

MINUTES of the MEETING of the FINANCE AND GENERAL PURPOSES COMMITTEE held in the Board Room, 1 Inverness Campus on Thursday 7 March 2019.

PRESENT: Brian Henderson (by teleconference), Helen Miller, Chris O'Neil, Gavin Ross, Tom Speirs

CHAIR: Brian Henderson

APOLOGIES: Andy Gray, Carron McDiarmid

ATTENDING: Depute Principal
Depute Principal Academic Development
Director of Finance
Director of Organisational Development
Director of Business Development
Secretary to the Board of Management

1. MINUTES

The Minutes of the Meeting of the Finance and General Purposes Committee held on 6 December 2018 were **ACCEPTED** as a correct record, were **APPROVED** and would be signed by the Chair.

2. OUTSTANDING ACTIONS

The Committee **AGREED** which actions had been completed and could be removed, and those which were still outstanding and would remain on the list.

3. PROPOSED FEES FOR 2018/19

A report by the Director of Finance provided the proposed fee rates for those FE tuition fees set by Inverness College UHI, and for the Early Learning and Childcare Centre for the academic year 2019/20. The report referenced the issues which had been taken into account in reaching the proposed increases.

There was a detailed discussion on the complexity of setting fees and the limited influence the College had in relation to HE PT fees, which were set by the University. They had been set at £9K for 2019/20. The Principal referred to the ongoing discussions on University fees in England and Wales and the possibility that they would be lowered from the current level of £9K and the impact this could have on UHI recruitment.

The Committee **REQUESTED** the Director of Finance to include further evidence of comparison with other institutions, particularly around international & RUK fees on how the proposed increases could be justified so that the Board of Management would be fully informed and able to make a decision on the proposed fees for 2019-20.

4. **MARKETING AND COMMUNICATIONS POLICY**

A covering report by the Director of Business Development explained the approval process of the new marketing and communications policy thus far.

There was a detailed discussion on the policy and the Chair was of the opinion that the policy should not just reflect the importance of attracting learners but should also include reference to the explicit needs of employers and other key groups. The policy statement was therefore limited in its context. In addition, the policy did not clearly define the responsibility of all staff in relation to marketing and communications in relation to their activity. The chair also felt it was more a policy that enshrined responsibility rather than being a call to arms around marketing and communications in these difficult financial times.

The Committee **REQUESTED** the Director of Business Development to review the policy and provide a revised version with tracked changes which would be submitted to the Board of Management for approval.

5. **FINANCE SYSTEM**

A report by the Director of Finance referred to the continued delays to the new finance system which was being delivered by TechnologyOne and outlined the proposed interim solution of upgrading the existing SUN system to the latest available version of SUN 6.3 to aid effective financial management.

The Director of Finance advised that UHI had decided to continue with the contract and as a result, it was expected that UHI EO would be the first to implement and go live with TechnologyOne.

The Committee once again expressed serious concerns over the terms of the contract with TechnologyOne and reiterated the need for College Boards to be included in the wider UHI decision making on contracts and other key partnership wide issues.

Whilst supportive of the proposal, the Committee **REQUESTED** that the Director of Finance amend her report to

1. provide an explanation of how the upgraded version - SUN 6.3, would help the Finance Team to do its job and support the College in the drive for financial sustainability and
2. provide further detail on the statement that the new system would not provide the desired range of functionality that was anticipated from the TechnologyOne solution.

so that the Board of Management would be fully informed and able to make a decision on whether to agree to the interim solution to upgrade to SUN 6.3.

6. **FINANCE STRATEGY**

The Director of Finance presented the revised draft finance strategy following extensive SMT review and discussions at the Board of Management away day on 25 January 2019.

The Chair thanked all those involved for the substantial amount of work which had been carried out and the changes made to the strategy.

The Committee discussed the revised document and **AGREED** to recommend it to the Board of Management for approval subject to

1. the first sentence within the context section being amended to include financial sustainability and
2. that the PIs be linked to the strategic objectives

7. SCOTTISH COLLEGES FOUNDATION BID SUBMISSION MARCH 2019

A report by the Director of Finance explained that an e mail had been sent to the Committee with details of the proposed applications and following three positive responses being received from members of the committee, the applications had been made to the Scottish Colleges Foundation by the due date of 22 February. The applications had been considered by the Scottish Colleges Foundation meeting on 6 March.

The Director of Finance advised that all the applications had been approved by the Trustees, although the approved value of the Group 2 was based on the cash payment made.

The Committee requested that the Director of Finance include the Trustees' decision as an addendum to her report and **AGREED** to recommend to the Board of Management retrospective approval of the submissions for funding.

8. CITB CONTRACT ISSUE

A report by the Director of Business Development provided comprehensive information on the background to the ongoing discussions on whether to enter into a contract with CITB who were the main provider for construction modern apprenticeships in Scotland. The contract provided by CITB was for a period of 3 years and the Principals Group had recommended that Colleges sign a one year contract.

In addition, the SVQ qualification standards had changed so that simulated (college based) evidence was no longer accepted, necessitating the employment of workplace assessors. The College was currently recruiting the workplace assessors.

The Director of Business Development provided a verbal update on the position, namely that Colleges Scotland would seek legal advice and guidance on the wording of the contract.

The Committee **NOTED** the current position and **AGREED** that

1. Inverness College should maintain its holding position and not sign a contract pending a report from Colleges Scotland.
2. the Director of Organisational Development should provide a risk assessment paper for the Board of Management to highlight the impact going forward and the reputational risk to learning providers.

9. BUSINESS DEVELOPMENT REPORT

A report by the Director of Business Development provided an update on business development activities including

- Modern apprenticeships contract
- Flexible workforce development fund

- Projects, bids and innovation
- Commercial short course income
- International business development
- Entrepreneurship
- Commercial food and beverage financial performance.

The Chair referred to the significant variance in non-staff costs within the budget monitoring section of the report. The Director of Business Development advised that some income was not yet shown in the budget monitoring and that spend for return on investment was almost 0.5M. The increase in non-staff costs was a direct result of the increase in income as it related to delivery of activities, primarily under FWDF funding.

The Committee **NOTED** the outstanding achievement that 2 knowledge transfer partnerships (KTP's) had passed the initial criteria to be forwarded to a decision panel.

Gavin Ross left the meeting during consideration of the following item.

10. FINANCE MONITORING REPORT – JANUARY 2019

A joint report by the Director of Finance and the Finance Manager provided financial monitoring for the 6 months to January 2019. The Director of Finance highlighted the following issues

- The proposed upgrade to SUN 6.3 would assist with budget phasing
- There were some changes to SFC funding as a result of adjustments made in respect of National Pay Bargaining and support staff job evaluation funding. SFC had requested “actual FTE numbers in post on a specific date” as part of financial calculations on National Bargaining and this had resulted in reduced funding for the region.
- Funding had been received for support staff pay evaluation but the college was not yet incurring any costs
- The HE target was unlikely to be met but the PG target had been exceeded so would likely offset the RAM income for HE.
- It was anticipated that the MicroRam would result in a net outflow in excess of £500K based on the initial MicroRam projections received on 5 March 2019.

The Chair suggested that there needed to be more control in both expenditure and the monitoring of variances. There was discussion on the fragility of the UHI financial model and the view that the MicroRam was not fit for purpose. There was also discussion about what UHI would do with any RAM funding not passed to academic partners due to failure to reach HE student numbers as per the targets set by UHI Partnership Planning Forum (PPF).

The Committee **NOTED** the report and **AGREED** that the Director of Finance should present a detailed paper setting out the principles behind the MicroRam to the Board of Management meeting in June so that the Board could reach a considered position on this matter.

11. CAPITAL MONITORING REPORT – JANUARY 2019

A report by the Director of Finance provided an update on progress against the 2018-19 capital plan which ran from April 2018 to March 2019.

There was still an uncommitted sum of £15,117 against buildings and it was suggested that it might be prudent to reallocate this sum to equipment rather than buildings where it could more readily be identified as specific to research.

The Chair emphasised that it was important to use capital funding as a catalyst for revenue generation.

The Committee **AGREED** that financial reporting on the Longman Demolition project would be presented to the Longman Disposal Project Board.

12. E INVOICING

A report by the Director of Finance advised that the ability to deal with e-invoicing was a requirement under EU regulations and due to the delays with the implementation of Technology One, the College would be signing up to the Scottish Government solution, in line with advice from APUC, for implementation in April 2020.

The Committee **NOTED** the position but also recognised the tension around local SMEs being able to establish e-invoicing

13. SELF EVALUATION - IMPLEMENTATION PLAN ACTIONS

A report by the Board Secretary referred to a number of actions as a result of the committee evaluation exercise undertaken last year.

The committee **AGREED** to that consideration of this item be deferred to the next meeting in June.

The following items were included in the agenda for noting only and therefore no discussion took place at the meeting.

14. DEBT WRITE OFF REPORT

A report by the Director of Finance provided details of the proposed debts to be written off under the delegated authority of the Principal.

15. ICT SERVICES REPORT

A report by the ICT Services Manager provided an overview of active ICT projects including, cyber resilience, VLE review, UHI Wi-Fi, helpdesk software replacement, new VC solution and digital learning strategy

16. COMMITTEE SELF EVALUATION ACTION PLAN – PROGRESS

The action plan listed the progress being made.

17. DATE OF NEXT MEETING

Thursday 6 June 2019 at 9.00 a.m.

Signed by the Chair:



Date:

7/6/19