

FINANCE AND GENERAL PURPOSES COMMITTEE

MINUTES: 21 November 2017

Present: Jim Hannigan (in the Chair), Audrey Cumberford, John Leburn.

Attending: David Alexander (Vice Principal Operations), Alan Ritchie (Director of Finance and Estates), David Black (Director of IT), Vivienne Mulholland (Head of Finance and Student Funding), Gwen McArthur (Secretary to the Committee).

Apologies: Angela Wilson, Keith McKellar.

FPM148 DECLARATION OF INTERESTS

Audrey Cumberford and David Alexander declared an interest as Trustees of West College Scotland Foundation. David Alexander declared an interest as a member of the Council of the Scottish Funding Council (SFC) and Chair of the SFC Audit and Compliance Committee.

FPM149 MINUTES

The minutes of the meeting held on 6 June 2017 were approved.

FPM150 ACTIONS

The Committee noted a report on actions taken since the last meeting, and in particular the following matters:

- .1 Operational Planning (FPM118)** – the Vice Principal Operations informed the Committee that the Corporate Development Committee had oversight of this matter and was currently working on this. It was also the intention to review and refresh the Corporate Plan which would be brought to the Board for consideration later in the session, probably after Easter 2018. There was, therefore, no further action required from the Committee at this time.
- .2 Oakshaw/Inchinnan Project (FPM131.2)** – the Committee was pleased to note that the Oakshaw/Inchinnan project was proceeding to plan and would be completed within budget. Of the 7 sub-projects: 5 were now complete; 1 would be completed by Christmas; and the final sub-project was out for tender and would be completed by February 2018. A post-occupancy review would be conducted at a later stage and the findings used to inform future projects.
- .3 Performance Dashboard Indicators (BM397; FPM137)** – the Committee had agreed the 3 main key performance indicators (KPI's) that it would monitor, these being: the overall financial performance of the College; cash and working capital management; and cost control. These indicators were

incorporated into the Management Accounts pack allowing the Committee to monitor them. The Corporate Development Committee was developing a performance dashboard for the Board which would come forward for consideration later in the session.

FPM151 SFC FINANCIAL FORECAST RETURN (BM402; FPM140)

At its last meeting in June 2017 the Committee had agreed the Budget for 2017/18 and recommended it to the Board where it had been approved, along with the 5 year Financial Strategy. However, following this meeting the SFC had requested that further financial modelling be undertaken for the next 5 year period by all colleges in completing and submitting the Financial Forecast Return (FFR). The Finance Team had worked on the FFR over the summer and, due to the reporting timescale involved, the Board had considered this at its meeting in October. The FFR had been submitted to SFC following the Board meeting but, to date, no feedback had been provided to the College.

It was accepted that the College could not start to plan its future Financial Strategy until it had further information from SFC, and was able to consider this along with the wider strategic discussions that were ongoing with the SFC. The Committee had approved a balanced underlying operating budget for 2017/18, but was aware that the financial position of the College would become more challenging in future years. The Finance Team would continue to monitor spend and report as necessary, incorporating further information from the SFC as and when this becomes available. **[Action: DA; AR]**

FPM152 REMIT, MEMBERSHIP AND DATES OF MEETINGS IN 2017/18

The Committee considered its remit and membership and noted the dates of meetings in 2017/18. It was noted that Angela Wilson had agreed to join this Committee. In considering the Committee remit some amendments were proposed.

The Committee

RECOMMENDS to the Board that the proposed amendments be made to its remit as set out in Annex 1 to the minutes. **[Action: GMcA]**

FPM153 MONITORING OF REGIONAL OUTCOME AGREEMENT (FPM141)

The Committee noted a paper which identified the elements in the Regional Outcome Agreement (ROA) 2017/18 – 2019/20 that fell within its remit and the processes that would be used to monitor progress against these outcomes. The Committee **agreed** the processes to be used in monitoring progress against the relevant outcomes in the ROA.

In discussion it was acknowledged that the Board had responsibility for the ROA and **agreed** that the Committee Schedule of Business for 2017/18

enabled the Committee to monitor progress against those areas of the ROA that fell within its remit. **[Action: DA]**

FPM154 VICE PRINCIPAL UPDATE (FPM133)

The Vice Principal Operations provided the Committee with an update on a range of matters relating to the financial position of the College and IT development, including the following:

- .1 Funds arising from net depreciation** - the College Budget for 2017/18, previously approved by this Committee and the Board, had agreed that funds arising from net depreciation would be used to support:
 - i. the repayment of bank loans [REDACTED];
 - ii. to maintain levels of student support funding [REDACTED];
 - iii. to meet the cost of essential estates works [REDACTED].

These priorities had been discussed and agreed in principle with SFC, but SFC still required to secure formal approval from the Scottish Government, which was still awaited. The Committee was aware that any cash arising from net depreciation could only be used to support the areas identified above.

- .2 Student Support Funding** - a review of Student Support Funding had recently been conducted and the Review Group had published an outcome report the previous day. This would be considered further and a report on this would be brought to the next Committee meeting in March, by which time the Scottish Government's views and a sector position might be available.

[Action: DA; AR]

- .3 Dialogue with SFC** - the College was continuing its dialogue with SFC on a number of matters including the financial sustainability of the College and the actions required to achieve a sustainable College. It was hoped that the next meeting with the SFC would be held in December where the main topics for consideration would centre round curriculum strategy, workforce planning and estates. The Senior Management Team were preparing a Development Plan for SFC in order to aid the discussions. The Committee, and the Board, would be kept informed of progress with these discussions. **[Action: AC; DA]**

- .4 National Bargaining** - the Vice Principal Operations provided the Committee with an update on progress with National Bargaining. It was noted that a pay deal for 2017/18 had been reached with the support side, and that a job evaluation exercise would be undertaken nationally. The Committee was disappointed by this as the College had previously undertaken a job evaluation exercise following regionalisation and would now have to undertake another exercise.

In relation to teaching staff it was noted that no agreement had been reached on a pay deal for 2017/18. In relation to the agreement on national harmonisation of pay, terms and conditions, the first 25% of this had been paid in July 2017, with the next 25% due to be paid in 2018 subject to final agreement being reached on a deal, but this was still under discussion at national level. The Vice Principal Operation would continue to update the Committee on progress as and when appropriate.

.5 IT Development – the Director of IT informed the Committee that an update report on implementing the IT Strategy would be brought to the next meeting for consideration. In the meantime he provided the Committee with an update on the following matters:

i. **Skype for Business** – following a procurement exercise the College had appointed Exactive to support the initial implementation of the Skype for Business project. A number of pilots would run across the College in 2018 following which it was anticipated that there would be a full implementation in 2018/19. The Committee welcomed this information and noted the project would provide a unified communications platform that enabled instant messaging, audio and video conferencing, online meetings and real time presence. The aim was to change the way the College worked, not just for staff but for students also as it could be used to support teaching and learning.

ii. **Internal Audit: IT Security Health Check** – the Committee was pleased to note that Internal Audit had conducted a health check review of IT security in the College. The report from this review would be provided to the Audit Committee at its next meeting in December and would be brought to the next meeting of this Committee. **[Action: DA; DB]**

iii. **Scottish Cyber Resilience Consultation** – it was noted that the Scottish Government had recently issued consultation papers to all public sector bodies on an intended Cyber Resilience Action Plan. This Action Plan included 6 key actions on public sector bodies and was supported by an Implementation Toolkit. A timeline for plan implementation ran until October 2018, with regular milestone activities scheduled along the way. A further update on this would be brought to the next meeting along with the IT Strategy update. **[Action: DB]**

iv. **Technology One Finance System** – the Committee noted that the implementation of the Technology One Finance System had been delayed. While Technology One would provide an improved reporting system assurances around the levels of expertise and support required to implement this system were still being sought. In the meantime the College was continuing to use the existing system, Symmetry. The College was

currently taking advice on this matter and a progress report would be brought to the next meeting. **[Action: AR]**

The Chair thanked the Vice Principal Operations for his report and the Directors of IT and Finance and Estates for their input.

FPM155 PROCUREMENT – ANNUAL STRATEGY AND REPORT UPDATE (FPM124; 100)

The Committee received an update on the implementation of the Procurement Strategy 2016 – 2020 and the Annual Procurement Report which covered the period 1 January to 31 July 2017. The Annual Report was a requirement of the Procurement Reform Act and required to be made publicly available. It was noted that in the future the annual reports would cover the period 1 August to 31 July each year. The Committee was pleased to note the progress made in relation to the Procurement Strategy objectives. In looking ahead the Committee noted the objectives set for the coming year. However, it was also noted that not all regulated procurements were under the control of the College as some of these, such as utilities, were within the control of the Scottish Government. The procurement processes would develop further over the period of the Strategy. It was also noted that PCIP had directed the College team to speak to Clyde College regarding best practice in procurement. The Committee welcomed this report.

FPM156 MANAGEMENT ACCOUNTS TO 31 OCTOBER 2017 (FPM136)

The Committee received the Management Accounts for the first quarter to 31 October 2017. The Management Accounts presented forecast a financial deficit of ████████ which was consistent with the deficit approved by the Board of Management at its meeting in June 2017 (BM374). They also showed an underlying operating break even position after accounting adjustments. The Committee noted this information and **approved** the Management Accounts for the period to 31 October 2017 which would be presented to the Board at its meeting in December for information. **[Action: DA; AR]**

FPM157 FINANCIAL STATEMENTS 2016/17

The Committee received the draft Performance and Accountability Report and Financial Statements for the year ended 31 July 2017. These would be discussed later at a joint meeting with the Audit Committee. The Committee was pleased to note that the College continued to generate a small operating surplus, had sufficient cash at bank to meet its on-going capital requirement, and continued to manage its debtors and creditors.

The Committee **agreed** that it was satisfied with the information provided and that the Performance and Accountability Report and Financial Statements 2017 be approved for presentation to the Joint meeting of the Audit Committee and this Committee. **[Action: DA; AR]**

The Committee also expressed their thanks to the Vice Principal Operations, the Director of Finance and Estates, the Head of Finance and Student Funding and their team for all their hard work in achieving such a good result for the College.

FPM158 AUDIT SCOTLAND REPORT (FPM99)

The Committee noted the Audit Scotland Report – Scotland’s Colleges 2017. Audit Scotland had made a number of recommendations for the Scottish Government, SFC and colleges. It was noted that a key recommendation for colleges was the need for 5 year financial planning to be in place, which the College already had in place.

FPM159 STRATEGIC RISK REGISTER (FPM142)

The Committee noted the Strategic Risk Register and was of the view that all the matters it contained were being addressed.

FPM160 BAD DEBT REPORT 2016/17 (FPM107)

The Committee noted the report on bad debt collection and write-off in 2016/17. The Committee noted the procedures in place and that all actions complied with College Financial Regulations.

FPM161 ANNUAL REVIEW OF BANKING ARRANGEMENTS (FPM103)

The Committee noted a report on the banking arrangements for the College, including the completion of the transfer to the Scottish Government’s banking service operated by the Royal Bank of Scotland, the bank loan agreements/covenants currently in place, and the bank signatories.

FPM162 ANNUAL REPORT ON TAXATION MATTERS (FPM106)

The Committee noted the annual report on taxation matters.

FPM163 INTERNAL AUDIT REPORTS

.1 Estates and Asset Management

The Committee noted the Internal Audit Report on Estates and Asset Management.

.2 Internal Audit Plan 2017/18

The Committee noted the Internal Audit Plan 2017/18.

FPM164 SCHEDULE OF BUSINESS 2017/18

The Committee noted its schedule of business for 2017/18.

FPM165 NEXT MEETING

Tuesday 6 March 2018 at 4.00 p.m. at the Clydebanks Campus.

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GMcA/22.11.17/Final