

West Lothian College

16 February 2023

Finance and General Purposes Committee

Meeting of 24 November 2022

Members Present: Moira Niven (Chair and non-executive member)
Alex Linkston (Non-executive member)
Sue Stahly (Non-executive member)
Tony Sharkey (Co-opted non-executive member)
Jackie Galbraith (Principal)
Karine Bourdarias (Student President)

In attendance: Simon Earp (Vice Principal Performance and Improvement)
Sarah-Jane Linton (Vice Principal Learning and Attainment)
Jennifer McLaren (Vice Principal Finance and Corporate Services)
Hazel Brady (Shadow staff member)
Fiona Hudson (Head of Finance, Procurement and Student Funding)
Derek O'Sullivan (Head of HR and People Development)
Daniel Evans (Head of Business Development)

Presentation: Meet the Estates Team: Core Services

The Committee heard an informal presentation from David Milne, Vicki Tierney, Kyle Mannifield and Jim McKee in the Estates team.

Staff spoke about their previous work experience and how they had come to work at the college and gave an insight into the type of work involved in delivering the core service including buildings and grounds maintenance. The team reported on the favourable comments received from students and parents on the new, modern look of the campus.

The team were very positive and enthusiastic about their work and feel valued as part of the wider college team. They were very positive about on-going personal development opportunities offered by the college. All of the team have engaged in a range of qualifications that not only supports them to do their job but offers opportunities for career development.

The Committee found it very helpful to meet the team and praised them for the quality of their work. The Committee passed on thanks to the Head of Estates and Sustainability for enabling the team to attend the meeting.

1 Committee Administration

1.1 Welcome and Apologies

The Chair welcomed everyone to the meeting. Apologies were received from Frank Gribben.

1.2 Declarations of Conflicts of Interest

There were no declarations of conflicts of interest.

1.3 Minutes of the Meeting of 8 September 2022

The Committee approved the minutes as a correct record.

1.4 Matters Arising

Action 1: The Board Secretary and Governance Advisor confirmed the committee was quorate. Membership will be reviewed in 2023 subject to recruitment of new board members.

The Committee noted that all other actions were completed but asked that staff turnover rates are presented quarterly rather than annually.

This was duly noted by the Head of HR and People Development.

2 Matters for Recommendation for Board Approval

2.1 Procurement Strategy

The Vice Principal Finance and Corporate Services spoke to the Procurement Strategy, informing the Committee that it uses a standard template to ensure the college is compliant with legislation. The committee commented that the strategy is a very good document and suggested that a future version should include Office of Procurement Review report themes.

The committee asked if the college checks that suppliers have the right equalities policies in place to meet point 5.5 on the Equality Duty. The Vice Principal Finance and Corporate Services confirmed the college does check when we are tendering but does not check when placing general orders since the bulk of spend is done through the public procurement framework which ensures equalities aspects are covered.

The committee also suggested that the action plan should be specific about when procurement training is to be carried out. The Vice Principal, Finance and Corporate Services agreed to insert a statement in the action plan prior to submitting to the Board.

Action 1: Vice Principal, Finance and Corporate Services - Action plan to include specific dates when procurement training will occur.

The Chair discussed the criteria used for procurement. The Vice Principal Finance and Corporate Services confirmed that quality is very important and that every order is scrutinised by the Procurement Officer to ensure value for money.

The committee was content to recommend this strategy to the Board of Governors for approval.

3 Matters for Recommendation for Audit Approval

3.1 Annual Report and Financial Statement

The committee passed on positive feedback and praise regarding the many achievements of the college against the background of the pandemic.

The Vice Principal Finance and Corporate Services presented the paper and the Chair led a discussion on key points, highlighting the results for the year and urging the committee to review the adjusted operating position which strips out volatility. The committee was informed that an early, interim valuation carried out to re-value assets had resulted in a gain.

The Vice Principal, Finance and Corporate Services discussed adjustments needed for pensions, early retirements and the planned deficit of £81,000. The Chair asked for confirmation that a deficit position had been approved by the Scottish Funding Council (SFC) for the purpose of enabling re-investment in estate. The Vice Principal, Finance and Corporate Services confirmed this was the case, noting that the actual deficit was significantly less than had been agreed.

The committee's attention was drawn to the notional surplus showing for pensions. This is a snapshot situation and the figure will go into deficit as the year progresses. It was confirmed that this does not affect the cash or operational situation of the college.

The committee praised the quality of the accounts and acknowledged the work put in to preparing the accounts by the Vice Principal, Finance and Corporate Services and the Head of Finance and Procurement.

Action 2: Vice Principal, Finance and Corporate Services – Action
The committee noted that the list of members should be updated to reflect accurate board membership and tenure dates.

The committee was content to recommend Paper 4 to the Audit Committee meeting of 1 December 2022. The Chair of Finance and General Purposes Committee will present the paper.

4 Matters for Attention

4.1 Financial Management

4.1.1 Management Accounts October 2022

The Head of Finance, Procurement and Student Funding introduced the management accounts to October 2022. The Committee heard we are more or less in line with budget but that there are a number of uncertainties such as the allocation of grant for the Young Person's Guarantee and Flexible Workforce Development Fund, as well as forthcoming challenges that may arise due to a national pay award settlement. The Committee discussed the budget allocation of 2% set aside for the pay award, noting that College Employers Scotland has asked for funding from government to allow the sector to reach an acceptable settlement with trade unions.

The Committee discussed the use of scenario planning around funding and the implications of SFC not providing the assumed funding for the Young Person's Guarantee and Flexible Workforce Development Fund. The Committee commented that the college is likely to experience difficult years ahead on funding. The Vice Principal, Finance and Corporate Services confirmed that scenario planning is carried out on a regular basis and it is not necessary to introduce an additional exercise at this time.

The Vice Principal, Finance and Corporate Services noted that the management accounts were delayed due to staff absences at the auditors and that the college had given an assurance the numbers would not change for the Audit Committee.

The Committee noted this paper.

4.1.2 Student Funds Update

The Vice Principal, Finance and Corporate Services discussed the increasing number of student requests for hardship funding and

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confirmed the college is bidding for an additional £500,000 from SFC in-year redistribution of funds to support full-time further education students. The Committee was informed that SFC has introduced a cap of £10,000 per student.

The Student Association confirmed that many students are struggling financially and asking for discretionary funding support. The Vice Principal, Finance and Corporate Services highlighted that funding is to be paid fortnightly to students from December 2022 to support students with budgeting.

The Committee asked if students are leaving courses due to financial concerns. The Vice Principal, Performance and Improvement confirmed that withdrawal rates are lower than last year but that is not to say students are not struggling financially.

4.1.3 Reconciliation of Final Outturn 2021-22

The Head of Finance, Procurement and Student Funding spoke to this paper, highlighting pension payments and re-valuation of assets as the two main areas of movement. The Committee was assured that the college is confident the forecast at June was reasonable and the financial situation is as expected.

The Committee had no questions on this paper and was content to note the paper.

4.1.4 College Certificate 2021-22

The Vice Principal, Performance and Improvement spoke to this paper and confirmed the college has, yet again, exceeded the credit target in 2021-22 with a clean audit and no financial clawback.

The Committee noted this paper.

4.1.5 Credit Update

The Chair queried the variance on the SFC target which was materially different from the same time last year. The Vice Principal, Performance and Improvement re-assured the Committee that we will meet the credit target in this academic year through other activity not yet recorded on our system. The Principal confirmed the college has secured additional credits this year which will be delivered, despite reducing the majority of full-time further education courses to 16 credits.

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The Committee was assured the credit target will be met and noted the paper.

4.2 Business Development

4.2.1 Business Development Report

The Vice Principal, Performance and Improvement introduced the paper and highlighted income secured to support new projects. The Committee discussed training contracts secured that are outside West Lothian. The Vice Principal, Performance and Improvement highlighted we have an excellent track record through our nationwide SVQ delivery with employers. The Principal emphasised that we are one of the three biggest providers of SVQs in the sector which is impressive for a college of our size. The Committee also heard that a Training Vault is being created by the college to enable people in work to easily access individual training courses specific to their needs.

The Committee was impressed by this work and asked if a more detailed input could be given to the Committee at a later date.

Action 3: Vice Principal, Performance and Improvement - The Chair requested a presentation on Workforce Development contracts be given at a future meeting of the Finance and General Purposes Committee.

4.2.2 Presentation on Income Generation

The Committee heard a presentation from the Head of Business Development which highlighted recent achievements and future challenges. The Committee discussed whether companies will only engage in training their employees if Flexible Workforce Development Funding continues.

The Committee asked if there was a catalogue of courses available to employers. The Head of Business Development reported that businesses can access the website which has a separate area for employers. There was further discussion around the benefits of promoting online courses nationally and whether the college can link up with private training providers.

The Committee thanked the Head of Business Development for his presentation.

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4.3 Infrastructure Report

The Vice Principal, Finance and Corporate Services introduced the paper and reported on key projects. The Committee noted the ECOHOUSE Project turf cutting ceremony took place on 23 November 2022 and that the build start date has been delayed due to planning permission.

The Committee heard the college had successfully bid into the government's decarbonisation funding and was awarded £2 million through which we will decarbonise one of our buildings.

The Committee asked if this £2 million included displacement costs and the Vice Principal, Finance and Corporate Services confirmed that it did not. The Principal confirmed the college will seek additional funding as this work proceeds and that students will be relocated on a temporary basis.

There was a discussion around potential cost savings to be made from the decarbonisation project. It was suggested the Vice Principal, Finance and Corporate Services should look at building this comparison into the tender process to maximise any savings that can be made.

The Committee agreed this project needs further discussion and would like to see more detail coming to the next committee meeting.

Action 4: Vice Principal Finance and Corporate Services - Tender documentation to include cost savings comparison.

4.4 HR and People Development Report

4.4.1 The Head of HR and People Development introduced the report, highlighting the main areas of concern were staff absence and turnover.

The Committee was informed that the college is managing all absence cases appropriately. The Committee commented that it was useful to see the pre-pandemic staff absence figures as a comparison.

The Committee noted that 2021-22 turnover is broadly comparable to the pre-pandemic years but is also rising. The Head of HR and People Development reflected that it is difficult to pinpoint why turnover is rising, and that this appears to be a trend across a wide range of sectors post-pandemic. Some staff are leaving for positive reasons such as career advancement.

4.4.2 Employers Association Update

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The Chair of the Board of Governors gave an update on membership of College Employers Scotland (CES) and informed members that CES has asked for additional funding to support forthcoming pay awards with a view to avoiding industrial action. CES awaits a response from government on whether additional funds will be made available.

5 Matters for Information

There were no additional matters for information.

6 Any Other Business

The Head of HR and People Development requested that members of the HR team can accompany him to future meetings for personal development purposes.

The Committee agreed to this request.

7 Review of Committee and Supporting Papers

The Committee agreed that papers are comprehensive and fully prepare members to engage in Committee discussion. The Committee are content that papers are sufficiently detailed and of good quality to enable scrutiny.

8 Date of Next Meeting

The next meeting will be held on 16 February 2023 at 1000 am.

The meeting will commence with a presentation on the SVQ portfolio from the Workforce Development Team.

Signed: _____

(Chair of Finance and General Purposes Committee)

Date: _____