

## Board of Management

### MINUTES of the MEETING of the FINANCE AND GENERAL PURPOSES COMMITTEE held in the Board Room, 1 Inverness Campus on Thursday 8 December 2016

**PRESENT:** Brenda Dunthorne Brian Henderson, Diane Rawlinson, Gavin Ross  
**CHAIR:** Brian Henderson  
**APOLOGIES:** Mick Longton, Helen Miller  
**ATTENDING:** Depute Principal  
Director of Business Development (items 1-3)  
Interim Director of Corporate Services  
Finance Services Manager  
College Secretary

1. **MINUTES OF THE MEETING OF THE FINANCE AND GENERAL PURPOSES COMMITTEE HELD ON 22 SEPTEMBER 2016**

The Minutes of the Meeting held on 22 September were **ACCEPTED** as a correct record, were **APPROVED** and signed.

#### Matters arising

##### **Item 4 – Business Development/International**

The Principal confirmed that UHI were reviewing their International Strategy. The College would use their updated strategy to inform the review of the College strategy.

##### **Item 5 – Finance Monitoring report (creditor and debtor payment schedules)**

The Principal confirmed that a proposed strategy that would lead to consistent and progressive improvements in creditor and debtor payment schedules would be developed for the Board of Management meeting in March 2017

##### **Item 7 – Banking Annual report**

The Finance Services Manager confirmed that the College had transitioned across to the Government banking framework with no practical changes to the banking arrangements.

2. **DEBT WRITE-OFF REPORT – NOVEMBER 2016**

A report by the Director of Corporate Services provided information on the debtors which had been written off by the Principal under delegated authority and sought approval by the committee to write off one debt over £3,000.

In response to a number of questions from the Committee, the Principal advised that a Project Manager, shortly to be appointed to assist the Finance Team, would review all internal finance processes in advance of the new

Finance System being rolled out across UHI. This would include looking at instances where multiple debts relating to one individual, for example for nursery fees, were written off.

The Committee **AGREED** to write off a debt in the sum of £4,320, as detailed in the report, as the company in question had gone into liquidation.

### 3. **BUSINESS DEVELOPMENT UPDATE**

The Director of Business Development referred to her report which gave a summary of performance and budget monitoring across the key business development teams, namely business solutions, SDS contracts, CREATE and international development.

During discussion the Committee **REQUESTED** the Director of Business Development to provide timelines for the sector strategies which were under development. In answer to a question for the Chair, the Principal confirmed that strategies were going to be taken forward for Tourism and Health.

The Committee **NOTED** the report, particularly the positive financial headlines.

### 4. **FINANCE MONITORING REPORT**

A report by the Director of Corporate Services provided the results of the finance monitoring exercise for the first two months to September 2016 under the following headings. As already reported to the Learning and Teaching Committee, the College would not achieve its HE activity target this year. This deficit would be managed within the overall budget. Although the target would not be achieved, the activity was higher than the previous academic year.

Reference was made to the unitary charge income and expenditure figures and it was confirmed that these would be adjusted when the new finance system was introduced.

With regard to the support staff pay negotiations, reference was made to the risk associated with any agreed pay award and the lack of control the College had because of national pay bargaining. The Financial Services Manager confirmed that there were sufficient funds within the budget this year for any expected negotiated award.

The Committee suggested that it would be beneficial if the Finance Project Manager could carry out profiling across some budget headings as there were very high variance figures, e.g. supplies and services expenditure, and also look at the time lag relative to some of the Finance reports.

The Committee **NOTED** the report.

### 5. **CAPITAL EXPENDITURE PLAN REPORT 2016/17**

A report by the Director of Corporate Services referred to the announcements by SFC and UHI in November 2016 of additional allocations of capital expenditure funding for FE and HE respectively. The figures had been finalised since the report was written and the grant funding from SFC for



2016/17 was now £202,000 (originally £62,000). The capital funding from UHI was £394,000 (originally £133,000).

Overall, the Capital Expenditure Plan figure for 2016/17 was now £596,000 and plans were in place to utilise the funds in full

The Financial Services Manager referred to the application by the College in September to the Arm's Length Foundation (ALF) which included £127,000 for new equipment. Following the announcement of additional funding, the College had informed the ALF that it no longer required the £127,000 requested. The remainder of the ALF application was unaffected.

The Committee **WELCOMED** the additional capital expenditure funding but noted the challenge to ensure that all funds were spent by the end of March 2017. During discussion it was suggested that it would be beneficial for the college to indicate future proposed developments which would require funds from the ALF. The Principal confirmed that a report on forward development planning would be submitted to the next meeting of the Committee in March 2017.

#### **6. FINANCE STRATEGY ANNUAL REPORT**

A report by the Director of Corporate Services outlined the financial KPIs included within the Financial Strategy for the year to 31 July 2016, as well as the benchmark figures across the college sector for 2014/15.

The revised financial strategy had been approved by the Board of Management in September 2012. As well as highlighting the 5 key objectives for the college in ensuring financial sustainability, it also set out KPI's which should be reported on an annual basis. The number of KPI's had been reduced from 7 to 5 at the Finance and General Purposes committee meeting in December 2014.

The Committee raised a number of concerns about the quality and value of the information being reported. It was acknowledged that a full review of the Finance Strategy was required. The Committee was pleased to **NOTE** that the approach which would be taken by the College tied in with the recent Audit Scotland report on Scotland's Colleges which recommended that colleges should prepare long term financial strategies.

The Principal confirmed that a set of proposals for finance KPIs would be submitted to the committee as part of the next steps of the strategic planning process.

#### **7. GALLIFORD TRY FACILITIES MANAGEMENT (GTFM) MONITORING REPORT**

A report by the Director of Corporate Services made reference to the GTFM report on activity for the month of October 2016. GTFM continued to perform below the standard stipulated in the facilities management contract. Scottish Futures Trust (SFT) were working closely with the College, GTFM and GTEIL to assist GTFM and GTEIL in their understanding of their contractual obligations and of the payment mechanism.

The Finance Services Manager confirmed that agreement had now been reached on the underpinning mechanism for calculating the deductions but information flows were not working well and overall progress was very slow. Under the terms of the contract, the responsibility lay with GTFM to report faults. At the present time, they were only reporting 1% of faults. The Committee was given assurance that any health and safety issues were being dealt with promptly.

The figures within the GTFM report were the draft amounts that had been deducted from GTEIL Unitary Charge invoices since October 2015

The Committee **NOTED** the report but expressed disappointment at the continued requirement for College resource in the monitoring and management of the contract. The Chair once again offered assistance from the Board.

#### **8. COMMITTEE AND COMMITTEE CHAIR EVALUATION**

A report by the College Secretary made reference to the requirement for College boards of management to undertake annual evaluation exercises.

The Committee collectively undertook an evaluation of the Committee, following which the Chair left the meeting and the remaining members undertook an evaluation of the Chair. It was **AGREED** that the members of the committee who were not present would also be asked to undertake an evaluation of the Chair.

#### **9. ICT SERVICES REPORT**

A report by the Director of Corporate Services provided an update on the activities of the ICT Services department which included

- Service Delivery Update
- ICT Team
- ICT Initiatives
- Intranet Project
- UHI Wide Projects
- ICT Business Continuity

The Committee **AGREED** that in future, it should only receive strategic level reports on ICT issues, noted that Audit would consider any ICT related risks and reporting on other matters would be by exception only, e.g. on any large projects with financial or business continuity implications.

#### **10. MINUTES OF ACADEMIC COMMITTEES**

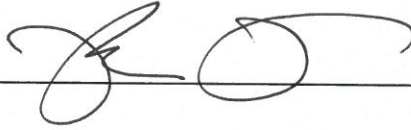
Business Development Committee – 20<sup>th</sup> September 2016

The Principal asked whether the Committee still wished the minutes of the academic committee to be included in the agenda. The Committee confirmed that there was no need to include the management committee minutes which were largely operational in detail. The College Secretary advised this would be discussed at the next meeting of the Chairs committee.

**11. DATE OF NEXT MEETING**

Thursday 9 March 2017 at 9.00 a.m.

Signed by the Chair: \_\_\_\_\_

A handwritten signature in black ink, consisting of a stylized 'K' followed by a large 'O' and a horizontal stroke.

Date: \_\_\_\_\_

9/3/17

