

West Lothian College

5 September 2019

Finance & General Purposes Committee

Minute of Meeting of the Finance & General Purposes Committee held on **Thursday 13 June at 9.30am** in the Barbour Room, in the College.

Present: Moira Niven (Chair)
 Jackie Galbraith (Principal & Chief Executive)
 Richard Lockhart
 Alex Linkston
 Claire Probert
 Frank Gribben
 Julia Simpson

In attendance: Jennifer McLaren (Vice Principal, Finance & Curriculum Services)
 Simon Earp (Vice Principal, Curriculum & Enterprise)
 Derek O’Sullivan – (Senior HR Business Partner) items 19.25 (i) only
 Karine McNair – Secretary to the Board

19.19 Welcome/Apologies

The Chair welcomed everyone to the meeting. Apologies were received from Lynne Hollis and George Hotchkiss.

19.20 Declarations of interest

There were no declarations of interest.

19.21 Minute of Meeting of 28 February 2019

The Minute of the meeting of 28 February 2019 was approved as a correct record.

19.22 Matters Arising from Minute of Meeting of 28 February 2019

The Committee noted all actions as duly completed.

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19.23 Financial Progress**(i) Annual Budget 2019-20**

Vice Principal, Finance & Curriculum Services, presented the annual budget for 2019-20 noting that it was a balanced budget for the academic year 2019-20. The biggest challenge had been making efficiencies to meet the costs of pay awards and pensions contributions particularly in light of the significant increase in the SSPA employer contribution rate.

The Committee commented that the expectation that pension contribution increases won't fall on employees has to be challenged as the current pattern of employers' increases is unsustainable.

Vice Principal, Finance & Curriculum Services confirmed that the budget included an estimated cost for the latest pay offer made by the Employers' Association to the teaching Union which was expected to be ratified on 20 June 2019. The budget also included a provision for the costs of the backdated element of the pay award for lecturing staff.

The Committee commented that given the increase to salaries and the favourable terms and conditions of college lecturers, people would be expected to perform to the top of their level. The Principal confirmed that the College were keen to support all staff to perform at the high standard expected of them and were also looking to introduce an 'Instructor' role, which had been designed with the curriculum areas to best meet student needs.

The Committee also suggested that the Management Team consider the structure of the teaching day which could be designed more flexibly around learner needs.

It was noted that certain Centres experienced significant increases in staff costs between 2018-19 and 2019-20. Vice Principal, Finance & Curriculum Services, confirmed that the increases were due to some changes in activity and also the effects of pay harmonisation, which impacted on some Centre areas disproportionately.

The estates funding was cut by 46% in 2018-19 and is to be cut by a further 49% in 2019-20. However, the Principal highlighted that should any funds become available in the College, investment in resources would be undertaken as soon as possible to ensure that students felt the benefit at the earliest opportunity. It was also pointed out that 2018-19 had seen more investment than in recent years due to careful managing of the budget and the proactivity of the

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Management Team making direct approaches to the SFC. All opportunities for additional funding are being explored by the College such as partnerships with private companies, donations of equipment from stakeholders etc.

The Committee noted that the College could build in the costs of replacing dated equipment and as a consequence present a deficit budget but agreed that this was highly undesirable and appreciated the efforts by the management team to ensure a balanced budget was achieved.

The Principal concluded that due to careful management of College resources the forthcoming refurbishment works of the Street Building were able to proceed. All staff needed to be commended for their commitment to the improvement plans since each individual centre had a strong business case for investment in their own centre however, the consensus to invest in the area most likely to improve the student experience showed their commitment to students. The Principal had sent an email to all staff outlining the investment in 2019-20, which had been shared with the Learning & teaching Committee and it was felt that all Board Members would be interested in receiving this.

Action 1: Board Secretary

The Committee felt that the SFC's approach to awarding capital funding was wrong since it rewarded failure and encouraged irresponsibility. It was considered that these criticisms should be voiced to the new CEO of the SFC along with an appeal to write off the ongoing loan between the College and the SFC.

Vice Principal, Finance & Curriculum Services, wanted to commend the Management Team for the way they proactively worked towards balancing the budget given the pressure and difficulties they were under.

The Committee recommended the Annual Budget 2019-20 to the Board for approval.

Action 2: Board Secretary**(ii) April 2019 Management Accounts**

Vice Principal, Finance & Curriculum Services, presented paper 4 noting that the College had invested approximately £500k in the College infrastructure as well as £200k investment in the Street

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Building and was still forecasting a surplus. .

The Committee queried the £36k overspend in hospitality and Vice Principal, Finance & Curriculum Services confirmed that the Centre Head was working with the Senior Team to review the procurement processes to ensure that the centre took advantage of the savings that could be achieved from using framework agreements..

The Committee also queried the £48k overspend on website development and Vice Principal, Curriculum & Enterprise, confirmed that the contract had been completed on budget but the timing of the invoices simply meant that it looked like an overspend when in fact it was not.

The Committee noted the paper.

(iii) Income Generation Report

Vice Principal, Curriculum & Enterprise, presented paper 5 noting that the frameworks included in the 2019-20 budget are reasonably certain to go ahead so the income figures in the budget are realistic.

The impact of the Flexible Workforce Development Fund ('FWDF') was discussed since it was appreciated that employers are less likely to pay for part time courses if employees can participate in the FWDF instead and the curriculum is being considered to tackle this trend.

The Committee noted their congratulations to the commercial team for their Herald Award nomination for the Erasmus programme, which was a great achievement.

The Committee queried whether the cancellation of some Foundation Apprenticeship ('FA') courses would affect the credibility of the College and were disappointed that the delivery of some courses had not taken place in local schools. Indeed, one of the College's challenges is the geographic limits of a single campus and using local schools is one way of reaching more communities.

Vice Principal, Curriculum & Enterprise confirmed that all changes to the FA courses had been taken in partnership with the Council with the best interests of the students at the centre. Where courses had been delivered in the College rather than other community facilities, it had been decided that the College facilities were more appropriate for the students. Discussion are underway to examine the possibility of more courses and provisions in schools and the College will work in partnership with the Council to realise these

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plans.

Vice Principal, Curriculum & Enterprise, noted that the model used to provide the expertise and knowledge for the Children's Hearing Scotland contract, was being developed so it could apply to future opportunities.

The Committee noted the paper.

(iv) Asset Valuation

The Committee approved the Asset Valuation.

(v) Accounting Policies

The Committee approved the Accounting Policies.

(vi) Infrastructure Update

Vice Principal, Finance & Curriculum Services, presented paper 8 noting that work starts on Monday to refurbish the Street Building and Pavilion A.

It was formally noted that the Committee had approved an increase to £200k for the budget for the refurbishment project to the Street Building. All Committee members had approved the increase by email.

19.24 College Key Performance Indicators (KPIs) 2018-2019

Vice Principal, Finance & Curriculum Services, presented paper 9 noting that the College were ahead of their credit target so there would not be any clawback of funding.

Organisational Well-being

19.25

(i) Human Resources Report

The Senior HR Business Partner presented the report covering the quarter to 31 March 2019 noting that the updated Absence Management Policy had been agreed yesterday with the Unions.

The Staff survey had been mostly positive although workplace stress and workload were 2 areas for development. The Committee were concerned that 8% of respondents didn't know who their

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senior manager was and the Principal responded that there was an issue of the visibility which was being addressed. For example, the Vice Principals now have monthly drop in sessions and are aware of the need to communicate more about themselves.

A new online HR system will be launched in 2020 which should provide staff with more functionality.

The Committee also congratulated the College on obtaining their Healthy Working Life Bronze Award and the Senior HR Business Partner confirmed that the criteria for achieving a Silver Award was being considered.

The Committee noted the report.

(ii) Employers Association Update

The Chair of the Board confirmed that the negotiations for teaching staff had concluded with a 3 year and 5 months deal to September 2020 currently being agreed with Unions. All staff pay discussions were now being move to September to align with the academic year.

Job Evaluations for support staff will be being considered shortly and the Committee recommended that all outcome feedback needs to be communicated to staff in a 1-2-1 meeting with managers. It was acknowledged that the Job Evaluation process has been time consuming and onerous and will continue to have an associated element of worry until outcomes are known, however Vice Principal, Finance & Curriculum Services thanked all staff for continuing to perform under difficult conditions.

The Committee appreciated the sensitivity of the Job Evaluation process however also noted the opportunities which can be presented since a clear framework of progression can be established.

19.26 Complaints Report

Vice Principal, Curriculum & Enterprise presented paper 11 and confirmed that the two National 5 complaints related to similar issues which have subsequently been addressed.

The Committee noted that the Student Support area is frequently mentioned in the 'Compliments' and would welcome the opportunity to visit the Student Support staff.

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Action 3: Board Secretary

It was also commented that a recent delegation on behalf of the Erasmus programme had visited West Lothian College to observe the Student Support offered by the College. The demonstration was part of a 'Best Practice' learner journey which will be used to create a European 'toolbox' for educational institutes across Europe. All of the delegates were very impressed with the support offered.

The Committee noted the paper.

19.27 Audit Scotland Report – Scotland's College 2020

The Committee were interested to see that the Audit Scotland Report recommended that Boards have a medium term financial plan which is challenging given that the colleges are only given a one year funding allocation. The Committee agreed that a longer term financial plan would be sensible and perhaps could be considered as part of the Strategy Plan currently being developed.

The Committee discussed the different models which the Audit Scotland Report suggested might be examined in respect of capital expenditure including models being developed by Scottish Futures Trust and some NHS Board funding options.

19.28 Committee Remit Review

The Committee discussed the Committee remit and agreed to keep the essence of 9i) however change the terminology from 'Estate' to 'Infrastructure'.

9k) is to be amended to include an additional reference to the People Strategy.

Action 4: Board Secretary

19.29 Any Other Business

The Committee mentioned that they would be interested to have a briefing around potential infrastructure funding routes.

No other matters of business were raised.

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19.30 Review of Meeting, Supporting Papers & Development Plan

The Committee were content with the meeting, the information received. It was suggested that the Development Plan 2019 be amended to include a reference to the development of a longer term strategic plan which the Committee had suggested at a meeting in the year.

Action 5: Board Secretary

19.31 Date of Next Meeting

The next meeting was scheduled for 5 September 2019 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