

# Finance and General Purposes Committee

## Draft Minutes

**Meeting reference:** FGP2016-17/04  
**Date and time:** Wednesday 31 May 2017 at 5.30pm  
**Location:** Room 033

**Members present:** David Littlejohn, Harold Gillespie, Jim Crooks, Grant Myles (from item 8)

**In attendance:** Jackie Mackenzie (Vice Principal, Finance and Estates)  
Susan Bald (Vice Principal, HR and Communications)  
Ian Martin, Head of Finance

**Apologies:** Margaret Munckton, John McDonald

**Chair:** David Littlejohn  
**Minute Taker:** Maureen Masson  
**Quorum:** 3

Summary of Action Items			
Ref	Action	Responsibility	Time Line
10.1	<b>Human Resources Update</b> SB to bring back a report on CPD reporting issues to this Committee.	Susan Bald	31 July 2017
*6.3	<b>3 year gap analysis 2017-20</b> Options paper to be developed and prepared for the next F&GP meeting	Jackie Mackenzie	Next F&GP meeting
*8.1	<b>Human Resources Update</b> Clarify the heading 'depression' in the sickness absence statistics (when it appeared and if/how it related to the 'stress' heading)	Susan Bald	31 July 2017

## Minutes:

### Item

#### 1. Welcome and Apologies

David Littlejohn (DL) welcomed members to the meeting.

Apologies were noted.

### Action

## **2. Additions**

There were no additions to the agenda.

## **3. Declaration of Interest in any Agenda Item**

There were no declarations of a conflict of interest.

## **4. Minutes of Meeting held on Wednesday 8 March 2017**

The minutes were approved as a correct record.

## **5. Matters Arising from Previous Minutes**

### **8.1 Balanced Scorecard Action Update:**

Pam Wilson had confirmed that the final *Amber* on retention and attainment of guaranteed places was related to a change in the way programmes had been measured, but there was no cause for concern.

### **10.1 Human Resources Update**

Susan Bald (SB) had not yet brought back the CPD report but would do so as soon as possible.

SB

No matters arising

## **6. Accounts**

### **\*6.1 Perth College Management Accounts – 9 months to 30 April 2017**

Ian Martin (IM) introduced the paper highlighting the following:

- The College had been active in seeking to maximise income generation;
- At this point in the financial year, we continue to work towards achieving break even position, notwithstanding national bargaining; and
- Budget holders had been given clear messages to remain within budget allocations, and expenditure should begin to slow in the final quarter. Finance had taken a proactive approach in terms of working with budget holders and meetings were ongoing to discuss the year end position and next year's budgets.

The Committee noted the paper. In particular:

- Areas which had done well in income generation, namely automotive engineering and vehicle damage where new commercial courses had been introduced. There was potential for courses in this area.
- The correlation between expenditure on teaching and additional income given the relatively high cost base. This may have been related to the modelling at the start of the year but more significantly to class sizes which were smaller this year. In some cases classes ran with 16-18 students. The Committee noted, however, that smaller class sizes were part of the discussion around retaining the rurality funding. The College was active in keeping under review changing student numbers and would look to combine courses/classes where that was possible.
- In terms of cash flow and debt, IM confirmed that cash flow is monitored month to month and managed carefully. This was set against a back drop of tight controls being imposed by the Office for National Statistics (ONS).

Following clarification the Committee noted that the 'we' referred to on page 3 of the report was the Finance Department and not the Board of Management.

The Committee noted the ongoing position with national bargaining and, in the run up to year-end, it was important for the College to have a clear understanding of any impact.

F&GP noted the concerns expressed by the Senior Management team that the impact of national bargaining was real and serious, and that the rising costs forecast were not sustainable. In addition, changes to staff contact hours would also have a significant cost impact.

The Committee was keen to reiterate to the Employers Association and SFC that unless additional budget for the agreed pay element was made available, the sustainability of the College would be at risk.

## **\*6.2 Perth College Group Forecast to year end 31 July 2017**

Jackie Mackenzie (JM) introduced paper 6.2. Notwithstanding national bargaining, the College would break even or have a small deficit. AST would not meet budget this year and the college has taken action to compensate for this deficit in the overall results.

### **\*6.3 3 year Gap Analysis 2017-2020**

The Committee considered paper 8.2 in the light of ongoing discussions about the overall funding position. The paper set out a possible financial scenario over the next 3 years if there was no change to current funding levels. The paper contained several key assumptions and identified possible mitigating actions.

The Committee noted the income assumptions set out in the paper and the expenditure assumptions which did not take into account the impact of national bargaining. In summary, the financial outlook for the College would require careful management to avoid a deficit position over the next few years, and tough decisions with wide ranging implications would be required.

The Committee noted possible options.

The Committee agreed the following measures:

- A critical review of the potential for shared services building on the work the College already undertaken for Executive Office on CIPHR;
- A series of business reviews within the College to look to streamline process and eliminate duplication;
- A review of class sizes may have to be undertaken particularly around the viability of small class sizes, and potential for combining classes/courses. A full business review of the curriculum may be helpful with a view to establish whether the College can continue to offer such a broad curriculum;
- The College Management Team should be asked for suggestions for change;
- A review of outreach centers should be undertaken to consider whether all were needed;
- Conclude the work started by Henderson Loggie on the nursery and possible options for improving its operation; and
- AST – a separate review of AST business would be undertaken by Henderson Loggie.

A paper would be prepared for the first F&GP meeting of the new session or earlier if that was appropriate given the year end position.

JM

#### **\*6.4 AST Management Accounts – 9 months to 30 April 2017**

The Committee noted the forecast outturn for AST, a further decline against forecast and that a break even position represented the best possible outcome. The Committee further noted that AST accounts form part of the overall College Group and the College must compensate for any deficit, and that this puts further pressure on College finances.

The AST Board had met last week and the meeting had been positive. Henderson Loggie were to be engaged to undertake a full business review with the aim of identifying a viable business model. A proposed way forward for the AST operation would be the outcome for the review.

The Committee encouraged the review to encompass the potential for collaboration and partnership working.

### **7. Estates**

#### **\*7.1 Estates Update**

JM reported that the Estates Department had completed an ambitious work plan to ensure that the additional £400K a capital and maintenance grant delivered maximum, structured benefit by the 31 March deadline. A number of projects had been delivered including new teaching and meeting rooms on the third floor and ground floor. A new path providing access had been completed and the old student residences demolished. A new lift would soon be installed and a summer work programme was about to start. A design for the refurbishment of the music practice rooms had been drawn up, but at £250K the cost was too high. The next Board development day would consider the campus for the 21<sup>st</sup> century.

### **8. Human Resources**

#### **\*8.2 National Bargaining**

Grant Myles updated the group on the discussions that had been held that afternoon with the Cabinet Secretary about national bargaining. A commitment had been given that the Scottish Government would work with the sector to address the additional costs identified. Some aspects of additional costs would have to be absorbed through productivity improvements.

The Scottish Government would like to see a quick resolution as learners had been disadvantaged and relationships across the sector had been damaged. A meeting of the Employers Association would be held on 19 June and it was understood that EIS had a ballot planned in the near future. The situation was fluid and evolving on a day to day

basis and careful monitoring was prudent, particularly in the run up to financial year end.

## **9. Standing Committees**

### **9.1 Joint Negotiating Committee 9 March 2017**

- Support Staff
- Lecturers

#### **Minutes - noted**

### **\*10 Student Representation: HISA and PCSA**

The position with the student association would be cash neutral in that the same level of block grant funding would continue. Student CPD had been paid for from College funds previously, but there was no guarantee of that in the future and decisions would be made on a case by case basis.

### **11 Date and Time of Next Meeting**

To be confirmed

### **12 Review of Meeting**

The meeting covered its remit

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Notes taken to help record minutes are also subject to Freedom of Information requests, and should be destroyed as soon as minutes are approved.

#### **Status of Minutes – Open Closed**

An **open** item is one over which there would be no issues for the College in releasing the information to the public in response to a freedom of information request.

A **closed** item is one that contains information that could be withheld from release to the public because an exemption under the Freedom of Information (Scotland) Act 2002 applies.

The College may also be asked for information contained in minutes about living individuals, under the terms of the Data Protection Act 1998. It is important that fact, rather than opinion, is recorded.

Do the minutes contain items which may be contentious under the terms of the Data Protection Act 1998?      **Yes**       **No**