

Board of Management

MINUTES of the MEETING of the FINANCE AND GENERAL PURPOSES COMMITTEE held in the Board Room, 1 Inverness Campus on Thursday 7 June 2018.

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

Carron McDiarmid declared an interest in item 2, namely the collaborative approach to sign language costs with Highland Council

1. MINUTES

The Minutes of the Meeting of the Finance and General Purposes Committee held on 8 March 2018 were **ACCEPTED** as a correct record, were **APPROVED** and signed by the Chair.

Andy Gray joined the meeting

2. OUTSTANDING ACTIONS

Resources – Finance Team

The Committee expressed concern at the potential loss of 50% of the Joint Director of Finance role to Moray College, noted the backfill to be provided for the Finance Manager while she undertook a full review of the staffing resource requirements of the Finance Team and the imminent departure of a current finance team member. A report would be submitted to the next meeting in September.

ALF / GTEIL final account

With reference to a final account from GTEIL so that the College would know the level of funds left in the ALF - A final list of Group 2 items had been submitted and the Directors of Organisational Development and Finance were checking the items included. It was hoped that the final figure would be revised downwards but the college would be able to meet the costs of the final account as agreed.

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

3. REVENUE BUDGET 2018/19

A report by the Director of Finance provided a proposed revenue budget for 2018/19, using the information currently available in relation to funding allocations from UHI as the Regional Strategic Body.

The Director of Finance spoke to her report, highlighting the following issues:-

- The FE credit target for the Highlands and Islands Region had been reduced by 1,136 credits
- The FE capital and maintenance grant for 2018-19 had been reduced from the previous year and the element of grant proposed to be allocated specifically for revenue maintenance was £70,000
- 1.1M had been allocated for national bargaining pay costs for lecturing staff but this did not include cost of living increases or for any costs relating to support staff pay awards.
- Other income included a number of income headings, including e.g. nursery fees, commercial hospitality income and research income.

The Committee discussed the report at some length, and the following points were made:-

- the need to disaggregate the other income heading to give clarity to the individual elements,
- the level of exposure and whether contingency plans were in place if targets were not met
- whether costs were adequately controlled; if staff were fully aware of their roles and responsibilities
- the efficiency and effectiveness of the top slice by EO and whether the College was receiving the level of service required

The Committee **AGREED** to **RECOMMEND** the draft revenue budget for 2018-19 to the Board of Management for approval, together with a supplementary covering report, which highlighted the key points raised during the discussion.

4. CAPITAL EXPENDITURE PLAN 2018/19

A report by the Director of Finance provided information on the capital funding allocations to Inverness College UHI for 2018/19 and the proposed use of these funds. The report also set out two options for the internal budget allocation of the capital funds.

The Director of Finance spoke to her report, highlighting the following issues:-

- The FE capital allocation for 2018/19 was £194,605 as against an allocation of £276,846 for 2017/18.
- The reduction in FE capital allocation and restrictions on the use of some of the allocated funding had resulted in a reduction of funding available for ICT and other equipment procurement, after allowing for a reduced level of investment in general maintenance.

The Committee discussed the report and **AGREED** that option two within the report was the preferred option, namely: that no budget allocation be made for other capital equipment in 2018/19 and the distribution was instead allocated to ICT. This was on the basis that a number of items identified through the

operational planning process had already been taken forward through the most recent submission to the Scottish Colleges Foundation.

Accordingly, **AGREED** to **RECOMMEND** the draft capital budget for 2018-19 to the Board of Management for approval, based on option 2 above.

5. **INTERNATIONAL STRATEGY**

A covering report by the Director of Business Development provided some background to the development of the international strategy and its link to the UHI Strategic Vision and plan 2015-2020.

The Committee discussed the draft strategy and were pleased to note that

- the focus was on students and the benefits of global citizenship
- there was a plan to extend the summer schools currently on offer and that the small profit margin from these summer schools would be reinvested in the International Development budget for the following year.
- the targets were both realistic and achievable

The Committee thanked the Director of Business Development for a well-written and clear piece of work and **AGREED** to **RECOMMEND** the international strategy to the Board of Management for approval, subject to baseline figures being added to targets for comparison.

6. **FINANCE MONITORING REPORT**

A report by the Director of Finance provided an update on the financial position for the current financial year as at 30 April 2018. She highlighted the following points

- Further adjustments would be required before the year end
- It was hoped that FE student activity would be within 150 – 200 credits of the target figure.
- The HE target had already been exceeded
- There were concerns with the way the micro RAM (relating to networked activity) had been redistributed and this would be discussed with UHI.
- Both staffing and supplies and services costs showed a negative variance
- There were concerns over the lack of finance available for statutory building maintenance functions.

The Committee **NOTED** the variances as at end of April 2018, expressed concern at the continued negative variances in supplies and services and **AGREED** that the UHI Court be asked for a breakdown of the UHI top slice, this information to be included in the supplementary report for the Board of Management on the Revenue Budget 2018/19.

7. **CAPITAL MONITORING REPORT TO MARCH 2018**

A report by the Director of Finance provided the final outturn position on the capital plan for 2017/18 as the capital year ran from April to March. There was a small overspend of £6,719.

The Committee discussed the importance of measuring the return on capital investment and **NOTED** the final outturn position on the capital plan for 2017/18.

8. GALLIFORD TRY FACILITIES MANAGEMENT (GTFM) MONITORING REPORT

A report by the Director of Organisational Development provided an account of GTFM, Hard FM contract performance across the following areas

- Level of service in relation to reactive maintenance
- Customer service centre and concept
- Monthly deduction reports – paymech
- Temporary repairs
- Other performance standards
- Authority change notices
- Defects
- Planned preventative maintenance (PPM)

The Committee **NOTED** the report, particularly the improvement in performance but expressed concern at how costly and time consuming this level of monitoring was for staff within the college

9. BUSINESS DEVELOPMENT REPORT

A report by the Director of Business Development provided an update on business development activity as follows:-

- Modern Apprenticeship SDS contract performance for 2017/18 was £462,783, an increase of 15% on 2016/7. This figure did not include the associated SFC income.
- Modern Apprenticeship contract starts had increased by 30% in 2017/18.
- Short course income to March 2018 was £314K against a budget of £197K, this was due to Flexible Workforce Development income of £153K received to date.
- Un-budgeted FWDF bids approved to date amounted to £264K, of which £54K would fall into 2018/19.
- International short course provision with US Universities will be delivered throughout May and June.
- CREATE had submitted a range of funding bids for regional and national programme delivery.
- The Commercial Food and Beverage operation was performing in line with financial expectations.

The Committee **WELCOMED** the growth across the different areas of business development.

10. RISK REGISTER ANNUAL REVIEW

A report by the Director of Finance provided a summary of the risks on the college's Risk Register that related to the remit of the committee.

The Committee discussed the relevant risks and **REQUESTED** that the SMT review risks

- 22 "The institution has a poor reputation" – there was a lack of consistency between the gross risk and the residual risk scores
- 30 "Institutional, personal and sensitive data and/or services are disrupted, corrupted, lost, stolen or misused through serious inappropriate usage of IT systems or data, by internal users of the university partnership or external factors" (an action plan was required).

11. FINANCE & GENERAL PURPOSES COMMITTEE EVALUATION

To comply with the Code of Good Governance for Scotland's Colleges and good governance best practice, an annual evaluation of the Committee required to be undertaken. All Board members had completed the evaluation exercise and the Board Secretary would combine all responses into one document. A list of actions would be developed and would be submitted to the next meeting in September.

The Chair left the meeting

12. COMMITTEE CHAIR EVALUATION

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

The Committee collectively completed the annual committee chair evaluation exercise

The Chair re-joined the meeting

The following items of business were included in the agenda for noting so no discussion took place at the meeting

13. 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.

14. NEW FINANCE SYSTEMS UPDATE

A joint report by the UHI Director of Business Improvement and the Director of Finance provided an update on the status of the new finance system implementation. The agreed date of 8 May for Inverness College UHI to commence user acceptance testing (UAT) had been postponed and as a result, the college could not commit to a 1 August go live date because of the level of risk involved.

15. ICT SERVICES REPORT

A report by the ICT Services Manager provided an overview of active ICT including:

- Cyber Resilience
- UHI Wi-Fi
- UHI Finance System Project
- VLE Review
- Helpesk Software Replacement
- ICT service review.

16. ESTATES AND CAMPUS SERVICES REPORT

A report by the Estates and Campus Services Manager set out the main developments over the last year in the following areas:

- Capital Projects
- Contract Management
- Estates Helpdesk development


17. FOUNDATION UPDATE

A report by the Director of Finance provided the final versions of the applications submitted to the Scottish Colleges Foundation for their meeting on 25 April 2018 and an update on the grant offers made.

18. DATE OF NEXT MEETING

27 September 2018 @ 09.00

Signed by the Chair:



Date:

27/09/18