

MINUTES of the MEETING of the FINANCE AND GENERAL PURPOSES COMMITTEE held in the Board Room, 1 Inverness Campus on Thursday 8 March 2018.

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

1. MINUTES

The Minutes of the Meeting of the Finance and General Purposes Committee held on 7 December 2017 were **ACCEPTED** as a correct record, were **APPROVED** and signed.

2. OUTSTANDING ACTIONS

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. ARMS LENGTH FOUNDATION (ALF)

a. OPTIONS APPRAISAL REPORT

A report by the Director of Finance set out potential options for the College funds if the Trustees decided to wind up the ALF. She provided an update on discussions with the Solicitors acting for the Trustees who had advised that the Trustees were content to continue but potentially hold fewer meetings per year. As at March 2017, 85% of the funds remaining in the ALF related to the Inverness sub fund. In the longer term, the administration costs of the fund, circa £20K per year, would fall to Inverness College.

There was currently £2.637M in the ALF but a substantial portion of this was earmarked for the Group 2 costs in relation to the New Campus build.

The Committee discussed the three options and

1. **AGREED** that option 1 was the preferred option, namely that the college continue to draw down funds from the ALF.
2. **REQUESTED** the Director of Finance to seek formal clarification from the Solicitors acting on behalf of the ALF Trustees on the verbal advice provided
3. **REQUESTED** the Director of Organisational Development to press GTEIL for a final account so that the College would know the level of funds left in the ALF.
4. **NOTED** that the UHI integration proposals could have an impact on the funds in the ALF.

b. BID SUBMISSION

A report by the Director of Finance provided details of four proposed bids to the ALF resulting from the 2017 operational plan as follows:-

- £10,000 for marketing costs for the Global Entrepreneurship PGC
- £20,700 to replace a CAD suite
- £17,450 for replacement screens/interactive displays
- £15,099 for a new oven to enhance the student learning experience by replicating industry

The Director of Finance advised that a further bid was currently being developed in relation to Research. She also advised that other suitable requests for investment arising from the operational planning process would also be considered and bid(s) prepared as appropriate.

The Committee discussed the bids and

1. **NOTED** that the start date of the Global entrepreneurship PG Certificate was now January 2019 rather than September 2018 as indicated on the form.
2. **REQUESTED** that the bid submissions be standardised as there was a lack of consistency in the quality and quantity of information provided for each bid.
3. **APPROVED** the four bids as outlined above but asked the Director of Organisational Development to check whether software licence costs required to be added to the bid figure for the replacement CAD suite.
4. **AGREED** that the bid currently being developed in relation to research and any other bids developed following the operational planning process be circulated to members of the committee seeking e mail approval so that the College could meet the submission date for the next ALF meeting.

4. PROPOSED FEES FOR 2018/19

A report by the Director of Finance set out the proposed fee rates in respect of the tuition fees set by Inverness College UHI for the academic year 2018/19. She advised that by agreeing these fees now rather than at the next meeting in June, front line staff would be able to provide definitive prices to enable students, nursery customers and staff to make informed decisions.

The Committee had a robust discussion around the fees proposed and noted that

- HE fees were proposed by the UHI Marketing and Planning Team and approved by the UHI Finance and General Purposes Committee.
- The full time FE fees were set nationally
- In the case of international fee rate students, the College policy was to set a fee that broadly equated income from these students to combined fee and grant income received by the College for home and EC students.
- The same fee rate had been set for students with an RUK fee status. The rate was set at the same level as these students were not fundable and therefore did not count towards the credit target.

- The FE fee levels were determined by taking into account inflation, inflation forecasts, the College funding requirements, affordability issues and market forces.
- Nursery fees were set following a benchmarking exercise of private nursery providers in the area.

The Committee **AGREED** to recommend the part time FE and Nursery Fees outlined in the report by the Director of Finance to the Board of Management for approval.

5. **VALUE FOR MONEY POLICY (VFM)**

A covering report by the Quality Officer advised that new procurement and other legislation governed the Value for Money responsibilities and these had been reflected within the revised document. In addition, definitions of the terms Economy, Efficiency and Effectiveness had been added to aid understanding of the term 'Value for Money'.

The revised VFM Policy had been discussed at Scrutiny Panel (28 November 2017) and SMT (18 January 2018).

The Committee **APPROVED** the revised Value for Money Policy.

6. **FINANCE MONITORING REPORT – JANUARY 2018**

A report by the Director of Finance set out the financial position for the 6-month period to the end of January 2018.

The Committee discussed the report and noted the following points:-

- The forecast year-end position showed a forecast net operational deficit of £1,125,000 compared with the budget level of £1,082,000, giving a negative variance of £43,000.
- The ESF credit figure had been increased from 250 to 438 but the core credit target had to be met before ESF funding could be claimed.
- The HE FTE target of 1,595.4 had been exceeded. The current HE FTE figure was 1,616.3
- An additional £60K funding had been received for student support funds.
- Currently there was a negative variance of over £230K in other income. It was anticipated that the variance would be reduced through project income and discussions were ongoing in this regard.
- Level of debt was a key area currently being reviewed by the Finance Team

The Committee

1. **REQUESTED** that the Director of Finance e mail the Committee at the end of April on whether the college was likely to meet the FE student activity target
2. **NOTED** that further information on other income and debt recovery would be provided to the Committee at the next meeting in June.

7. **CAPITAL MONITORING REPORT – JANUARY 2018**

A report by the Director of Finance provided an update on the progress against the capital expenditure plan for the year 2017/18. ICT and other

equipment allocations had still to be spent. All of the 2017-18 buildings capital had been utilised by projects commenced in 2016-17.

Approval had previously given to progress with the tractor shed refurbishment at the SSF at Balloch given the health and safety imperative. The tender deadline for this had just passed and the tenders were now going through the evaluation process. This project would not now start until April 2018 and was likely to account for the whole of the 2018/19 capital allocation.

The Director of Finance advised that there was a risk that the 2018/19 capital buildings allocation would be insufficient to meet this cost in full. Should that be the case, there were two options. One was to direct some of the FE capital towards this project and the second option was to approach the ALF for funding towards it. As the indicative allocations for 2018/19 had only just been announced by SFC, the College did not yet have the information required to determine whether additional funds would be required.

The Committee **NOTED** the position.

8. RESEARCH CENTRES FINANCE ANNUAL REPORT 2016/17

A report by the Director of Finance provided a summary on the financial position of the Research areas (the Centre for Remote & Rural Studies (CRRS), the Rivers and Lochs Institute, the Sustainable Energy & Micro Renewables (SEAM) Centre, Forestry research and the general research area managed by the Head of Research & Postgraduate Development).

For the period to 31 July 2017, the research area had total income of £398,229, compared with total expenditure of £665,281 resulting in a net investment of £267,052.

The growth in the research function provided a challenge in that it now required specific support to ensure that applications for funding and the resulting project management and claims administration were fully effective.

The Committee **NOTED** the report.

9. FINANCE STRATEGY ANNUAL REPORT 2016/17

The Financial Strategy was approved by the Board of Management in September 2012 and covered the period to 2020. A report by the Director of Finance set out the financial key performance indicators for the period to 31 July 2017.

The Committee **NOTED** the financial KPIs for the period to 31 July 2017.

10. CAMPUS SERVICES REPORT

A report by the Director of Organisational Development provided an outline of the key issues pertaining to the disposal of Longman Site and new Campus issues as follows:-

- Disposal of Longman Site and Longman Learning Resource Centre funding conditions.
- Construction Specification Dispute and Defect Liability.
- Closing off group 2 equipment liability.

- Water claim

The Committee **NOTED** the current position.

11. ICT SERVICES REPORT

A report by the ICT Services Manager provided an overview of active ICT Projects led by Inverness College UHI including, GDPR, Cyber Resilience, Wifi, Single Print Project and an overview of the UHI project on single UHI Finance System, VLE Review and Service Desk and ICT service review.

The Director of Finance provided an update on the position of the Finance System contract. The Contractor had advised that they had delivered all requirements of the project by the deadline of 28 February. The Core Project Team were currently verifying and checking the system. If the Core Project team were satisfied that all requirements of the project had been met, a go live date of 1 August was planned.

The Committee was pleased to note the updated position but expressed concern about the very short timescale available for the Core Team verification and checking and for training of finance and other staff within the college before the proposed go live date of 1 August 2018.

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

12. GALLIFORD TRY FACILITIES MANAGEMENT (GTFM) MONITORING REPORT

A report by the Director of Organisational Development set out the management of GTFM's outsourced Hard FM in line with the NPD Contract.

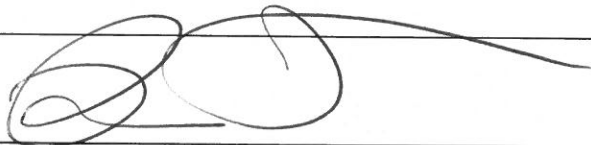
13. BUSINESS DEVELOPMENT REPORT

A report by Director of Business Development provided an in year report on business development across the three areas of activity, namely Business Solutions, International Development and Create.

14. DATE OF NEXT MEETING

Thursday 7 June 2018 at 9.00 a.m.

Signed by the Chair: _____



Date: _____

7/6/18