

Finance and General Purposes Committee Minutes of Meeting of 23 November 2023

Present:

Moira Niven (Chair, Non-executive member)
Abel Aboh (Non-executive member)
Alex Linkston (Non-executive member)
Jackie Galbraith (Principal)
Karine Bourdarias (Student Association President)

In attendance:

Jennifer McLaren (Vice Principal, Finance and Corporate Services)
Simon Earp (Vice Principal, Performance and Improvement)
Sarah-Jane Linton (Vice Principal, Learning and Attainment)
Fiona Hudson (Head of Finance and Procurement)
Derek O'Sullivan (Head of HR and People Development)
Ashleigh Hill (HR Business Partner)
Jenny Stalker (Board Secretary and Governance Advisor)

1 Committee Administration

1.1 Welcome and Apologies

The Chair welcomed everyone to the meeting. Ashleigh Hill, HR Business Partner, was welcomed to the meeting as an observer.

Apologies were noted from Aruna Lopez (Non-executive member) and Tony Sharkey (Vice-Chair of the Finance and General Purposes Committee).

It was noted that Tony Sharkey had engaged in the Finance and General Purposes pre-meeting held on 16 November 2023.

1.2 Declarations of Conflicts of Interest

There were no declarations of conflicts of interest.

1.3 Minutes of Previous Meeting of 7 September 2023

The minutes of the previous meeting of 7 September 2023 were accepted as a correct record of the meeting.

1.4 Matters Arising

The committee noted all actions had been completed. Marketing materials will be issued to Board Members through a link to the website.

2 Matters for Committee Approval

2.1 Annual Report and Financial Statement

The Vice Principal, Finance and Corporate Services talked to the Annual Report and Financial Statement 2023.

It was noted there has been an extensive audit carried out and the committee were informed of minor updates to the report.

The committee discussed the agreed deficit which had been approved by the Board of Governors and the reported increased deficit.

The committee requested adjustment to the financial commentary of the Annual Report to provide a clear context and narrative of how the deficit arose and to confirm that the college has a clear plan to address the deficit.

Action 1: Vice-Principal, Finance and Corporate Services

To review the Annual Report to include a detailed narrative in the performance report in the sections Financial Position and Adjusted Operating Position.

The committee commented that, overall, the report presents a very positive picture of the college and thanked the Finance and HR Teams for their work.

The committee approved the paper, subject to completion of Action 1 above, to be presented to the Audit Committee meeting of 30 November 2023.

2.2 Infrastructure Update Report

The Vice-Principal, Finance and Corporate Services presented the Infrastructure report and highlighted aspects of work to the committee. The committee noted the college has secured an additional £3.7m of funding to progress decarbonisation work across the college and that tendering is already in progress.

The committee commented positively on the student input to the refurbishment work completed on Building No.5.

The committee discussed the requested response from Amaresco regarding the delay in project completion. The Vice-Principal, Finance and Corporate Services reported the college has confidence in Amaresco's commitment to fulfilling their contract.

The Student Association President asked if the replacement of cladding in buildings No.3 and No.4 was because the cladding was unsafe. The Vice-Principal, Finance and Corporate Services confirmed the cladding is being upgraded to help the college with its carbon reduction plans rather than for health and safety reasons.

The committee approved a budget of £3.7m to continue the decarbonisation work and noted the Infrastructure Report.

3 Matters for Committee Attention

3.1 Financial Management

(i) Management Accounts to October 2023

The Head of Finance and Procurement discussed the forecast.

The committee noted that estates project costs are carried out through matched grant funding from the Scottish Funding Council.

The committee was content to note the latest forecast.

Student Funds Update

The Vice-Principal, Finance and Corporate Services highlighted the cap of £5,000 per full time further education student. The committee asked how material this change is to supporting students. The Vice-Principal confirmed we are still able to support students and we will continue to bid for in-year funding.

The committee queried the current reported underspend and was content to note that this is the position to date. Funds will continue to be distributed to students as we go through the year.

The committee asked if it is possible to model child care funding demand to improve projections. The Vice-Principal, Finance and Corporate Services confirmed the college is given an overall budget for student funds and is able to decide the split between bursary, childcare and discretionary funding. The college is able to vire funds between the three areas of spend. Childcare is difficult to predict as it is demand led. It was agreed it would be useful to look at the trend in what the college projects as the required child care budget and what is actually spent.

Action 2: Head of Finance and Procurement

To bring a 3-year trend analysis reflecting budget allocations for child care against actual spend.

The committee noted the reduction in HE discretionary funding and £3,000 cap for higher education students. The committee discussed the potential impact on students.

It was noted this has been raised with the Minister for Further and Higher Education in a letter from Colleges Scotland. The committee noted this paper.

(ii) Reconciliation of Final Outturn 2022-23

The Head of Finance and Procurement presented the paper and asked for committee feedback. The committee agreed this is a useful paper and is good practice.

The committee was content to note the paper.

(iii) College Certificate 2022-23

The Vice-Principal, Performance and Improvement presented the paper which reflects the final college position for 2022-23.

The committee noted the paper.

(iv) Credit Target Update

The Vice-Principal, Performance and Improvement highlighted the positive situation regarding credit delivery and drew committee attention to the projection of approximately 1,000 credits over target. The committee noted the PowerBi dashboard is being further developed to improve credit monitoring.

The committee noted the update.

3.2 Business Development Report

The Vice-Principal, Performance and Improvement reported on contract bids secured and positive performance on the Flexible Workforce Development Fund.

The committee was informed that the SECTT contracted apprenticeship contract has not recruited to target and that we are working to offset the income through new course delivery.

The committee noted work on gaining SQA approval to deliver to the spirits industry is progressing well. The committee noted the ongoing discussions taking place with CodeBase and the collaborative work with the Data Lab.

The committee asked about the potential to achieve the Robertson Trust bid. The Vice-Principal, Learning and Attainment confirmed we will know within two weeks if our bid is going to progress positively but that there is a lot of competitive bidding for this contract.

The committee requested an update on progress with this bid at the Board meeting on 5 December 2023.

3.3 HR & People Development Report

The Head of HR and People Development highlighted current initiatives relating to staff engagement, noting the staff survey has had a 73% response rate and high levels of satisfaction expressed. The committee was pleased to note the continuing high response rate from staff and looks forward to discussing the final results.

The committee was interested to hear about the compressed working hours pilot and how this works in practice. The Head of HR and People Development confirmed staff will still work a 35-hour week and with the caveat that a 5-day week service should still be provided.

The Principal noted staff retention may become an issue as we go forward as some of our staff positions are not paid at the level that can be achieved if staff move to other organisations.

The committee noted it is important that we have a pipeline of younger people coming through the organisation and it is of concern if younger members of staff are moving on because of salary levels.

The committee noted the positive reduction in staff absence.

The committee thanked the Head of HR and People Development and the HR Team for an excellent report and noted the report.

3.4 College Employers Scotland Update

The committee heard an update on the current industrial action situation and the potential for further industrial action should pay offer negotiations fail to reach agreement.

Job evaluation was noted as being out of date as jobs have significantly changed in the time period.

The Principal noted that the college implemented the Real Living Wage from 1 October 2023 which is positive for staff on lower pay scales.

4 Matters for Committee Information

There were no matters for committee information.

5 Any Other Business (AOB)

The committee was reminded of the Board of Governors dinner to be held on 5 December 2023.

6 Review of Committee and Supporting Papers

The committee agreed the papers submitted were high quality and provided the committee with clear information. The committee noted the accounts report was lengthy and challenging but appreciated this is necessary and thanked college staff for the work that has gone into the report.

7 Date of Next Meeting

The next meeting of the Finance and General Purposes Committee will be held on 7 March 2024, commencing at 10.30 am.

Note: There were no matters discussed during the meeting, during which Members declared a conflict of interest or the Board Secretary and Governance Advisor was aware from the Register of Interests that discussion could give rise to such a conflict.

Signed:

Chair, Finance and General Purposes Committee

Date: