

West Lothian College

14 June 2018

Finance & General Purposes Committee

Minute of Meeting of the Finance & General Purposes Committee held on **Thursday 22 February 2018 at 9.30am** in the Barbour Suite, in the College.

Present: Morag McKelvie (Chair)
Frank Gribben
Mhairi Harrington
Alex Linkston
Richard Lockhart
Moirá Niven
Claire Probert

In attendance: Jennifer McLaren – Vice Principal, Finance & Curriculum Services
Simon Earp – Vice Principal, Curriculum & Enterprise
George Hotchkiss – Vice Principal, Curriculum & Planning
Derek O’Sullivan – Senior HR Business Partner (item 18.07)
Karine McNair – Secretary to the Board

18.01 Welcome/Apologies

Apologies received from Angela Bell.

18.02 Declarations of interest

There were no declarations of interest.

18.03 Minute of Meeting of 20 November 2017

It was noted that the Minute of the meeting of 20 November 2017 required an amendment on page 3 to change '21 July 2018' to '31 July 2018'. The Minute of the meeting of 20 November 2017 was otherwise approved as a correct record.

Action 1: Secretary to the Board

18.04 Matters Arising from Minute of Meeting of 17 August 2017

Members noted paper 2 detailing actions duly completed following the meeting of 20 November 2017.

The Principal mentioned that in respect of Action 1 there has been a

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delay in the SFC publishing the restated statistics due to the reclassification of SCQF level 7 from FEPT to HEPT. The latest publication date was 26 February and the Principal had received the commentary which will be published.

West Lothian College will have a briefing point on the website and West Lothian Council PR team will have a considered response should any enquiries arise.

The Committee noted the actions taken by the College.

18.05 Financial Progress

(i) January 2018 Management Accounts

Vice Principal, Finance & Curriculum Services presented the January 2018 Management Accounts.

There was a slight improvement in the College's current trading position being approximately £350k ahead of target, which was mainly due to commercial activities and an underspend in lecturers' salaries. Vice Principal, Finance & Curriculum Services confirmed that the current budget takes account of harmonisation but not any additional in year cost of living awards as a result of national bargaining.

After a 2018/19 curriculum review, the College was able to offer permanency to a number of staff and the financial impact of this will be shown in the next set of management accounts.

The Committee commented on the delay in receiving payment from Skills Development Scotland (SDS). Vice Principal, Curriculum & Enterprise confirmed that since the accounts were prepared, the College had received the payment and that the delay is not because the College have missed the payment milestones, rather that SDS are perpetually late payers and this is a similar experience across all Colleges.

There was a general discussion about the Flexible Workforce Development Fund (FWDF) and the need to spend the funds allocated in order to demonstrate the College's commitment to the initiative. Vice Principal, Curriculum & Enterprise confirmed that the December deadline had been moved to February and that to date across the sector only 18% of the fund had been allocated. The problems seem to be a lack of awareness of the FWDF, unavailability of information on eligible employers and the

need to externally market the FWDF. Vice Principal, Curriculum & Enterprise confirmed that the College had worked with the local Chamber of Commerce to find likely levy payers, followed up with a direct email campaign, telephone calls and meetings.

In the experience of the College the effort required to set up the FWDF was considerable and larger employers found it unattractive when the fund was limited to £10k per employer. Since the FWDF funds were not able to be used towards supporting business development, it was necessary to resource this huge additional effort with already limited College resources. Vice Principal, Curriculum & Enterprise confirmed that this feedback had been passed on to the Scottish Funding Council and the College has already started to use the business relationships developed in the process this year to identify prospective employers for next year.

Vice Principal, Finance & Curriculum Services, confirmed that the College had successfully obtained additional SFC funding of £197k in respect of Student Funds which had allowed childcare payments to increase to £30 per child per day.

The Committee noted that the allocation methods of the funds were unhelpful for students who needed guaranteed financial support at the start of their studies rather than an arbitrary part way payment. Vice Principal, Finance & Curriculum confirmed that Student Support payments are currently being completely reviewed.

The Committee agreed to note the papers.

(ii) Income Generation Report

Vice Principal, Curriculum & Enterprise presented the Income Generation Report. Income forecasts are ahead of target.

The College has set up its internal management system to deal with Individual Training Accounts (ITA), which need to follow robust policies since the new ITA places a higher burden on Colleges to be more accountable.

As mentioned at 18.05, the FWDF has posed some challenges and the funding is under review with hopefully some leeway over the regulations to make the FWDF more attractive to employers.

Foundation Apprenticeships (FA) have been reasonably

successful and a new partnership with West Lothian Council will deliver more opportunities.

The Committee noted that sub-contracting is possible, and encouraged, for FA but not FWDF which seemed inconsistent with the best interests of the local business economy. The Principal pointed out that FA are for school pupils which partly explains the difference in regulations. The Committee discussed possible ways of providing extra resources through the College to support FWDF and perhaps using a flexible workforce and Vice Principal, Curriculum & Enterprise assured the Committee that all compliant possibilities had been considered.

The future of Erasmus+ was discussed and it was thought that since other non-EU countries are currently included in the programme, hopefully the College would be able to continue to participate through non-trade partnerships.

The Committee commended the Children's Hearing team for their shortlisting at the forthcoming TES UK FE awards and wished them well at the ceremony.

A bid team is assembled and awaits the issue of the tender for the new Children's Hearing contract which is hoped to be announced in the next 2-3 weeks and the outcome to be known by May/June.

The Committee agreed to note the papers.

(iii) Lothian Pension Fund Revaluation 2017

Vice Principal, Finance & Curriculum Services presented the Lothian Pension Fund Revaluation 2017.

The confirmation of the response to the Lothian Pension Fund Revaluation 2017 had been circulated to the Committee members and approved by email in advance of it being submitted.

It was noted that since the last revaluation the workforce has increased and that the proposed increases to almost 20% by March 2021 mean that pension will soon represent almost one fifth of staff costs. The stability mechanism ends in 2021 when the fund will be revalued again.

The Committee noted that employees need to be made more aware of the huge benefits of the College offering staff a funded pension scheme with employer contributions at almost 20%

compared to employee contributions being between 5-12%.

It was also commented that national bargaining will not only have impact on salary costs but will also increase employer pension contribution costs.

The Committee noted the report.

18.06 College Key Performance Indicators (KPIs) 2017-2018

Vice Principal, Finance & Curriculum Services, introduced Paper 6 showing financial and non-financial performance indicators.

The Principal remarked that non Scottish Funding Council income has increased considerably over the years, which is due to a hugely positive group of staff with a “can do” culture.

The Committee agreed to note the paper.

18.07 Organisational Well-being

(i) Human Resources Management Report

The Senior HR Business Partner presented the report covering the period to end December 2017.

In respect of Action 2 of Paper 2 (Matters Arising), the Senior HR Business Partner confirmed that the figures had been transposed which explained the discrepancy.

Long term sickness is higher than last year and this is managed on an individual basis. A Pilot is being tested in 2 centres where employees speak with their Manager as well as HR.

The Occupational Health Report was unavailable since the service provider had changed their system in summer 2017 and reports only became available in December 2017. The Committee queried whether there had been financial penalties for the service provider when their service was unavailable. Senior HR Business Partner confirmed that since they had contracted through APUC, they had raised their concerns with APUC.

The Committee recommended that the Senior HR Business Partner find out more about the contract penalties of non-delivery and, if possible, find out if other Colleges use the same provider.

Action 2: Senior HR Business Partner

A Committee member with relevant experience offered to review the Framework Agreement and Vice Principal, Finance & Curriculum Services confirmed that they would liaise with the Committee member.

Action 3: Vice Principal, Finance & Curriculum Services

The Committee were concerned about the high numbers of “Undisclosed” respondents of the Equality Monitoring and Analysis report and requested that the College generally encourage the candidates, where possible, to see the benefit of providing the information.

The Committee also noted that the workforce profile highlighted a large number of staff aged over 50 years with the resulting potential that there could be a lot of expertise leaving the College at the same time. While it was agreed that retirement age is no longer compulsory, the Principal confirmed that the College are looking at succession planning in view of the age profile of the College staff.

The Committee noted the key points in the report.

(ii) Employers Association Update

The Chair of the Board of Governors provided an update to the Committee on the work of the Employers Association and issues associated with national bargaining.

Terms and Conditions for lecturers have almost been concluded with a 96% endorsement by Union members. The Cost of Living Allowance has not yet been agreed from April 2017 with the offer of unconsolidated payments being rejected by the Unions with a significantly different counter offer.

The residential Strategy Days had been very successful.

The Committee commented that the negotiations need to also take account of the valuable pension benefits, generous holidays and other non-cash benefits enjoyed by College staff.

The Committee thanked the Chair of the Board of Governors for the report and noted the impressive work being undertaken on behalf of the Colleges.

(iii) People Strategy 2017 - 2020

Vice Principal, Finance & Curriculum Services presented paper 8 on the People Strategy 2017 – 2020.

The main aim of the paper was to provide an engaging document presenting the main HR themes and the role of HR. The Committee praised the document commenting that it was a striking document with many positive elements.

The following amendments were recommended by the Committee;

- Access Checking – are all fonts, layout and colours accessible for all readers.
- Identify background reports for setting, monitoring and scrutinising targets
- Include a statement which shows that background reports will be reported to the Board demonstrating the Strategy Paper as a ‘live’ document.
- A general ‘vision and social purpose’ statement addressing ‘why would someone join and stay at West Lothian College?’ and ‘why would West Lothian College want to keep you?’
- A performance emphasis showing that high performers will be rewarded and the College’s expectations in return.
- Employee Relations – mention that the Employer Association is working on national issues and local issues are dealt with locally.
- Learning & Development – move to page 4 and expand e.g. leadership development of staff
- Learning & Development – explicitly state that staff taking on extra relevant skills will be eligible for promoted roles within the College in line with national objectives.
- Learning & Development – add the onus on staff to take responsibility for maintaining concurrent knowledge but supported by the College.
- Learning & Development – CPD aims to be aligned with aims of the College.
- Reward – mention Market Allowance Payments, job evaluation and harmonisation.
- Reward – highlight the favourable pension terms, working conditions and lifestyle
- Health, Safety & Wellbeing – more positive language about addressing workplace stress.
- Commit to accreditations and other kite-marks to give a more objective measure of success.

The Committee agreed that it would like to see the document again before recommending it to the Board. Vice Principal, Finance &

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Curriculum Services suggested that the amended document be circulated to the Committee before the Board Meeting on 20 March for final review and approval, which the Committee accepted.

Action 4: Vice Principal, Finance & Curriculum Services

18.08 Complaints Report

Vice Principal, Curriculum & Planning, presented the quarterly complaints report.

Vice Principal, Curriculum & Planning confirmed that following the complaint about car parking for Platinum Salon customers, a note has been put on the website alerting clients to the limited parking at the College to manage expectations.

The Committee agreed to note the report.

18.09 Self-Evaluation of Committee

Board Secretary presented paper 10 and the Committee discussed the annual Committee self-evaluation questions. The main findings will be compiled into a Self-Evaluation Report to be presented to the Board in June.

The Committee commented on the use of benchmarking in some of the papers and wondered why certain Colleges were used and if other Colleges could be used in future. The Principal confirmed that this was an issue they were keen to examine in more detail and was hoping to introduce this as a topic for the Strategic Away Day.

Action 5: Principal / Secretary to the Board

The Committee considered the inclusion of an 'action heading' at the top of papers so that it was clear whether the paper was for discussion, noting or recommending.

Action 6: Secretary to the Board

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17.46 Any Other Business

No other matters of business were raised.

17.47 Review of Meeting, Supporting Papers & Development Plan

The Committee were content with the meeting, the information received and supporting papers presented. The Committee noted the updated Development Plan and agreed that no further changes were required.

17.48 Date of Next Meeting

The next meeting was scheduled for 14 June 2018 at 9.30am.

Note: There were no matters discussed during the meeting, during which Members declared any conflict of interest, or the Secretary to the Board was aware from the Register of Interests that discussion could give rise to such a conflict.

Signed
Chair, Finance & General Purposes Committee

Date