

MINUTES of the MEETING of the FINANCE AND GENERAL PURPOSES COMMITTEE held in the Board Room, 1 Inverness Campus on Thursday 10 March 2016

PRESENT: Brenda Dunthorne (co-optee), Hector Douglas (co-optee),
Brian Henderson, Mick Longton, Diane Rawlinson, John
Wilson
CHAIR: John Wilson
APOLOGIES: Helen Miller
ATTENDING: Depute Principal
Interim Director of Corporate Services
Director of Business Development (items 1-6)
College Secretary

1. MINUTES OF THE MEETING OF THE FINANCE AND GENERAL PURPOSES COMMITTEE HELD ON 3 December 2015

The Minutes of the Meeting held on 3 December 2015 were **ACCEPTED** as a correct record, were **APPROVED** and signed.

2. ARMS LENGTH FOUNDATION

A report by the interim Director of Corporate Services provided an update on the current situation in terms of donations and requests to the Foundation and the balance of £1,639,767 for potential future projects.

The Committee **NOTED** that no donation would be made to the Foundation on 31 March 2016.

3. FINANCE MONITORING REPORT

A report by the interim Director of Corporate Services provided the results of the finance monitoring exercise to January 2016 under the following headings.

- Income & Expenditure Report – month, year to date (YTD) and year end.
- Income & Expenditure Report – showing actual & forecast for the year.
- Cash Flow Analysis - month, year to date (YTD) and year end.
- Monthly & cumulative cash position, in graphical form.
- Cash flow forecast – showing actual & forecast for year.
- Debtors Report – showing business & student debt split, in graphical form.
- Creditors Report – showing creditor payment days in graphical form.
- Summary Income & Expenditure and cash flow information for comparison purposes, which show budget, forecast and variance.
- Wsum's trend information.

The Committee discussed the report in detail, **REQUESTED** that more explanation on the reasons for budget variances be included in future reports and **NOTED** that an end of year report would be submitted to the Board of

Management in October on the first year of operation of the in-house catering function.

4. CAPITAL EXPENDITURE PLAN REPORT 2015/16

A report by the Director of Corporate Services provided an update on the Capital Expenditure Plan as at January 2016, which also included the New Campus project. The key points to note from the report were:

- The Capital Expenditure plan for 2015/16, as at January 2016, was on target.
- The New Campus project actual expenditure to January 2016 was £11,507,118 compared to the budget of £11,704,226, an underspend of £197,108.

The Committee discussed the report and **REQUESTED** the Director of Corporate Services to look at whether the purchase of capital items would be likely to lead to a recurrent revenue cost.

5. RISK REGISTER ANNUAL REVIEW

A report by the Director of Corporate Services provided an update on the areas of the risk register relevant to the Finance & General Purposes Committee. There were 7 risks in total, two of which were two red risks - the financial stability of UHI and the reduction in the HE unit of resource.

The Committee discussed the report and **REQUESTED** that some wording under the risk "that the new campus building does not operate in line with expectations" be amended to better reflect the mitigating actions required by both the College and GTFM.

6. BUSINESS DEVELOPMENT UPDATE

A report by the Director of Business Development provided information on the Business Development Directorate together with financial information and future developments. The main purpose of the Business Development Directorate was to engage with individuals, business, the community and external agencies to maximize all available income streams, including commercial funding and income relating to bids.

The Director of Business Development spoke to her report, highlighting the following issues

- A Business Development strategy had been drafted and presented to SMT for comment.
- Sector strategies focusing on the key sectors in order of priority as identified in the Business Development strategy were in development. The ICT strategy had been completed and Forestry, STEM and Hospitality were in progress.
- Income was slightly ahead of the phased budget 31st January 2016, despite some course cancellations resulting from delays in availability of equipment relating to the new building.
- A new service, Business Solutions, had been developed and launched on 9th February. The roll out was supported by a business brochure in hard copy and online formats which articulated the College's full offer to business. This included both funded and commercial offerings, events and a new recruitment service for Modern Apprenticeships and employability

programmes.

- The commercial course offering was increasing, based on sector based research and consultation with employers. New courses in planning included: Prince 2, CISCO and Brewing/Distilling.
- Employer engagement and events continued to increase. Events had mainly been focused on areas that were connected to the College's priority sectors. The first Pop-up restaurant, in partnership with the Three Chimneys provided a platform on which to enhance the student experience and employability, whilst establishing the College as a contender in the hospitality market place.
- CREATE's UKCES Catalyst Programme had commenced with 40 businesses in line with the target. Investment (deficit) in Create would reduce from £164K to £85K in year.
- Training Contracts were on course to achieve budget income in 2015/16. MA success rates across the contract were high at 80% (Nat. Av. 70%). The contract application for 16/17 had been submitted, requesting growth in key sectors.
- The International team's "Scottish Experience" programme had now been ordered by 4 Universities in the USA and was due to commence in May 2016.
- The 16/17 prospectus; schools prospectus and business brochure were available in hard copy and on-line.

The Committee discussed the philanthropic/sponsorship potential of CREATE and **NOTED** the wide range of activities which were being undertaken across the directorate.

7. ESTATES & CAMPUS SERVICES & GALLIFORD TRY FACILITIES MANAGEMENT (GTFM) MONITORING REPORT

A report by the Director of Corporate Services provided information on the present position on changes to the estate, progress with planned and preventative maintenance works programmes and on the key GTFM activities as follows

- Two areas were out of use causing disruption to business continuity, namely the Sports hall due to a fallen roof tile (for the second time) and the HR office due to contamination of fumes from extract into the air handling
- The College was auditing all completed works on a weekly basis. Statistics showed that 32% of completed items were unsatisfactory and had been logged again from the original date.
- GTFM had volunteered £48,283.71 total deductions for January. This figure had been challenged by the College and additional deductions pursued in line with the contract.
- January's monthly report from GTFM detailed 52% of logged calls were completed satisfactorily and succeeded SLA leaving 48% having failed.
- A permanent Contracts coordinator had recently been appointed with the responsibility for the performance management of GTFM and GTEIL.

The Committee expressed serious concerns over both incidents in the sports hall, the poor level of response from the contractor and also at the level of

failure to resolve satisfactorily logged calls, which was running at almost 50%. Given that the figures within the report were those provided by the contractor, the Committee were of the view that this was likely to be the best case scenario and the true underlying situation might be worse. Consequently the Committee welcomed the action of College management in employing a Contracts Coordinator (who had a systems analysis background) to monitor the operation of the contract and the information provided.

The Committee **NOTED** the report.

Hector Douglas left the meeting

8. DEBT WRITE-OFF REPORT – JANUARY 2016

A report by the Director of Corporate Services listed the debts written off by the Principal under delegated powers since the last meeting. As part of the regular review of the debtors' ledger, the report highlighted debts which, having gone through both the College's recovery procedures and the College's debt recovery agents, Incasso, had been identified as not being recoverable.

The Committee **NOTED** the debts written off by the Principal

9. ICT SERVICES REPORT

A report by the Director of Corporate Services provided an update on the activities of the ICT Services department including service delivery, UHI intranet solution, UHI future desktop project, shared services, SharePoint (records management and intranet) and work on the new campuses.

The Committee **NOTED** the report.

10. MINUTES OF ACADEMIC COMMITTEES

The Committee **NOTED** the Minutes of the Meetings of the following academic committees:-

Business Development Committee – 24 November 2015

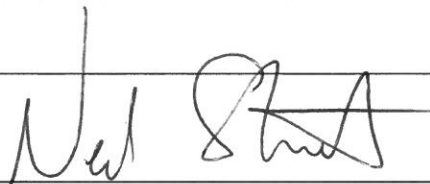
a. New Campus Steering Group – 8 December 2015

b. New Campus Steering Group – 9 February 2016

11. DATE OF NEXT MEETING

Thursday 2 June 2016 at 8.45 a.m.

Signed by the Chair: _____



Date: _____

2-6-16