equipment if necessary. The Financial Controller informed members that capital is split roughly £900k for capital equipment and £600k for estates, there are contingency business cases approved which can be actioned quickly: some examples are replacing kitchen equipment for the School of Hospitality, purchasing a 3D printer for the School of computing and a motor sport van in the School of Construction.</p> <p>Action Point: The Chair of the GB requested if an update on the Castle House project could be provided to the committee at their next meeting</p>
6. Update on Applications and Enrolments	<p>The Principal provided the committee with the latest update on applications and enrolments. The Chair firstly enquired if the email to all staff from the Director of Curriculum and Information Services (highlighting the current state of full time applications) had any impact on enrolment numbers. The Principal informed members that this week last year applications were 3091 and this year it is at 1094, the email from the Director was to encourage action across the lecturer staff to encourage applications and this has worked as there has been a rise since the email was sent. The Principal asked the committee to note that Open Days were taken place on 7th March across the four-main campus's and therefore a better judgement on applications could be made then, and if needs be more Open Days will be held and the careers days in April will be open to the wider schools. The Principal further advised that applications can be affected by what is happening in industry and that</p>

	the move to online applications allows people to hold a back up place in the College which could attribute to the large number of applications last year which didn't translate into enrolments.
7. Tender Awards	<p>The Financial Controller asked members to note the written report provided on the Notification of Tender Awards greater than £100k.</p> <div style="border: 1px solid black; background-color: #e0e0e0; padding: 5px;"> <p>Action Point: The Chair of the GB requested if the report setting out the support mechanisms in place for students could include how many students benefit from the mini bus service.</p> </div>
8. Verbal update on Collaboration Programme; and Systems Technology Services Project	The Principal provided a brief update on the STS project, he advised that the Learner Management Support software is proceeding and is now at the evaluation stage. It is hoped a new system will be in place by September 2019. This means that the existing software will be unsupported from June 2018 and therefore a contract to provide this support is needed in the interim, this is currently going through DfE for approval.
9.	<p>Any other notified business</p> <p>No other business was discussed.</p>
	<p>Date of next meeting</p> <p>The next meeting date was confirmed for 20th June 2018, 5pm, Bangor Campus</p>

The meeting concluded at 19.05pm