

Board of Management

MINUTES of the MEETING of the FINANCE AND GENERAL PURPOSES COMMITTEE held in Room 201d, Inverness Campus on Thursday 26 September 2019.

PRESENT: Andy Gray, Kelly Mackenzie, Chris O'Neil, Tom Speirs,
CHAIR: Neil Stewart
APOLOGIES: Carron McDiarmid, Gavin Ross, Brian Henderson, Director of External Relations
ATTENDING: Depute Principal Planning & Student Experience
Depute Principal Academic Development
Director of Finance
Director of Organisational Development
Secretary to the Board of Management

In absence of either the Chair or Vice-Chair of the Finance and General Purposes Committee, the meeting was chaired by the Chair of the Board of Management, Neil Stewart. It was agreed that the Board of Management would be asked to approve any decisions arising from the Finance and General Purposes Committee meeting at the next Board meeting on 10 October 2019.

1. MINUTES

The Minutes of the meeting of the Finance and General Purposes Committee held on 6 June 2019 were **ACCEPTED** as a correct record and it was **RECOMMENDED** that they be approved and signed by the Chair.

2. OUTSTANDING ACTIONS

Two items dated 7 December 2017 on the Outstanding Actions list were discussed. The Director of Finance advised that a lack of staffing had meant a delay in these items being completed.

The Committee noted that the Director of Finance herself was leaving the College at the end of December and it might take some time to recruit and provide appropriate training for her replacement. It was **AGREED** that the timescale for preparation of a Finance Monitoring Report would be extended by six months to April 2020.

It was **AGREED** that the Director of Finance and the Director of Organisational Development would produce a joint paper on the debt recovery position for the next Financial and General Purposes Committee on 5 December 2019.

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. SFC FINANCIAL FORECAST RETURNS (FFR) 2019

The Director of Finance spoke to her report.

She referred to the annual requirement for colleges to complete a Financial Forecast Return (FFR) to the SFC. This formed part of the SFC's financial health monitoring framework. The FFR provided financial projections over a six year period, the current academic year (as at June) and the following five years. The 2019 FFR spanned the period to 2023-2014. In line with SFC guidance, the draft FFR 2019 had to be signed by the Principal and submitted by 27 September.

The Committee noted that there were a number of factors which could impact the financial forecast and it was **AGREED** that the Director of Finance would prepare a report for the next committee identifying a 'worst case' scenario.

The Board recognised that SFC's stringent requirements had the potential to skew the true financial position not just for Inverness College UHI but colleges across the sector. After discussion, the Committee **AGREED** to recommend that the Board of Management approve the submission of the FFR subject to it being submitted with a strongly worded statement highlighting Board concerns. It was **AGREED** that the Director of Finance would draft a statement for approval by the Board.

4. **FUNDING APPLICATION TO THE FOUNDATION**

The Director of Finance spoke to her report and explained the reasons behind the proposed applications to the Scottish Colleges Foundation for funds. It was **NOTED** that upgrades were needed for both ICT equipment and AV Equipment in the Lecture Theatre.

After discussion regarding the level of sums sought, the Committee **AGREED** to recommend that the Board approve the submission of the application to the Scottish Colleges Foundation.

5. **FINANCE MONITORING REPORT JULY 2019**

The Director of Finance spoke to a joint report prepared by herself and the Finance Manager.

The purpose of the report was to provide the Committee with an update on the corporate financial position of the College for the year 2018/19 as at July 2019. The position is prior to year-end adjustments.

The Committee **NOTED** the report and welcomed assurances by the Director of Finance that the reporting format was currently under review and would change in the future with the aim of providing enhanced information to committee members.

6. **CAPITAL MONITORING REPORT 2019/20**

The Director of Finance spoke to her report and provided the committee with information on the plans to utilise the 2019/20 capital budget. The Committee **NOTED** the position.

7. FINANCE SYSTEM STATUS UPDATE

The Director of Finance spoke to her report and explained that there had been considerable difficulties with the upgrade of the College's finance system predominantly caused by lack of progress within UHI's Core Project Team.

The Committee noted the concerns and it was **AGREED** that the Director of Finance and the Director of Organisational Development would prepare a letter to be submitted by the Board to UHI seeking immediate assistance in relation to this matter. The draft letter would be prepared for approval by the Board at the next Board meeting on 10 October 2019.

8. STRATEGIES - REVIEW OF PROGRESS

The Director of Finance advised that a detailed strategy paper would be prepared for the next Board meeting on 10 October 2019.

The Committee **NOTED** that in addition, the Principal's report (also for discussion at the next Board meeting) would include a review of strategies.

9. BUSINESS DEVELOPMENT REPORT (CONFIDENTIAL)

The Director of Finance spoke to the Director of External Relations' report in her absence.

The Committee **NOTED** the performance report for 2019/19 and the outcome of the CITB contract.

The Committee wished to formally acknowledge the excellent work of the Director of External Relations in handling the CITB issue.

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

10. UPDATE ON ACCOUNTS AND EXTERNAL AUDIT PROCESS 2018/19

A report by the Director of Finance provided the Committee with an update on the final accounts and external audit process for the 2018/19 financial year.

11. REVENUE BUDGET RE-FORECAST 2019/20

A report by the Director of Finance provided the Committee with a re-forecasted revenue budget for 2019/20 using funding information and allocations confirmed post budget approval.

12. ESTATES AND CAMPUS SERVICES REPORT

A report by the Director of Organisational Development provided the Committee with an update on developments over the last quarter in relation to campus matters.

13. AOCB

None.

14. DATE OF NEXT MEETING

Thursday 5 December 2019 at 9.00 a.m.

Signed on behalf of the Chair:

A red square containing a handwritten signature in black ink. The signature is stylized and appears to be 'A. P.' or similar.

Date: 05/12/2019