

West Lothian College

24 February 2022

Finance and General Purposes Committee

Minute of Meeting of the Finance and General Purposes Committee held on **Thursday 25 November 2021 at 10.30am** via zoom

Present: Moira Niven (Chair)
Jackie Galbraith (Principal and Chief Executive)
Lynne Hollis
Alex Linkston
Frank Gribben
Sue Stahly

In attendance Jeanette Dobson (SA President)
Jennifer McLaren (Vice Principal, Finance and Corporate Services)
Simon Earp, (Vice Principal, Performance and Improvement)
Sarah-Jane Linton (Vice Principal, Learning and Attainment)
Derek O'Sullivan (Head of HR and People Development)
Fiona Hudson (Head of Finance, Procurement & Student Funding)
Lesley Aitkenhead (Board Governance Advisor)
Sue Cook (Vice Chair, Chair of Audit Committee)

1 Welcome/Apologies

The Chair welcomed all to the meeting. Apologies were noted Kirsti Clark. Fiona Hudson was welcomed to Committee and Sue Cook joined as Chair of Audit Committee for discussion on Item 3.1.

2 Declarations of Interest

There were no declarations of interest.

3 Minutes of Meeting of 9 September 2021

The Minute of the meeting of 9 September 2021 was approved.

4 Matters Arising

The committee noted all actions as either completed, on track or covered by an item on agenda.

5 Financial Forecast Return

Vice Principal, Finance and Corporate Services (VP, F&CS) presented Paper 3 setting out the Financial Forecast Return (FFR) for recommendation for Board approval, and submission to the Scottish Funding Council, as required.

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The committee were advised that Scenario Planning is part of the Scottish Funding Council requirements and is aimed at stressing the financial resilience of the college sector.

In order to give the FFR due consideration, a Finance Working Group was formed. Membership was the chair of the board and each committee. In addition, an invite was made to any board member who wished to join the group. The Finance Working Group used a variety of internal and external data sources, including the Strategic Risk Register to identify extreme but plausible scenarios.

The Finance Working Group identified a particular scenario that would have a material strategic, financial, reputational impact on the college, covering the withdrawal of SFC Funding for Foundation Apprenticeships and Pay Awards. Other scenarios were considered as part of the process, but did not meet the criteria of worst case, and were discounted.

The committee requested additional information on why this particular scenario was selected, and were given an explanation by the VP, F&CS, with additional context provided by the Principal and Vice Principal, Learning & Attainment. The committee were advised that the withdrawal of funding for Foundation Apprenticeships was considered to have the most significant impact in terms of financial, strategic and reputational impact to the college, and was therefore a suitable scenario for stress testing purposes.

The VP, F&CS emphasised that the scenario did not reflect college strategy, but was aimed at meeting the requirements set out by the SFC to highlight the importance of Foundation Apprenticeships as a key element of the overall college curriculum.

The committee welcomed the additional context, and recommended approval of the FFR by the Board, ensuring that all Board Members are made aware of the additional context, and that the paper is not shared publicly, as may be misunderstood, without the additional context.

6 Annual Report & Financial Statements

The VP, F&CS presented Paper 4, with appendices for recommendation for Board Approval. The committee welcomed the report and thanked the team for the effort in preparing the report for the committee. The committee noted a minor amendment to page 22 and page 29 requiring updates to the Board Members information.

The committee discussed the overall position and took time review the information contained in each of the tables, including the increase cost to premises and higher level of creditors, resulting from the estates project and timing of contractors' payments.

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The committee noted no direct impact from Brexit, but noted some potential indirect implications resulting from changes in EU funding, and welcomed the overall positive performance, given the circumstances.

The committee asked about the inclusion of personal information on salaries and was advised that the requirement is dictated by the Accounts Direction.

The committee thanked the Head of Finance, Procurement and Student Funds and recommended approval to the Audit Committee.

(i) Management Accounts

Head of Finance, Procurement and Student Funds presented Paper 5, for the attention of the committee, with no areas of concern raised.

(ii) Reconciliation of Final Outturn of 2020-21

Head of Finance, Procurement and Student Funds presented Paper 6, for the attention of the committee. This is not a standard paper, but was welcomed by the committee as it provides additional assurance on any movements between the June management accounts and the annual accounts. The reconciliation showed that the accounts were in line with the forecast presented in June 2021.

(iii) College Certificate

Vice Principal, Performance and Improvement presented Paper 7 for noting. The committee were advised that the college credits were a statement of fact and no clawback was required in 2020-21. An Internal Audit Report would provide additional assurance to the Audit Committee on 2 December 2021.

7 Business Development Report

Vice Principal, Performance and Improvement presented Paper 8 for noting. The committee welcomed the report and commented on the range of investment projects within the college.

8 Infrastructure Report

Vice Principal, Finance & Corporate Services presented Paper 9 for noting. The committee were asked to note the total estimated funds of £350k for the projects being taken forward from the 2021-26 Estates Plan. The committee welcomed the positive benefit of the work already completed within the college estate and the overall success of the programme to utilise the capital funding grant of £660k.

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9 HR and People Development

(i) HR and People Development Report

Head of HR and People Development presented Paper 10 for discussion and noted changes to the format of the report. The presenter summarised the key messages, including reference to recruitment, sickness leave and retirement.

The committee welcomed the changes to the report and asked for an update on the current discussions with the EIS on instructor roles. The committee were advised that discussions were ongoing.

The committee asked if there were any underlying trends or concerns of unplanned absence levels and was advised that sickness levels remain low, and there were no underlying trends.

(ii) Employer Association Update

The committee received a verbal update from the Board Chair on ongoing discussions with the Employers Association. The committee were advised of the plans to roll out the nationally agreed Registration Scheme but there was some discussion on its suitability for lecturers, as it was designed for nursery, primary and secondary schools. The committee discussed progress on negotiations on pay awards for lecturers and support staff. Negotiations include discussions on salary increases at a National and Local scale. Consideration has also been given to the implications of adopting a different way of working, but this was still at early stages of fact find.

11 AOB

The committee were advised of an event that occurred at another education establishment, for awareness and potential lessons learned.

12 Review of Meeting, Development and Supporting Papers

The committee discussed the quality of the papers and discussion, with positive comments.

14 Date of Next Meeting

The next meeting of the committee is Thursday 24 February 2021 at 10.30 am.

Signed

Chair, Finance and General Purposes Committee

Date