



**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  
Wednesday 22<sup>nd</sup> November 2017, 5pm, Bangor Campus

<p><b>1. Chair's Business</b></p>	<p><b>a) Attendance and Apologies:</b></p> <p><b>Present:</b> Mr A. Corbett, Mr E. Jackson, Mr K. Webb, Mrs B. Larkin, Professor A. Woodside <b>Items 1-6a only</b> , Mr D. Sagar (Chair of the Governing Body), Ms C. Goodwin, Mrs K Fraser</p> <p><b>In attendance:</b> Mr T. Martin (Chief Finance Officer), Mrs H. McKee (Director of Strategic Planning, Quality and Support) <b>Items 1-2 and 4e only</b> Mrs C. Williamson (Secretary to Governing Body), Annie Hamilton (Boardroom Apprentice),</p> <p><b>Apologies:</b> Mrs K Scott</p> <p><b>In the Chair:</b> Mr E. Jackson</p> <p>The Chair welcomed members to the meeting and noted the apologies.</p> <p><b>b) Conflicts of Interest:</b></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><b>c) Minutes of the meeting held on 13<sup>th</sup> September 2017:</b></p> <p>The Chair asked members to review the minutes from the previous meeting on 13<sup>th</sup> September 2017. Mrs Larkin highlighted a typo on page 5 of the minutes, subject to these changes being made the committee were content the minutes were true and accurate record of the meeting.</p> <p><b>Proposer:</b> Andrew Corbett <b>Seconder:</b> Barbara Larkin</p> <p><b>d) Matters arising:</b></p>
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	<p>The Chair advised that all action points were addressed on the agenda or ongoing items.</p> <p><b>e) Committee Terms of Reference</b></p> <p>The committee reviewed the terms of reference for this committee, Mrs Larkin suggested that under the 'Banking' section should be amended to reflect the arrangements the College has to follow under the Civil Service contract as an NDPB and that the committee can no longer make recommendations regarding banking provisions. The committee agreed to amend this section to reflect that the committee can advise the Governing Body on matters relating to estates, budget and the presentation of accounts as per the duties outlined in paragraph 37 of the Articles of Government. Subject to this amendment being made the committee approved the Terms of Reference for us.</p> <p><b>Key Decision:</b> The committee reviewed and approved the Finance and General Purposes Terms of Reference</p> <p><b>Proposer:</b> Barbara Larkin</p> <p><b>Secunder:</b> Deep Sagar</p>
<b>2. Correspondence:</b>	Nothing to Note
<b>3. Items for Approval</b>	<p><b>Final Annual Report and Financial Statements for the year ended 31<sup>st</sup> July 2017</b></p> <p>The Chief Finance Officer advised the committee that the external audit by NIAO is complete and a clean report was returned with no recommendations. The Annual Report and Financial Statements presented for approval have therefore no changes since the committee reviewed the draft at their last meeting in September. In response to a query regarding the auditor's opinion; the CFO confirmed this is inserted by the NIAO after the financial statements have been formally approved by the Governing Body. Mrs Larkin highlighted that the schedule next year should be aligned with the accounts submission so that a full Governing Body coincides with this date. The Chair of the GB enquired if the enrolment figure contained within the report was inaccurate, the Principal replied that this figure was a snapshot lifted at a point in time in the year when the audit is conducted.</p> <p><b>Key Decision:</b> The committee approved and recommended the Annual Report and Financial Statements for the year end 31<sup>st</sup> July 2017 to the Governing Body for final approval</p> <p><b>Proposer:</b> Christine Goodwin</p> <p><b>Secunder:</b> Alan Woodside</p>

<p><b>4. Items for Information</b></p>	<p><b>a) FE Governance &amp; Accountability Return</b></p> <p>The CFO presented the FE Governance and Accountability Return to members, he advised that this report would replace the Management Accounts format which the committee would have reviewed in previous years. The CFO highlighted that the main changes are the shift of focus to DfE’s financial year-end in April; and a focus on SERC’s “resource requirements” instead of a “break-even” target.</p> <p>The CFO took questions from members on individual items within the return and highlighted that the latest forecast shows that SERC is likely to miss its original financial target by some £197k due to lower than expected tuition fees of £239k and lower income from HLA pilots of £158k. The expenditure forecast is also down by £228k, mainly due to this lower delivery.</p> <p>The College’s forecast “resource requirement” is currently £32.259k, very similar to last year’s figure of £32.279k.</p> <p>The CFO stressed that due to the continued absence of the NI Assembly, the College has yet to receive a final budget allocation letter. The College continues to submit monthly financial forecasts to DfE FE Finance to assist the planning process in this uncertain context – the expected forecast position has therefore already been communicated to the Department.</p> <p><b>b) NDPB Budgeting and Forecasting Submission</b></p> <p>The CFO asked members to note the latest return was submitted on 25<sup>th</sup> October 2017 - the ‘Forecast Expenditure’ schedule is attached. It covers the period April 2017 – March 2018 and reflects:</p> <ol style="list-style-type: none"> <li>1. Actual performance as per SERC’s (draft) Financial Statements for the period April to July 2017.</li> <li>2. Actual performance as per SERC’s Period 2 Management Accounts for the period August and September 2017.</li> <li>3. Forecast performance as per SERC’s Period 2 Management Accounts 2017/18 for the period October 2017 to March 2018.</li> </ol> <p><b>c) Debt Report</b></p> <p>Members noted the debt position as at 30 September 2017.</p>
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**Action Point:** The committee requested if the age of debt or number of debtor days could be included in future debt reports

**d) Bank Report**

Members noted the bank position as at 30 September 2017.

**Action Point:** The Chair of the GB agreed to write to DfE to request if there is any flexibility on the banking arrangements in place for the College as about £5m is earning no interest based on DfE policy.

**e) Newcastle Campus Utilisation Action Plan**

The Director of Strategic Planning, Quality and Support directed members to the written report which provided an update on Community Hub Development Strategy And Campus Utilisation. The Director highlighted the increased usage at the Newcastle campus both through the Restart programme and local community and voluntary groups using the facilities for support activities, information sessions and advice clinic. The committee were asked to note that plans to roll out these initiatives have already begun for the Ballynahinch campus; the College has engaged with the local council and generated interest in the local community for the Restart programme. The Principal confirmed the plan for these areas is to help people onto the Access programme following the completion of Restart.

**Action Point:** The committee requested if an agenda item could be included in a future committee meeting to review non-student activity across all 7 campuses

**Action Point:** The Director of SQP&S asked committee members to organise campus visits to view the Community Hub through the GB Secretary

**5. Capital Projects and Estates**

The CFO asked the committee to note the written report provided on Estates and Capital projects, he provided an overview to the committee on the Executive summary of the Estates report. A brief discussion took place and the following points were noted:

- The CFO highlighted the ongoing risk to the College with the use of Properties Division, he informed the committee procurement fees for this service are 19%

	<p>and the College had been previously paying 3.75% before using PD became mandatory for the sector. A pilot is currently running which is similar to the method the College had used and it is hoped this could be rolled out to the sector urgently, perhaps April 2018.</p> <ul style="list-style-type: none"> <li>• The committee briefly debated this issue and agreed the Chair should highlight these issues need to be resolved by April 2018 as the delay in some projects has been a risk to health and safety.</li> </ul> <p><b>Action Point:</b> The Committee Chair agreed to write to DfE to highlight the areas of risk to the College if mandatory use of Properties Division continues</p>
<p><b>6. Policies for Approval</b></p>	<p><b>a) Fees Policy 2018/19</b></p> <p>The CFO presented the Fees Policy for 2018/19 to the committee for consideration and approval. He advised members to note that the recommendation is that fees will remain the same as 2017/18 with two new discounts introduced for staff and upfront payment. The committee briefly discussed the policy and highlighted that a number of points needed to be expanded so they were clearly understood especially with reference to withdrawal dates. The committee asked the CFO to make the amendments suggested and agreed the revised policy by email.</p> <p>During this discussion the Chair of the GB provided an update on a suggestion made by Professor Woodside to give the student Governor a financial incentive to apply for the post. The Principal advised that this would be difficult since the student governor already receives remuneration, but that an internship post will be created that the out going Student Governor can apply for if they wish, if they do not wish to apply the post will advertised. The Principal asked members to note that there would be a level of competition in the application process and the Student Governor would have meet to the criteria set.</p> <p><b>Key Decision:</b> The committee approved the Fees Policy 2018/19  <b>Proposer:</b> Ed Jackson  <b>Seconder:</b> Karen Fraser</p> <p><b>b) Complaints Policy</b></p> <p>The Chair directed members to the revised Complaints Policy and noted that Barbara Larkin had sent in suggestions on this policy in advance of the meeting, this had been</p>

	<p>passed to the Director of Strategic Planning Quality and Support for consideration. The Chair of the GB queried whether this policy should in fact be reviewed by the Audit committee instead as per the GB policy schedule. Mrs Larkin highlighted that it could also sit with the Education committee as the terms of reference specifically highlight their role is to review quality and standards in the College. In response to bot these suggestions the Principal added that the if Audit committee approve the policy on behalf of the GB it takes away from their role of oversight and managing this policy.</p> <p><b>Action Point:</b> The committee agreed to ask the Governing Body to approve the Complaints Policy at their next meeting</p>
<p><b>7. Update on Applications and Enrolments</b></p>	<p>The Principal provided the committee with the latest update on applications and enrolments, he advised that HE applications are down this year but that is a sector wide problem which is linked to demographic change coupled with lower entry requirements from universities; this has been reported to the Education committee.</p> <p>At the beginning of the year full time FE enrolments were over 300 down from last year but this figure has improved. Enrolments for Essential Skills has also declined and is a sector wide issue, this is linked to the introduction of an examination instead of continuous assessment, DfE are aware of this issue and the Principal advised members he is hopeful some short-term action can be taken to rectify this.</p> <p>The increase on application this year did not translate into enrolments and this has been attributed to several external factors including 6<sup>th</sup> forms retaining students and the declining demographics. In response to this the College has taken action and brought forward the first open day to 29<sup>th</sup> November.</p>
<p><b>8. Tender Awards</b></p>	<p>Nothing to note</p>
<p><b>9. Verbal update on Collaboration Programme; and Systems Technology Services Project</b></p>	<p>The Principal provided a brief update on the STS project and advised members that the Learner Management System, HR and financial systems will be replaced. The business case and tender for the LMS have been approved and a contract should be awarded in February 2018 with the view the new systems will be operational by 2019. SERC are leading on the project on behalf of the sector.</p>
<p><b>10.</b></p>	<p><b>Any other notified business</b></p> <p>Miss Goodwin enquired if the CFO could provide some data around the delay student loans has on vulnerable students, the CFO agreed to look into this issue.</p>

	<b>Action Point:</b> The CFO agreed to provide a response to Miss Goodwin's query on student loans directly
<b>11.</b>	<b>Date of next meeting</b>  The next meeting date was confirmed for Wednesday 28 <sup>TH</sup> February, 5pm, Lisburn Campus

**The meeting concluded 19.20pm**