

**MINUTES of the MEETING of the FINANCE AND GENERAL PURPOSES COMMITTEE held in the Board Room, 1 Inverness Campus on Thursday 6 June 2019.**

**PRESENT:** Brian Henderson (by VC), Andy Gray, Helen Miller, Chris O'Neil, Tom Speirs

**CHAIR:** Brian Henderson

**APOLOGIES:** Carron McDiarmid, Gavin Ross

**ATTENDING:** Depute Principal Planning and Student Experience  
Depute Principal Academic Development  
Director of Finance  
Director of Organisational Development  
Director of External Relations  
Secretary to the Board of Management

**1. MINUTES**

The Minutes of the Meeting of the Finance and General Purposes Committee held on 7 March 2019 were **ACCEPTED** as a correct record, were **APPROVED** and would be signed by the Chair.

**2. OUTSTANDING ACTIONS**

**Action:**

Financial provision for backfill of staff absence in the 2019 budget.

The Director of Finance advised the pressures within the pay budget were such that it had not been possible to create such a provision for 2019/20. Backfill would be assessed on a case by case basis by the relevant central panel and the Committee were assured that this would only be "in extremis".

The Committee **AGREED** that this action could be closed.

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

**3. BUSINESS DEVELOPMENT REPORT**

A report by the Director of External Relations provided an update on business development activities and a comprehensive update to the CITB sub contractor issue.

Since the CITB issue had been brought to the attention of the committee at its meeting in March, Colleges Scotland had led a negotiation with CITB, asking them to increase the proportion of funding paid to the Colleges to enable the recruitment and deployment of work based assessors and legal advice had been provided to the Sector on the sub-contractor agreements. The Government had confirmed in mid-May that it would not pay Colleges the

additional costs of assessors (£2.2m in 2018/19 alone) and SQA would not delay the implementation of the Construction framework further. An extraordinary meeting of the College Principals Group was held at the end of May when a range of options around resolution were considered, both for current students and for future students (2019/20 intake).

The Director of External Relations provided an update, advising that she had taken a call from the UK Director of CITB where he had indicated that CITB were meeting on Monday 10 June to discuss the level of funding which was required for the assessors. This was considered to be a positive move by CITB.

It was clear that there were considerable risks but it was also acknowledged that there could be opportunities from the current situation. Further discussion would take place on the contract agreement, particularly the concerns which had been highlighted about the wording of the termination clause.

The Director of External Relations confirmed that Colleges, following CPG advice, were no longer holding a position nationally but that CITB were looking to work with the three main providers, namely Inverness, Perth and Forth Valley Colleges.

The Committee **AGREED** to recommend option 3 within the report to the Board of Management for approval

“Rapid transition. Maintain framework contract with CITB but do not take part in 2019-20 “call-off”. All new construction MA starts delivered through college contract.”

Whilst also acknowledging that the College might need to move to option 4, but only if it was unable to recruit sufficient MA's or full time construction students to make up for the credits associated with the sub-contract.

The Committee also sought clarification on the figures in Table 1 within Appendix 1 and the Director of External Relations confirmed that an amended table would be circulated to members.

The Committee welcomed the positive position on the other business development activities outlined in the report.

#### **4. REVENUE BUDGET 2019/20**

A report by the Director of Finance set out the proposed revenue budget for 2019/20, using the information currently available in relation to funding allocations from UHI as the Regional Strategic Body.

The Director of Finance confirmed that she was had still to receive confirmation or clarity on a number of elements within the budget.

The Committee considered the paper at length.

The Committee **AGREED** to recommend the proposed revenue budget (Option A) for 2019/20 to the Board of Management for approval with a specific recommendation that a discussion around staffing budget was part of the subsequent item.

**5. CAPITAL EXPENDITURE PLAN 2019/20**

A report by the Director of Finance provided information on the draft capital funding allocations to Inverness College UHI for 2019/20. The capital grant had reduced from a figure of £324,984 in 2018/19 to £170,919 for 2019/20

The Committee **AGREED** to recommend the Capital Plan 2019/20 to the Board of Management for approval

**6. CLEANING CONTRACT**

A report by the APUC Supply Chain Manager [Operational] UHI Partnership summarised the process undertaken during the procurement exercise for the cleaning contract the Committee thanked the APUC Supply Chain Manager for an excellent report and **AGREED**, subject to a satisfactory outcome to the tender clarification meeting, to recommend the award of the Cleaning Contract to Pristine Clean Services Ltd for a three year period commencing 1 November 2019 to the Board of Management for approval

**7. TERMS OF REFERENCE**

A report by the Board Secretary advised that the Terms of Reference of the Finance and General Purposes Committee had been reviewed in 2017 and a number of changes were made at that time.

The Committee **AGREED** that an amendment be made to Para 14 relating to buildings and estates and **RECOMMENDED** the TOR to the Board of Management for approval.

**8. DEBT WRITE-OFF REPORT**

A report by the Director of Finance provided information on the value of debts to be written off under the delegated authority of the Principal and sought approval from the committee to write off two debts in excess of the Principal's delegated authority level.

The Committee welcomed the more mature approach to debt management, recognising where debts were not recoverable.

The Committee **AGREED** to write off two debts which were incurred during 2015/16 and which were in respect of tuition fees due from international fee payers as follows.

- October 2015 £3,500 (remaining balance)
- June 2016 £4,600

The Committee also noted a debt which was over the limit for committee approval and which would be submitted to the SFC to write off.

**9. COMMITTEE SELF EVALUATION - IMPLEMENTATION PLAN ACTIONS**

A report by the Board Secretary reminded the Committee of the comprehensive self- evaluation exercise which was completed last year and of the actions had been identified.

The Committee discussed the outstanding actions and **AGREED** that the action list should be updated and that all actions should be shown as complete.

#### 10. **FINANCE MONITORING REPORT**

A report by the Director of Finance provided the financial position for 9 months to the end of April 2019.

The HE (PPF) target for 2018/19 for undergraduate students with a fee status of 'Scottish' or 'European' was 1,618 FTE. As at 24 May 2019 the FTE, counting by module attachment was 1,604.2 FTE. However, the Director of Finance advised that the figure had been reported by UHI as being lower but there was a lack of clarity as two different figures had been included in a recent report.

Supplies and services had a negative variance, the most significant of which was the increase in the LIS charge from UHI EO, increased costs relating to the FWDF provision and additional security cost associated with the Longman Campus.

The Director of Finance confirmed that she had reported a reasonably prudent position in terms of the forecast. Although the end of year forecast was showing a significant deficit, there were still a number of adjustments to be made.

The Committee **NOTED** the report.

#### 11. **CAPITAL MONITORING REPORT TO MARCH 2019**

A joint report by the Director of Finance and an Accountant advised that the full budget allocation of £324,984 had been spent at year end, namely 31 March 2019. The allocation had been split between ICT equipment, (£63,940), Research (£12,968) and Buildings (£248,076).

The budget for ICT equipment had been fully allocated by the ICT Manager against equipment refresh requirements.

The budget for buildings was £261,044 for all building capital expenditure including any necessary adjustments to the new campus buildings. An amendment was made to split this between buildings and research in light of reporting requirements for the BIS funds. This had now been fully committed with the completion of the Balloch Tractor Shed refurbishment and the remaining funds had been utilised in carrying out the installation of sinks and improved lighting in one of the Construction workshops.

The £12,968 Business Innovation Skills (BIS) capital funds had been used to partially fund the purchase of a van for the Research team.

The Committee **NOTED** the year end position.

*The Committee **AGREED** that the item 12 on the agenda, MicroRam, be moved under the line for noting only.*

## 12. RISK REGISTER ANNUAL REVIEW

A report by the Director of Finance asked the Committee to review the risks from the College risk register that were pertinent to the Finance and General Purposes Committee.

The Committee considered each of the risks presented and **REQUESTED** the Director of Finance to make the agreed amendments to the risk scores and the text as appropriate for risks

- 09 College fails to identify and take opportunities for development and progression
- 20 College does not achieve allocated HE student number targets
- 21 College does not achieve allocated FE credit targets
- 24 Non-compliance with relevant statutory regulations
- 26 Financial failure/operating loss. Inability to achieve a balanced budget
- 30 Institutional personal and sensitive data and/or services are disrupted, lost, stolen or misused

## 13. COMMITTEE CHAIR EVALUATION

To comply with the Code of Good Governance for Scotland's Colleges and good governance best practice, an annual of the Committee Chair required to be undertaken.

*The Chair left the meeting*

The Committee collectively, completed the annual Committee Chair evaluation exercise.

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

## 14. FINANCIAL PLANNING AUDIT REPORT - RECOMMENDATIONS

The Internal audit report on financial planning had been completed and had been presented to the Audit Committee

## 15. MICRORAM

A report by Director of Finance provided a brief overview of the UHI MicroRAM and how this operated in practice.

## 16. DATE OF NEXT MEETING

Thursday 26 September 2019 @ 09.00

**Signed on behalf of the Chair:**



**Date:** 26/09/2019