

## West Lothian College

31 August 2018

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### Finance & General Purposes Committee

Minute of Meeting of the Finance & General Purposes Committee held on **Thursday 14 June 2018 at 9.30am** in the Barbour Suite, in the College.

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

In attendance: Jackie Galbraith - Observer  
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 18.19)  
Karine McNair – Secretary to the Board

#### **18.13 Welcome/Apologies**

The Chair welcomed Jackie Galbraith to the meeting and the College.

Apologies were received from Angela Bell and Claire Probert.

#### **18.14 Declarations of interest**

There were no declarations of interest.

#### **18.15 Minute of Meeting of 22 February 2018**

The Minute of the meeting of 22 February 2018 was approved as a correct record.

#### **18.16 Matters Arising from Minute of Meeting of 22 February 2018**

Regarding Action 2, Vice Principal, Finance & Curriculum Services confirmed that the contract with OH Assist had been negotiated through

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an APUC framework and, having discussed the framework with APUC, it had been concluded that the contract did not contain any clause which allowed for financial recourse in respect of poor delivery. It was also confirmed that the Framework Agreement is being withdrawn by APUC. The experienced Board Member had been informed of this.

The Committee suggested that there was nothing to gain from dwelling on the OH Assist problems and that the College needed to focus on positive steps to secure a robust OH support.

It was acknowledged that good quality professional OH support is difficult to secure and indeed OH Assist had been engaged in response to failings with the previous supplier. Vice Principal, Finance & Curriculum Services confirmed that the College's initial preference had been to partner with West Lothian Council to share their OH supplier however, at the time of negotiating the contract this was not a recommended course of action.

The Committee asked the Vice Principal, Finance & Curriculum Services, to start researching alternative OH suppliers as a replacement for OH Assist and to consider the West Lothian College absence policy to ensure that it was robust and fit for purpose. The target date for a review of the absence policy should be April 2019.

### **Action 1: Vice Principal, Finance & Curriculum Services**

The Committee noted all other actions as duly completed.

## **18.17 Financial Progress**

### **(i) Annual Budget 2018-19**

Vice Principal, Finance & Curriculum Services presented the Annual Budget for 2018-19 in particular noting the change in arrangements for temporary working staff. The new arrangements had the benefit of incurring less administration for Centre Heads and also ensured that temporary staff were able to join in with activities at the start of the academic year which helped with planning and team building.

The Committee discussed the Scottish Funding Council's policy of prioritising essential backlog maintenance when distributing estates maintenance grant funding in 2018-19. This had resulted in a significant cut in funding as West Lothian College has invested in its estate and not allowed backlog maintenance to build up. The College is in effect being disadvantaged for having been responsible.

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The Committee requested that the Principal contact the Scottish Funding Council to follow up on a telephone enquiry the College had received regarding capital funding and the outstanding loan.

**Action 2: Principal**

The Committee requested that Vice Principal, Finance & Curriculum Services, write to the author of the Audit Scotland Annual Report on the College Sector regarding the Scottish Funding Council's policy.

**Action 3: Vice Principal, Finance & Curriculum Services**

It was noted that the Key Assumptions for the Annual Budget were reasonable as the College has a good track record of delivery against these assumptions.

Vice Principal, Curriculum & Enterprise, confirmed that previous problems receiving payment from Skills Development Scotland had been overcome and the late payment in the last quarter had now been paid and it was expected that future payments should be made promptly.

The Committee discussed the technical deficit created by spending cash depreciation sums and Vice Principal, Finance & Curriculum Services, explained the cash priorities against which the funds can be spent.

Vice Principal, Finance & Curriculum Services, confirmed that the 5 year projection figures from the Scottish Funding Council will be available for the September Board Meeting. The figures have been delayed due to further discussion around the underpinning assumptions which will hopefully be more consistent this year.

The Committee recommended the Annual Budget 2018-19 to the Board for approval.

**Action 4: Board Secretary****(ii) April 2018 Management Accounts**

Vice Principal, Finance & Curriculum Services presented the April 2018 Management Accounts and commented that the trading surplus was due to successful commercial income and increased part time fees.

The Committee commented on the success of the CEEP project

and encouraged the College to pursue more of this type of funding if it should become available. The secondary glazing installed has made a huge difference to the energy efficiencies inside the College building and has prolonged the life of the windows. Vice Principal, Finance & Curriculum Services, undertook to confirm the savings generated by the CEEP project.

**Action 5: Vice Principal, Finance & Curriculum Services**

The Committee noted that there were surplus funds from investment activity which had allowed some of the 2018-19 expenditure to be brought forward thus relieving some of the pressure on the 2018-19 budget. While completing the secondary glazing project through surplus investment funds would be desirable, the Committee acknowledged that the investment from commercial activity in curriculum activities should always be a focus of the College.

The Committee agreed to note the papers.

**(iii) Resource Return**

Vice Principal, Finance & Curriculum Services presented the Resource Return which was the latest forecast and Vice Principal, Finance & Curriculum Services is constantly monitoring the return. The Committee agreed that unless anything of concern arose which needed to be considered at the August meeting, the return would next be seen by the Committee when it was incorporated into the accounts brought to the November Committee meeting.

The Committee noted the report.

**(iv) Accounting Policies**

Vice Principal, Finance & Curriculum Services, presented the Accounting Policies noting that there was no change to the SORP and FREM compliant policies.

The Committee noted that there wasn't a stated 'de minimus' limit on capital spend and Vice Principal, Finance & Curriculum Services, confirmed that a threshold had been set at 'reasonable' to allow for a flexible approach.

The Committee approved the Accounting Policies.

**(v) Asset Valuation**

Vice Principal, Finance & Curriculum Services, presented the Asset Valuation and again the Committee commented on the lack of a 'de minimus' threshold at which assets could be written off. If there was to be an ease on administration then the Committee recommended that assets with a 'de minimus' value should be written off, however the overall impact on the balance sheet would need to be taken into account.

**(vi) Income Generation Report**

Vice Principal, Curriculum & Enterprise, presented the Income Generation Report noting the many highlights and achievements in the period.

The Foundation Apprenticeship programmes have launched earlier than last year to align with the school year and this change has been well received so far. It is thought that West Lothian College is performing towards the top of the providers for Foundation Apprenticeships but due to the infancy of the programme, full data is not yet available.

There is currently weekly scrutiny of courses which are under recruiting for 2018-19 and at the moment, 15 courses are of concern with meetings taking place between Centre Heads and marketing to discuss how to increase interest and applications.

The Committee were concerned to note that funding for the Employability Fund had not been granted this year despite the College's strong performance and requested that Vice Principal, Curriculum & Enterprise obtain more feedback on the reasons for this non-award of funding.

**Action 6: Vice Principal, Curriculum & Enterprise**

Considering that the Employability Fund is designed to help the most vulnerable learners and should be focussed on successful deliverers, the Committee requested that Vice Principal, Curriculum & Enterprise, seek the help of Colleges Scotland to find out whether any other Colleges had received funding to try and establish where the funding had been spent.

**Action 7: Vice Principal Curriculum & Enterprise**

It was noted by the Principal that the College's commercial team

should have special mention for their superb work ethic and contribution to the College.

The Committee noted the paper.

### **18.18 College Key Performance Indicators (KPIs) 2017-2018**

Vice Principal, Finance & Curriculum Services, presented the Key Performance Indicators for 2017-18 noting that the Further Withdrawal rates were being closely monitored and credited the improved quality of the MIS data which is allowing earlier intervention.

The Committee queried why one of the 2017-18 targets was lower than the 2016-17 actual figure and Vice Principal, Curriculum & Planning undertook to investigate the reason for the lower 2017-18 target.

#### **Action 8: Vice Principal, Curriculum & Planning**

The Committee agreed to note the paper.

### **18.19 Organisational Well-being**

#### **(i) Human Resources Management Report**

The Senior HR Business Partner presented the report covering the period to end March 2018.

It was noted that staff turnover was increasing which was an undesirable trend. Senior HR Business Partner confirmed that staff leaving the College are invited to complete an exit questionnaire and a number of staff had left for promoted posts elsewhere. It was also hoped that the change of arrangements for temporary staff would reduce turnover. HR have succession meetings with all managers to identify any leaver risks and if anything can be done to retain staff.

The analysis of reasons for absence had identified that the top 3 reasons for absence at the College were the same common 3 reasons shared with most organisations.

The Staff Experience Survey was generally positive and most areas had higher positivity apart from workplace stress which had increased since 2017. The Committee commended the good work of the Staff Experience Survey and wanted to see the Survey continuing to enhance the value of showing trends. However, the

Committee were keen that tangible actions were taken from the Survey and used to make real improvements within the College as a direct result of the staff feedback.

HR Senior Business Partner recommended that the Diversity Report become an annual report rather than quarterly so that it can show more useful comparisons and the recommendation was approved by the Committee.

**Action 9: Board Secretary**

The Committee noted 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.

In terms of the lecturing staff, the Employers Association has made a final offer and has asked the unions to consult with their members as no further negotiations will take place. In respect of support staff, negotiations are ongoing and it is expected that a final offer will be made by the end of June.

The Committee thanked the Chair of the Board of Governors for the report.

**18.20 CDN Workshop on Finance for Board Members**

Board Member, Moira Niven, presented feedback to the Committee on the CDN Workshop on Finance she had attended. It was disappointing to note that the workshop was aimed at all public bodies rather than just Colleges, as the particular frustration of the Committee is understanding the unique structure of College financial statements.

Overall some of the presentations were interesting if not particularly valuable for College Board Members and the Committee felt that it was important that Colleges Development Network received direct feedback about the vagueness of the course to help them shape future development events.

**Action 10: Board Secretary**

The Committee thanked Moira for her attendance on the workshop and

for providing the verbal feedback.

### **18.21 Complaints Report**

Vice Principal, Curriculum & Planning, presented the Complaints Report, noting that there one unsubstantiated allegation had been raised which had been brought to the attention of external agencies. The matter was being dealt with as a matter of urgency and Vice Principal, Curriculum & Planning was confident that the College's position was robust.

The Committee noted the report.

### **18.22 Insurance Tender**

Vice Principal, Finance & Curriculum Services, confirmed that there had been one bidder for the Insurance tender probably due to the fact that all Colleges were tendering at the same time. The contract offered by Zurich Municipal is at a lesser price than the previous contract and although it is a 3 year contract, an extension of 1 year plus 1 year has been added to break the tender cycle with other Colleges.

The Committee approved the three year insurance contract with Zurich Municipal.

### **18.23 Committee Remit Review**

Board Secretary presented the Committee Remit review highlighting the only change was to update the job titles of the Vice Principals.

The Committee recommended the Committee Remit to the Board for approval.

#### **Action 11: Board Secretary**

### **18.24 Any Other Business**

The Chair took the opportunity to thank Mhairi Harrington for her outstanding contribution to the College and the Committee over her time as Principal of the College and wished her well in her retirement.

No other matters of business were raised.

**18.25 Review of Meeting, Supporting Papers & Development Plan**

The Committee were content with the meeting, the information received and supporting papers presented.

Board Secretary presented the final version of the 2018 Development Plan which the Committee noted. The 2019 Development Plan was also presented and the Committee were invited for their comments. It was felt that the Committee would like to have a campus visit, possibly the Workforce Development Team (August) or the NHS simulation area (November). It was also commented that a meeting with the Student Association is valuable for all Board Members, preferably in February once the new Student Association post holders had had some settling in time. The Board Secretary undertook to discuss these suggestions with the Vice Principals and the Committee Chair.

**Action 12: Board Secretary**

**18.26 Date of Next Meeting**

The next meeting was scheduled for 16 August 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 .....