



## Board of Management

### MINUTES of the MEETING of the FINANCE AND GENERAL PURPOSES COMMITTEE held in the Board Room, 1 Inverness Campus on Monday 12<sup>th</sup> June 2017

**PRESENT:** Brian Henderson, Andy Gray, Roddy Henry (from item 6),  
Carron McDiarmid, Helen Miller, Tom Speirs

**CHAIR:** Brian Henderson

**APOLOGIES:** Mick Longton, Gavin Ross

**ATTENDING:** Director of Organisational Development  
Director of Business Development  
Financial Services Manager  
Secretary to the Board of Management

*The Chair welcomed Tom Speirs who had just been appointed as a co-opted member on the Board*

*The Chair thanked everyone for attending this meeting which had been rescheduled from Thursday 8<sup>th</sup> June.*

*As the Acting Principal was currently en route back to Inverness to join the meeting, the Chair suggested that the order of the agenda items be amended so that the Acting Principal could input into the item on the revenue budget. This was agreed.*

*Carron McDiarmid, being an employee of Highland Council, declared an interest in items 4c and 8 on the Agenda. It was agreed that Carron would not need to leave the room during discussion of these items.*

#### 1. MINUTES

The Minutes of the Meeting of the Finance and General Purposes Committee held on 9 March 2017 were **ACCEPTED** as a correct record, were **APPROVED** and signed.

#### 2. PROPOSED FEES FOR 2017/18

Under the terms of the Further and Higher Education (Scotland) Act 1992, College Boards of Management were required to set and charge fees for education provision with some exceptions. The full time fee rates were not within the control of the College and both FE and HE full time rates remained at the same level as previous years.

A report by the Financial Services Manager outlined the proposed schedule of fees for 2016/17. The HE fees were provided for noting as these were set and approved by UHI. She explained that the significant change was in part time FE fees which would see an increase of 5%. This increase had been proposed in order to meet some of the anticipated staffing costs as a result of the ongoing National Bargaining discussions.

There was a discussion on the requirement of the Board of Management to approve some categories of fees, namely nursery and commercial fees as the legislation did not specifically require approval by the Board. The Committee were of the opinion that they would like to continue to see all proposed fees, with the exception of commercial fees as it was understood the need for flexibility in the setting of these fees throughout the year.

The Committee **RECOMMENDED** to the Board of Management approval of the proposed schedule of part time FE fees, nursery fees and other course fees for 2017/18 set out in the appendices to the report subject to the Financial Services Manager providing further justification of the increase in FE fees.

### **3. SUPPORTING STRATEGIES**

The Chair set the scene for this item, explaining that this followed on from the previous Strategic Planning Day and subsequent Chairs Meeting to discuss next steps. As a result, each committee was tasked with reviewing relevant, appropriate supporting strategies, to ensure alignment with the 2017/2020 College Strategic Plan and also to identify Key Performance Indicators specifically for the Committee and Board to concentrate on.

#### **a. Business Development**

A report by the Director of Business Development advised that the strategy included four strategic objectives which aligned to the strategic aims within the strategic plan for 2017-20

- To inform the continued development of the College's curriculum to meet the needs of business
- To be the training and education provider of choice in Inverness and the Highland region
- To grow and diversify the College's funding for training, education and research
- To maximise commercial and community engagement with the College

The Chair congratulated the Director of Business Development on the development of an excellent strategy and welcomed the proactive approach being taken.

During discussion, the Committee requested the Director of Business Development to highlight some of the linkages between the Business Development and the International Strategies.

The committee requested a standardised approach to the presentation and recording of the KPIs in the various relevant strategies under this item 3a, and at 3b and 3c. For each KPI this should include an appropriate definition, the unit of measure, the current position and the intended future target.

The Committee **RECOMMENDED** the Business Development Strategy to the Board of Management for approval.



## **b. Marketing and Communications**

A report by the Director of Business Development advised that the marketing and Communications Strategy linked to all strategic aims within the Strategic Plan, as effective internal and external communications was essential to support the delivery of the strategic objectives and ensure growth targets were met.

The five strategic objectives for Marketing and Communications are:

- To position Inverness College UHI as the provider of choice for high quality tertiary education and training
- To increase student applications and enrolments to meet recruitment targets
- To increase commercial and non-mainstream income
- To support the growth of research participation and income
- To increase the College's profile and reputation in local, regional national and key international markets

There was discussion on the actions within Strategic Objective 1 and the committee noted that there were no targets included within the list of KPIs.

The Committee **RECOMMENDED** the Marketing and Communications Strategy to the Board of Management for approval.

## **c. Estates**

A report by Director of Organisational Development advised that the College Estate comprised the Main College Building and the Early Learning and Childcare Centre on the Inverness Campus site as well as the buildings at the Scottish School of Forestry. She gave some background to the strategy and explained the current position which would allow the college to move forward with the development of the estate

The strategy required an outline of the planned maintenance for those aspects of the NPD contract that the college has responsibility for including grounds maintenance, painting, window cleaning and general upkeep of the estate. It was also important to note that E block, forestry outbuildings and the Early Learning and Childcare Centre were not covered by the current NPD contract or Facilities Management Arrangements through GTFM. The Aviemore facility was leased by the college and therefore the maintenance was covered through the contract lease arrangements with MacDonald Resort.

Following discussion, the Committee requested the Director of Organisational Development to update the Strategy to include some further data, to make reference to business continuity within the section on security and to refer to the opportunities for the utilisation of space, particularly in the evening and at weekends to assist in the promotion of the building as a community hub

The Committee, subject to the amendments requested above, **RECOMMENDED** the Estates Strategy to the Board of Management for approval.

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

A report by the Financial Services Manager provided the results of the financial monitoring exercise for the 9 months to April 2017. The key points discussed were:-

- The year-end position showed a forecast net operational deficit of £842,000 compared with the budget level of £0. The variance in deficit related to the adjusted values to be applied in respect of deferred capital grant income. Deferred grant had been recalculated in line with the required accounting in respect of the new campus arrangements. The original budget was set prior to agreement on the correct accounting. This has resulted in negative variance.
- The overspend in supplies and services costs and in particular the substantial figure of almost £50K for British Sign language services. Carron McDiarmid referred to a collaborative approach between Highland Council and NHS Highland and offered to provide information on this approach to the Director of Organisational Development
- The overspend in Student Support funds. The Financial Services manager advised that there was not a trend the level of student support funds over the last few years.
- The amount of debt over 90 days which was worth around £350K. The Financial Services Manager advised that almost half this figure related to a single debt.

The Committee **NOTED** the position for the 9 months to April 2017

*Roddy Henry entered the meeting during consideration of the following item.*

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

A report by the Financial Services Manager provided an update on the capital expenditure plan for 2016-17 as at April 2017. As reported to the last meeting of the Committee in March 2017, the College had received additional funding in year and SFC had agreed an extension to 31 July 2017 to enable maximisation of the funds

Overall, the Capital Expenditure Plan for 2016/17 showed a projected outturn figure of £524,048 against the budget allocation of £595,844. The College was forecasting an underspend on the budget for buildings of £93,793 due to delays associated with the refurbishment of the tractor shed at Balloch.

The Committee **NOTED** the projected underspend in the buildings element of the budget and, as agreed at the meeting of the Committee held in September 2016, the funds required for the purchase of the replacement tractor at the SSF be requested from the ALF.

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

A report by the Director of Organisational Development provided an update on the disposal of the legacy sites at Midmills and Longman and on GTFM performance.

Missives had now been concluded for Midmills and the keys had been handed to the buyer. Graham and Sibbald were progressing a survey pre and post demolition for the Longman building.

Although GTFM continued to perform below the standard stipulated in the facilities management contract, improvements were being made, mainly due to the number of defects being made good and also the presence of an on-site manager. GTFM had also bolstered their team number in recent months to three further technical specialists. Scottish Futures Trust (SFT) were working closely with the College to ensure that the terms of the contract were adhered to and that performance improved in line with this. SFT had also been working closely with GTFM to ensure that the pay mechanism in line with the contract was adhered to.

The Committee **NOTED** the position.

#### **7. REVENUE BUDGET 2017/18**

A report by the Financial Services Manager set out the strategic context to the Revenue budget for 2017/18 and advised that the main focus for the College was to ensure that it delivered services within a break-even resource budget position.

She spoke to the report highlighting the summary budget for 2017/18, 2017/18 budget assumptions, income and expenditure, current year performance, pressures in setting a break even budget and the risk assessment which had been carried out.

The most significant budget risk for 2017/18 related to the impending pay award implementation in relation to teaching staff, and the resulting impact this would have on support staff negotiations. An up to date position would be reported to the Board of Management at its meeting on 20 June.

The Committee **AGREED** to **RECOMMEND** the 2017/8 revenue budget to the Board of Management for approval.

#### **8. BUSINESS DEVELOPMENT REPORT**

A report by the Director of Business Development provided an in-year report on Business Development activity across the three areas of business solutions, international development and CREATE.

The Director of Business Development referred to the impact of staff sickness and the impact of the recent strike action on the business development income. However, the potential outturn for business development income was in line with the budget.

In answer to a question, the Director of Business Development confirmed that the success of memorandums of understanding were reported through the business development committee.

The Committee **NOTED** the report.



**9. RISK REGISTER ANNUAL REVIEW**

A report by the Acting Principal provided a summary of the risks on the College's Risk register that related to the remit of the committee in order to enable the committee to review the residual risks.

There was a general discussion on the risks and the Acting Principal confirmed that the risk register would be reviewed in full to take into account the supporting strategies and KPI's following approval by the Board of Management.

The Committee **NOTED** the position.

**10. NEW FINANCE SYSTEM PROJECT**

A report by the Financial Services Manager provided an update on the status of the new finance system implementation which was 12 months behind schedule and was likely to delay further. A number of options had been discussed at the last Project Board in May 2017.

The Financial Services Manager advised that the 1<sup>st</sup> August "go live" date was not going to be achieved and Management had proposed a delay of 6 months.

The Committee discussed at length the position and **ENDORSED** the proposed delay of 6 months to the "go live" date.

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

**11. STUDENTS' ASSOCIATION BUDGET 2017/18**

A report by the Financial Services Manager presented the students' association budget for 2017-18.

**12. INTERNATIONAL STRATEGY**

A report by the Director of Business Development provided an update on the review of the College's International Strategy and gave an overview of current and planned international business development activity.

**13. AUDIT REPORTS - RECOMMENDATIONS**

**a) PROCUREMENT AND CREDITORS/PURCHASING**

**b) IT NETWORK ARRANGEMENTS**

The internal audit reports on Procurement and Creditors/Purchasing and IT Network Arrangements had been considered by the Audit Committee and were presented to this committee, together with the recommendations, for noting.

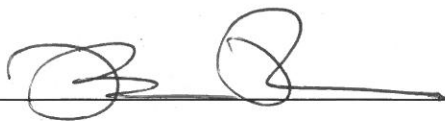
**14. DEBT WRITE-OFF REPORT**

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

**15. DATE OF NEXT MEETING**

Thursday 28<sup>th</sup> September 2017 at 9.00 a.m.

Signed by the Chair:

A handwritten signature in black ink, consisting of a stylized 'S' followed by a loop and a horizontal line.

Date:

26/10/17

