

## West Lothian College

18 August 2016

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### Finance & General Purposes Committee

Minute of Meeting of the Finance & General Purposes Committee held on **Thursday 16 June 2016 at 9.30am** in the Barbour Suite, in the College.

Present: Alex Linkston (Chair)  
Frank Gribben  
Mhairi Harrington

In attendance: Joanna Paterson - Secretary to the Board  
Jennifer McLaren - Assistant Principal, Curriculum Support & Finance  
George Hotchkiss – Assistant Principal, Curriculum & Innovation  
Lindsay Seywright – Assistant Principal, Curriculum & Planning

#### 16.11 Welcome/Apologies

Apologies were received from Morag McKelvie. Alex Linkston had agreed to chair the meeting in her place. Apologies were also received from Angela Bell and Terry Lafferty.

The Chair welcomed all to the meeting.

The Committee congratulated Mhairi Harrington on the award of an OBE in the Birthday Honours List.

#### 16.12 Declarations of interest

There were no declarations of interest.

#### 16.13 Minute of Meeting of 25 February 2016

The Minute of the meeting of 25 February 2016 was approved as a correct record.

#### 16.14 Matters Arising from Minute of Meeting of 25 February 2016

Members noted paper 2 detailing actions duly completed following the meeting of 25 February 2016.

It was noted that in relation to Action 1, the treatment of the loan, the briefing note had been prepared and the incoming Chair had raised the issues with the SFC's outgoing Chief Executive, Laurence Howells, who had indicated that he was sympathetic to the case. However, there had been no further movement by the SFC since then.

It was agreed that a further letter should be sent once the new Chair took up post on 27 June to try and capitalise on this conversation before Laurence Howells left the SFC.

**Action 1: Board Secretary and Chair**

In relation to Action 3, Committee Self-Evaluation, it was noted that the CIPFA guide for finance committee members was available in digital form on the Moodle site and would hopefully be a useful point of reference for members.

The Board Secretary reported that in the period since the last meeting members of the Committee had considered one item by email correspondence that had required urgent consideration. Members had been advised of a restructuring by the Children's Hearing Scotland Training Unit (CHSTU) which had led to a requirement to consider compulsory redundancy for up to two people. The Scottish Funding Council and Scottish Government had been consulted and agreed with the proposed course of action.

Members had agreed in correspondence that the College should enter the two month consultation period with the individuals. This action was noted.

Members noted that this kind of situation might arise more often in the future with the growth in contracts with external partners. It was noted that procedures around redundancy situations would be looked at as part of the review of HR policies.

There were no other matters arising.

**16.15 Financial Progress****(i) Management Accounts**

Assistant Principal, Curriculum Support & Finance presented the Management Accounts for the nine month period ended 30 April 2016.

Members expressed their appreciation for both the very clear report and the satisfactory financial position presented.

In relation to student funds, there was some discussion of the introduction by the SFC of a 100% attendance requirement.

Members expressed concern that this would have a negative effect on the widening access agenda, with a disproportionate impact on poorer learners. There would also be an increase in bureaucracy in the administration of the new arrangements.

It was agreed that it would be useful to gather information in relation to the costs and patterns of childcare provision across the sector. It might be that West Lothian was carrying a higher than average cost given both the regional demographic and the widening access agenda. It was recognised that although it was challenging to gather benchmarking data given the different models used across the sector there might be other sources of data such as the NUS that could be used.

## **(ii) Key Financial Performance Indicators (KPIs)**

Assistant Principal, Curriculum Support & Finance presented the Key Financial Performance Indicators for the period to 30 April 2016.

The report was noted.

## **(iii) Income Generation Report**

Assistant Principal, Curriculum and Innovation presented the report for the period, highlighting progress in many areas.

The Committee noted that following on from work with lecturers from Thailand, Beth Brownlee had been nominated for the 'Bridge2 Business' award with Youth Enterprise Scotland. The Committee passed on their congratulations to Beth.

The position in relation to the Children's Hearing Scotland Training Unit was noted. It was agreed that it might be helpful to raise the profile of the success of this contract over the next year, perhaps through nomination for one of the main national awards. It was also agreed to arrange a presentation on the work of the Unit for a future Board meeting.

## **Action 2: Board Secretary**

In relation to the apprenticeship levy, it was noted that the timing and arrangements for implementation in Scotland were still unclear. This should be kept in view in case there were opportunities that the College could tap into.

The Committee noted the report, and the positive developments that were evident in many areas, including the wider benefits for learning and teaching across the College.

**(iv) Annual Budget 2016-17**

Assistant Principal, Curriculum Support & Finance presented the draft budget for the academic year 2016-17 and highlighted the key assumptions which had been made.

Members noted the assumptions that had been made in relation to both salary costs and additional income from the SFC following its agreement to meet the costs of the national pay deal in full.

It was agreed that it would be useful to receive an update on matters associated with the work of the Employers Association at future meetings of this Committee. The Audit Committee also considered the issue in relation to strategic risks.

**Action 3: Board Secretary (future agenda item)**

It was noted that provision had been made for an Investment Fund of £50k. It was agreed that any additional surplus generated through the year either by cost savings or income maximisation should be used to increase the size of this fund.

Members noted that the budget also assumed a reduction of 7,000 teaching hours, to be achieved without detriment to overall learning targets by moving to more efficient ways of working and different models of delivery. It was noted that this was a challenging target and had led to some disquiet.

It was agreed that this assumption should be made clear when the draft budget was presented to the Board for approval.

**Action 4: Principal**

The Committee agreed to recommend the budget to the Board for approval.

**(v) FFR 2016**

Assistant Principal, Curriculum Support & Finance presented the Financial Forecast Return for the period to 31 July 2016.

In discussing the commentary, members noted the problems across the sector in managing cash balances.

It was agreed that it might be useful to encourage the auditors to raise this in the management letter as it might lead to SFC renegotiating the cash limits with the Scottish Government.

**Action 5: Assistant Principal, Curriculum Support & Finance**

The Committee agreed to recommend the FFR to the Board.

**(vi) Resource Return**

Assistant Principal, Curriculum Support & Finance presented the Resource Return for the fiscal year 2015-16.

The Committee agreed to note the return.

**(vii) Accounting Policies**

Assistant Principal, Curriculum Support & Finance presented the revised Accounting Policies which took account of the new Financial Reporting Standard. They were also in compliance with the Scottish Government Reporting Manual (FReM).

Members queried whether it was correct to say that the College was a 'paying agent' in relation to student funds given that any overspend of the funds had to be met from College funds. This point should be clarified with the external auditors.

**Action 6: Assistant Principal, Curriculum Support & Finance**

Subject to that one point of clarification, the Committee agreed to approve the Accounting Policies.

**(viii) Asset Valuation**

Assistant Principal, Curriculum Support & Finance presented a report summarising the annual review of assets.

The Committee agreed to note the report.

**(ix) Financial Regulations**

Assistant Principal, Curriculum Support & Finance presented the revised draft Financial Regulations.

Revisions had been proposed to ensure compliance with the Financial Memorandum (FM) and Scottish Public Finance Manual (SPFM).

The Regulations had been considered by the Audit Committee and would also go to the Board for approval.

Members noted that this was not by nature a plain English document, given the number of detailed requirements that had to be built in. The Regulations would be supported by College Policies and Procedures so people would be aware of how the Regulations affected them. The College Team would also be given a briefing.

In relation to 15.5, investments, it was noted that the definition of 'speculative' was not given but reflected the wording contained in the Financial Memorandum with SFC.

Members noted with some concern that the delegated financial limits set out in 7.1 were very low but accepted that this was a requirement that could not be adjusted.

In relation to 16.7 sanctions, the reference to 'any other charges owing' should be deleted since this sanction only related to the non-payment of student fees.

#### **Action 7: Assistant Principal, Curriculum Support & Finance**

Subject to that one change, the Committee agreed to approve the Regulations.

#### **(x) NEC Legacy Award Update**

Assistant Principal, Curriculum and Planning presented the report on the final allocations from the NEC Legacy Award.

It was noted that a balance of £10 was remaining. It was agreed that the account should now be closed and any balance transferred to the Student Association.

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

Members commented that it was a very positive report, and that the feedback from students on the benefits of relatively small levels of investment in their learning was very powerful.

It was agreed that the feedback from this and previous years' reports should be developed into a composite report. This should if possible be sent on to NEC with an expression of thanks. There might be marketing opportunities on the back of this too.

**Action 9: Assistant Principal, Curriculum and Planning**

Members agreed that there might also be benefit in developing this material to showcase to employers, demonstrating what kind of impact and long-term benefits this kind of award could bring.

**Action 10: Assistant Principal, Curriculum and Innovation**

**16.16 Organisational Well-being**

**(i) Human Resources Management Report**

Assistant Principal, Curriculum Support & Finance presented the report covering the period to end March 2016.

Members noted that sickness absence figures were relatively high. It would be useful to have more comparative data available including trends over time and comparisons with other sectors. This should be explored further with the new Senior Business Partner at the next meeting.

In relation to the equality monitoring, members expressed concern that the high levels of undisclosed information from staff meant any comparisons were largely meaningless. Further options should be explored to encourage participation, including discussion with the unions to see if they would be able to encourage members.

**Action 11: Assistant Principal, Curriculum Support & Finance**

In the longer term it might be necessary to get legal advice about the options for going forward to ensure the College was meeting its requirements in relation to equalities.

**16.17 Quarterly Complaints Report**

Assistant Principal, Curriculum and Innovation presented the quarterly complaints report.

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Members noted that there was a reduction in the overall numbers and an increase in the number of cases upheld. It may be that this reflected the impact of action to move to earlier resolution and better filtering of concerns.

Members agreed to note the report.

**16.18 Any Other Business**

There were no other items of business.

**16.19 Review of Meeting, Supporting Papers & Training Needs**

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

Members expressed their appreciation for the high quality of material presented.

**16.20** The next scheduled meeting would take place on 18 August 2016 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 .....