

Finance & General Purposes Committee

Minute of Meeting of the Finance & General Purposes Committee held on **Thursday 15 June at 9.30am** in the Barbour Suite, in the College.

Present: Morag McKelvie (Chair)
Alex Linkston (to item 17.16)
Frank Gribben
Mhairi Harrington
Richard Lockhart
Moirra Niven

In attendance: Joanna Paterson - Secretary to the Board
Jennifer McLaren – Vice Principal, Finance & Curriculum Services
George Hotchkiss – Vice Principal, Curriculum & Planning
Simon Earp – Vice Principal, Curriculum & Enterprise
Derek O’Sullivan – Senior HR Business Partner (item 17.16)

17.12 Welcome/Apologies

The Chair welcomed everyone to the meeting, and in particular Simon Earp who was attending his first Committee meeting.

Apologies had been received from Angela Bell.

17.13 Declarations of interest

There were no declarations of interest.

17.14 Minute of Meeting of 23 February 2017

The Minute of the meeting of 23 February 2017 was approved as a correct record.

17.15 Matters Arising from Minute of Meeting of 23 February 2017

Members noted paper 2 detailing actions duly completed following the meeting of 23 February 2017.

It was agreed that in relation to Action 5, HR Report, although it was not possible to identify the specific costs of sickness absence it would be useful to include an indicative figure in the quarterly HR report, based for example on the number of hours of long term sickness multiplied by the appropriate hourly rate.

Action 1: Senior HR Business Partner; Vice Principal, Finance & Curriculum Services

The Board Secretary advised that two items had been considered and agreed in correspondence since the last meeting and needed to be confirmed.

In relation to the College Energy Efficiency Pathfinder (CEEP) Project, project information was issued detailing the total avoided energy costs, simple payback in years, and project costs including the total cost of the works (£340,490). The Committee agreed that these projects should proceed.

In relation to the extension to the Visitors Car Park, the Committee were advised that the successful bidder was MacLay Civil Engineering Ltd. and that the project would be funded from the mainstream Capital Allocation at a cost of £89,944 plus VAT. The Committee had agreed to approve this project.

Vice Principal, Finance & Curriculum Services advised the Committee that, as indicated in correspondence in advance of the meeting, additional cost requirements had arisen as a result of existing mono blocks in the car park being obsolete.

The costs of the additional work (additional resurfacing and kerb blocks) was £36,885 (excluding VAT). It was noted that these could be met from the estates maintenance allocation for 2017-18 and the additional spend was within the tolerance level allowed for in the contract procured through the Framework Agreement.

The Committee noted that the additional work was required for maintenance and drainage purposes as well as the visual impact at the main entrance to the College and agreed to approve the additional costs.

It was agreed that it would be useful to get an update on the project, including the options for use or sale of the existing mono blocks, as part of the capital update at the next meeting.

Action 2: Vice Principal, Finance & Curriculum Services

It was noted that concerns remained about the wider car parking situation within the College and that further options would be considered by the senior team over the summer.

There were no other matters arising that were not otherwise on the agenda.

17.16 Organisational Well-being

(i) Human Resources Management Report

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

In relation to recruitment, the Committee noted the positive impact of the 'myjobscotland' portal both in terms of numbers and quality of applicants.

It was noted that turnover figures were now disaggregated between those leaving at the end of fixed term contracts and permanent members of staff leaving for other reasons. It was agreed that it would in addition be useful to see comparisons (a) with previous years and (b) with other colleges or the sector average.

Action 3: Senior HR Business Partner

It was noted that sickness absence figures remained higher than anticipated and that work in this area would be a priority for the year ahead, including providing support, information and skills training for managers as required.

The Committee noted that a survey had been undertaken to gauge perceptions of the new Occupational Health service after the first year of operation and that the findings were broadly very positive.

The Committee noted that although some local employment policies had been amended, core policies were now within the scope of national bargaining. Concerns were expressed that policies would become out of date or fail to reflect best practice if not given sufficient priority or resource at national level, and that this issue should be raised with the Employers Association.

Action 4: Board Chair

The Committee noted that a Staff Experience Survey, 'Welcome Your Views' had been undertaken in February 2017, with a response rate of 77%. The Committee recognised that this was a very high response rate for a survey of this kind.

Key positives were noted including 84% of respondents 'always' or 'often' feeling enthusiasm for their job, 93% of respondents feeling trusted to do their job, 90% feeling satisfied with the support of their colleagues and 91% feeling their role makes a difference to students.

Two of the main areas of focus going forward were that 45% of respondents felt unable to meet all the demands on their time and 41% that there were not enough staff for them to do their job properly.

It was noted that discussions were taking place across the College through teams and led by the Vice Principals to look at areas for action and improvement.

Another survey would be carried out in a year's time, and actions following on from this year's results would be highlighted at that time. It was agreed that it would be useful to identify core questions which should be repeated on an annual basis for benchmarking purposes, allowing for variation both in other questions asked and the length and format of the survey, in part to avoid survey fatigue.

The Committee expressed their appreciation for this comprehensive piece of work.

The Committee noted that an evaluation of the HR service had been undertaken to reflect on implementation of the new HR model one year on. The Committee noted the very positive feedback and that this also reflected the experience and perception of the senior team. The Committee passed on their appreciation to all those involved in the HR service.

(ii) Employers Association Update

Alex Linkston provided an update to the Committee on the work of the Employers Association and issues associated with national bargaining.

It was noted that the longer term priority remained to move towards the Workforce of the Future and looking at the optimal configuration of teams to support delivery of the best possible education and outcome for students.

It was noted that on the support side a National Job Evaluation Scheme would be taken forward and members commented that, while recognising the ambitious timetable for delivery, there may be good opportunities for read-across to the Workforce of the Future agenda.

The Principal advised the Committee of concerns regarding the central allocation of funding for the costs of harmonisation of lecturers' pay and the model that had been used to distribute funds. This had left the College (and some other colleges) facing a significant shortfall. The impact of this distribution model would be exacerbated in the following two years if left unchanged.

The Committee agreed that the Principal should write as a matter of urgency to the Chief Executive of SFC to raise concerns about the financial impact of this distribution model and offering suggestions for amelioration of the impact for 2017-18 (including writing-off the loan to allow the College to use the depreciation cash to part fund the costs of harmonisation albeit that this was a short term measure) and re-iterating concerns about the impact of the current distribution model in future years.

Action 5: Principal**17.17 Financial Progress****(i) Annual Budget 2017-18**

Vice Principal, Finance & Curriculum Services presented the Annual Budget for the academic year 2017-18 including schedules for Income and Expenditure Accounts, Balance Sheet and Cash Flow.

The Committee noted the various factors that were reflected in the budget including the various consequences of ONS reclassification and the requirement to generate a surplus to pay the annual loan instalment. Other assumptions and allowances that had been made in preparing in the budget were noted.

In relation to resources for IT, the Committee noted that the proposals reflected work already undertaken or underway to improve IT security as part of the business resilience programme.

It was agreed that it might be prudent to include further reference in the cover paper to the reduction in investment and other programmes that would be required if funding was not provided from the Scottish Government / Scottish Funding Council to cover the shortfall in costs of harmonisation of lecturers pay.

It was agreed that the draft budget should be recommended to the Board.

**Action 6: Vice Principal, Finance & Curriculum Services,
Board Secretary**

(ii) Financial Forecast Return 2017

Vice Principal, Finance & Curriculum Services advised that paper 5, Financial Forecast Return (FFR) 2017 was not now available for consideration.

The SFC had recently advised of various changes to the timing and approach to financial planning, meaning that the return would in future be considered at the August Committee meeting and September Board.

The Committee agreed to note the new timetable.

(iii) Resource Return 1 April 2016 – 31 March 2017

Vice Principal, Finance & Curriculum Services presented the Resource Return for the fiscal year 2016-17 (1 April 2016 to 31 March 2017). The Committee noted that the College was forecasting a small underspend of £18k on a resource basis after payment of the loan to the Funding Council.

The Committee agreed to note the expected resource position.

(iv) Accounting Policies

Vice Principal, Finance & Curriculum Services presented the draft accounting policies for the year ended 31 July 2017.

It was noted that there were no changes from 2015-16 and that the policies comply with the Statement of Recommended Practice (SORP) and the Scottish Government Financial Reporting Manual (FREM).

The Committee agreed to approve the accounting policies.

(v) Asset Valuation

Vice Principal, Finance & Curriculum Services presented the annual valuation of buildings and equipment for inclusion in the annual accounts.

The Committee agreed to endorse the values detailed in the report for inclusion in the 2016-17 accounts.

(vi) April 2017 Management Accounts

Vice Principal, Finance & Curriculum Services presented the Management Accounts for the three month period ended 30 April 2017 and a forecast for the year to end July 2017.

Variances as set out in the report were noted.

The Committee noted that the forecast income was significantly over the original budget, allowing additional investment to be made in several areas. It was agreed that this was a very positive outcome and represented a significant achievement, particularly given the current economic climate.

The Committee also noted that targets for part-time fee income, which had been problematic in previous years, had been met.

The Committee expressed their appreciation for the contributions made by various teams to achieving such a positive overall result.

The Committee agreed to note the accounts.

(vii) Income Generation Report

Vice Principal, Curriculum and Planning presented the Income Generation Report for the quarter.

It was noted that the work of the Workforce Development and Commercial team had contributed to an anticipated outcome that was significantly over target.

It was noted that the Children's Hearing contract had been extended for a year from September 2017. The service continued to perform well with very positive learning outcomes and had been nominated for some high profile awards.

The Committee agreed that this was a positive report and noted the various updates provided. It was agreed that their thanks should be passed on to the various teams involved.

17.18 College Key Performance Indicators (KPIs) 2016-17

Vice Principal, Finance & Curriculum Services, introduced Paper 11 showing financial and non-financial performance indicators. Vice Principal, Curriculum and Planning, reported on the non-financial indicators.

It was noted that the financial indicators mirrored the information provided in the financial accounts.

In relation to the credit target, it was noted that the College was around 700 credits over target.

In relation to the attainment KPIs, it was agreed that it would be useful to include the sector averages for comparison purposes.

Action 7: Vice Principal, Curriculum & Planning

The Committee agreed to note the report.

17.19 Quarterly Complaints Report

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

It was noted that the most recent complaint had been assessed independently given the seriousness of the allegations made, and had not been upheld.

There was some discussion of the wording around a complaint in relation to bullying by a student with a view to separate out the assessment in relation to the incident itself (which had been confirmed) and the response by College staff (which had been appropriate).

It was noted that one complaint had been referred to the Ombudsman who had recently advised there were no grounds for further enquiry.

The Committee agreed to note the report.

17.20 Committee Development Plan

The Board Secretary introduced Paper 13 setting out the background to the introduction of Committee Development Plans, and the content of the plan for this Committee, which was based on previous decisions.

The Committee agreed that this was a useful approach.

In relation to the Committee vacancy detailed in the plan, and the recommendation that this be filled by an accountant, the Chair advised that interviews for this position would be taking place the following week.

17.21 Annual Review of Committee Remit

The Board Secretary introduced Paper 14 which detailed a number of recommended changes to the remit of the Committee to reflect changes in practice, requirements and terminology since the last review.

The Committee agreed to recommend the revised remit to the Board.

Action 8: Board Secretary

17.22 Any Other Business

There were no other items of business.

17.23 Review of Meeting, Supporting Papers & Development Plan

The Committee were content with the meeting, the information received and supporting papers presented. No changes were required to the Development Plan.

17.24 The next scheduled meeting would take place on 17 August 2017 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