

Board of Management

MINUTES of the MEETING of the FINANCE AND GENERAL PURPOSES COMMITTEE held in the Board Room, 1 Inverness Campus on Thursday 27 September 2018.

PRESENT: Andy Gray, Helen Miller, Chris O'Neil, Gavin Ross, Tom Speirs
CHAIR: Gavin Ross
APOLOGIES: Brian Henderson, Carron McDiarmid
ATTENDING: Director of Finance
Director of Organisational Development
Secretary to the Board of Management

1. MINUTES

The Minutes of the Meeting of the Finance and General Purposes Committee held on 7 June 2018 were **ACCEPTED** as a correct record, were **APPROVED** and 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.

Sign Language costs

The Director of Organisational Development advised that a steering group had been formed by the College with representation from the Highland Council and other public bodies. The College also planned to introduce BSL evening classes for staff and to take forward a number of other initiatives.

3. FINANCE STRATEGY

A report by the Director of Finance introduced the Finance Strategy for the period 2018/19 – 2022/23 which had been prepared taking into account other College strategies, an appreciation of the financial risks to the institution, and an understanding of opportunities and areas for development. The suggested key performance indicators flowed from KPIs commonly used. Some of these were used by SFC when assessing financial performance.

The Committee discussed at length the six strategic objectives and clarification was provided on a number of questions which were raised. With regard to the KPIs it was suggested that benchmarking of KPIs was important rather than having specific targets. It was acknowledged that it would be helpful to provide a commentary with the KPI data so that it was put into context. It was **AGREED** that the Chair of the Board be asked to request the UHI Court to seek benchmarking data from SFC.

The Committee **AGREED** to **RECOMMEND** the finance strategy to the Board of Management for approval subject to Strategic objective 6 being

strengthened to include a role out of the process and monitoring, as well as the training and cultural approach cited.

4. SFC FINANCIAL FORECAST RETURN (FFR) 2018

A report by the Director of Finance referred to the annual requirement for colleges to complete a Financial Forecast Return (FFR) by 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 2018 FFR spanned the period to July 2023. In line with SFC guidance, the draft FFR 2018 had to be signed by the Principal and submitted to SFC by 28 September.

The biggest financial challenge facing not just IC UHI but the sector as a whole was the impact of National Pay Bargaining.

It was generally acknowledged that there had to be a complete review of the UHI funding model as any changes to funding for some colleges could have a disproportionate impact on other colleges.

Following discussion on staff costs, it was **AGREED** that the Director of Finance would make provision for staff absence in the 2019 return.

The Committee **AGREED** to **RECOMMEND** the SFC FFR 2018 to the Board of Management for approval subject to a reference to Brexit being included in the "other issues" section.

5. FINANCE TEAM – RESOURCE AND CAPABILITY

A report by the Director of Finance outlined the current resourcing of the finance function and the position regarding the long awaited replacement finance system. The Finance Manager had undertaken a review of resource required to maintain service levels, build resilience and provide stability within the team and a number of positions would be made permanent. This, combined with a process review currently underway should alleviate some of the current pressures. Whilst this should enhance the level of support provided to managers, it was unlikely that this would fully address the need for further appropriately skilled financial expertise to support managers in meeting the challenges faced. A full review was to be carried out by bringing in external resource to identify opportunities and requirements.

The Committee **NOTED** the position.

6. FINANCE MONITORING REPORT JULY 2018

A report by the Director of Finance set out the results of the finance monitoring for the 12 months to end July 2018. Although there was a positive variance of £67K, it was against a significant deficit.

The Committee discussed the main areas of overspend, namely staff costs, supplies and services variances and debt. The Director of Finance confirmed that management were actively working with managers and raising awareness of procurement. The debt figure related to an in month increase as a large number of invoices had been sent out towards the end of the year.

There was also discussion on the low occupancy rates of the student residences which were of serious concern. The current criteria regarding occupancy meant that the college had to place apprentices in private rented accommodation rather than in the residences.

The Committee **NOTED** the report and welcomed the assurance by the Director of Finance that she planned to change the reporting format so that the Board could more easily identify the underlying position.

7. CAPITAL MONITORING REPORT 2018/19

A report by the Director of Finance provided an update on the capital monitoring report for 2018/19 and advised on the approach to ensure that the funds were fully utilised by March 2019.

The Committee **NOTED** the report.

Tom Speirs and Andy Gray left the meeting during discussion of the following item.

8. STRATEGIES – REVIEW OF PROGRESS

Progress reports had been prepared by the Director of Organisational Development on the estates and ICT strategies and by the Director of Business Development on the marketing and communications and business development strategies.

The Committee **WELCOMED** the progress which was being made across all these strategies.

9. NATIONAL BARGAINING

The Director of Organisational Development gave a very brief update on the national bargaining position. A full report would be submitted to the Board of Management at its meeting on 11th October.

10. COMMITTEE EVALUATION

A report by the Board Secretary advised that all members had completed the committee self evaluation process. A number of points of clarification had been made and a number of actions identified.

The actions outlined in the report were agreed and the Board Secretary was **ASKED** to draw up an implementation plan for the next meeting.

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

11. DEBT WRITE OFF REPORT

A report by the Finance Services Manager provided information on the debts that had been written off by the Principal under delegated authority.

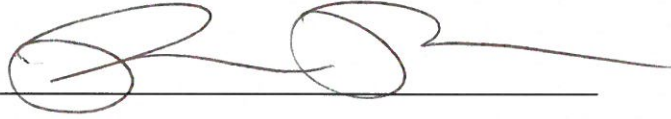
12. UPDATE ON ACCOUNTS & EXTERNAL AUDIT PROCESS 2017/18

A report by Director of Finance provided an update on the final accounts and external audit process and timescale for 2017/18.

13. DATE OF NEXT MEETING

Thursday 6 December 2018 at 9.00 a.m.

Signed by the Chair:

A handwritten signature in dark ink, consisting of several loops and a long horizontal stroke, written over a horizontal line.

Date:

6/12/18