

Board of Management

MINUTES of the MEETING of the FINANCE AND GENERAL PURPOSES COMMITTEE held in the Board Room, 1 Inverness Campus on Thursday 9 March 2017

PRESENT: Brian Henderson, Helen Miller, Diane Rawlinson, Gavin Ross
CHAIR: Brian Henderson
APOLOGIES: Brenda Dunthorne, Mick Longton
ATTENDING: Depute Principal
Director of Organisational Development
Finance Services Manager
College Secretary

1. MINUTES

The Minutes of the Meeting of the Finance and General Purposes Committee held on 8 December 2016 were **ACCEPTED** as a correct record, were **APPROVED** and signed.

Matters arising

Item 4 - Finance Monitoring report

As the appointment of the Finance Project Manager had been delayed, the Principal confirmed that the profiling across some budget headings would not be carried out until next academic year.

2. SUPPORTING STRATEGY - PROCUREMENT

A covering report by the Finance Services Manager provided the background and context to the revision of the Procurement Strategy. There had been significant changes to the procurement landscape within which the College must operate. New legislation placed a number of requirements on the College in relation to how it procured and the records it held and made available. The College had to evidence that it was managing the procurement activity to ensure it acted in a compliant manner and was securing best value in purchasing and procurement. The Procurement Strategy was a key tool in driving this forward.

The Committee discussed the strategy at length and asked a range of questions on the strategy and on the action plan which included the proposed KPIs.

The committee discussed

- the use of the wording “consider” or “give consideration to” rather than having a more definitive statement. The use of this wording gave more flexibility in trying to achieve best value but did not give assurance that the matter in hand would actually be implemented
- the feasibility of re-investment of resulting savings and efficiencies

- reporting timeframes which it was confirmed would be improved with the adoption of the new finance system

The Committee **AGREED** to recommend the Procurement Strategy to the Board of Management for approval subject to a number of amendments as follows:-

- that definitive actions be identified where the wording “consider” or give consideration to” was used
- A target be set for the publishing of the annual procurement report (a particular committee cycle) and that it be added to the action plan
- A target be set for compliance and induction training
- Identify a KPI for the list of the top 10 contractors by value
- The KPI’s to be made smarter and to make use of trends
- The inclusion of an overarching KPI on savings achieved
- cross references be made to other strategies as appropriate
- e invoicing - recognition within the strategy that this would be a journey

3. **FINANCE MONITORING REPORT – JANUARY 2017**

A report by the Finance Services Manager provided the results of the financial monitoring exercise for the 6 months to January 2017. The key points discussed were:

- The year to date position, for the 6 months to January 2017, showed the net operational position was £573,000 below the budget level. Income, at £661,000 below the budget level and expenditure at £88,000 below budget level, contributed to the variation at the end of the period.
- The year-end position showed a forecast net operational deficit of £1,057,000 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 had resulted in negative variance. Discussions were still ongoing with SFC on how they wanted to deal with this. This was a technical deficit, not a deficit in cash terms and the question was raised as to whether this would inhibit future deposits to the ALF.
- Overall, the projected outturn of £1,057,000 was a realistic assessment of the College’s current financial position. The forecasted activity figures for FE were positive at this time. The HE activity was forecast to be higher than 2015/16 although below the target set at the beginning of the year. The impact of this on the overall Income & Expenditure Accounts surplus/deficit would be mitigated through careful management of temporary staff levels and other expenditure.
- It was confirmed that the Finance team was actively working on the reduction of days for student debt

The Committee **NOTED** the financial position and **AGREED** that

1. it should be kept informed of developments around deferred grant treatment and

2. in future the report should focus on highlighting exceptions, that explanations and analysis be improved and actions identified.

4. CAPITAL EXPENDITURE PLAN REPORT 2016/17

A report by the Finance Services Manager provided an update on the Capital Expenditure Plan for 2016/17, as at January 2017.

The grant funding from SFC for FE capital for 2016/17 was now £202,051 (previously notified as £187,000). The capital funding from UHI was £393,793 (previously notified as £344,000). There had been a number of options which were looked at in relation to the split of funds but these figures reflected the final allocation approved by FERB and HEPPRC.

The expectation was that funds would have to be spent by 31 March 2017. However, due to the late notice of the extensive additional allocations, SFC had given approval for an extension on HE spend until 31 July 2017. However, all funds must be defrayed by 31 July 2017.

Overall, the Capital Expenditure Plan for 2016/17 showed a projected outturn figure of £595,844, the same as the funded amount for the year. Although the spend to date was still relatively low, there had been significant procurement activity in the last few months with a view to ensuring that funds were spent within the required timeframe.

The Committee discussed the report and were pleased to **NOTE** that a detailed asset register was being developed. An investment strategy which would identify the need for new equipment would then be prepared which would allow the College to proactively plan ahead with investment spend.

5. BUSINESS DEVELOPMENT REPORT

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

The Chair noted that the timelines for the sector strategies which were under development had not been included in the report. The Principal advised that the priority for the Director of Business Development had been the development of the supporting strategies and confirmed that the timelines would be included for the next meeting in June.

The Committee was pleased to see the wide range of continuing activity and **NOTED** the budget variations in both income and expenditure in each of the teams.

6. GALLIFORD TRY FACILITIES MANAGEMENT (GTFM) MONITORING REPORT / ESTATES AND CAMPUS SERVICES

In line with the agreed contract monitoring arrangements, GTFM provided a monthly status report relating to the NPD assets at Inverness Campus and Balloch. A report by the Finance Services Manager provided summary information in relation to a number of areas including performance of the estate, deductions and the status of outstanding requests.

The level of deductions reported in the January 2017 report showed a significant reduction from previous months, however the figures had yet to be agreed in line with the payment mechanism.

The Committee **NOTED** the main issues and were given an assurance that any Health and Safety matters were being resolved as a matter of priority by GTFM.

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

7. DEBT WRITE-OFF REPORT

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

8. AOCB

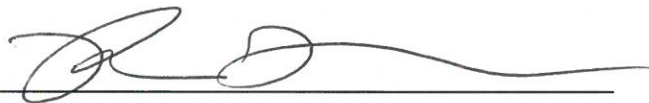
Director of Corporate Services

The Principal confirmed that Moray College had agreed to share a post of Director of Finance. The recruitment consultants were in place, the job description had been refreshed and job evaluation would be carried out. As Estates and ICT would not be included in this new role, adjustments to the responsibilities of members of the SMT would be required.

9. DATE OF NEXT MEETING

Thursday 1 June 2017 at 9.00 a.m.

Signed by the Chair:



Date:

12/6/17