

Finance and General Purposes Committee

Draft Minutes

Meeting reference: FGP2018-19/02
Date and time: Wednesday 28 November 2018 at 4.30pm
Location: Room 019

Members present: Margaret Cook, Brian Crichton, Deborah Hutchison, David Littlejohn, Harold Gillespie, Craig Ritchie

In attendance: Susan Hunter, Head of Human Resources and Organisational Development
Andrea Saunders, Head of Finance
Maureen Masson, Secretary to the Board of Management

Apologies: Jackie Mackenzie, Chief Operating Officer (COO)

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

Summary of Action Items			
Ref	Action	Responsibility	Time Line
4	Minutes of Meeting held on 25 September 2018 Update templates in the new year	Secretary	For next round of meetings
7.1	Estates Update Defer to Audit Committee on whether a risk on the estate condition should be added	Principal	Audit Committee meeting
7.2	Residences – Option Appraisal - closed		
8 and 9.1	Implementing Lean and Efficiency Savings Provide an update bi-annually on lean and efficiency savings	Secretary	May 2019 meeting
10	HE Report Prepare an HR report for next meeting including on sickness absence figures	Head of HR and OD	Next meeting

Minutes:

Item		Action
1.	<p>Welcome and Apologies</p> <p>The Chair welcomed everyone to the meeting and apologies were noted. The Committee noted that Audit Committee would join the meeting at 5.30pm.</p>	
2.	<p>Additions to the Agenda</p> <p>There were no additions to the agenda.</p>	
3.	<p>Declaration of Interest in any Agenda Item</p> <p>There were no declarations of a conflict of interest.</p>	
4.	<p>Minutes of Meeting held on 25 September 2018</p> <p>The minutes were approved as a correct record. The Committee noted that the templates would be updated for the new calendar year.</p>	Secretary
5.	<p>Matters Arising from Previous Minutes</p> <p>8 Relocation of Pathways – Closed</p> <p>9.1 Estates</p> <p>Action: Paper on options for residences to come forward to the next meeting</p> <p>Action Update: On the agenda for the meeting</p> <p>11 Fee Waiver Policy and Student Support Funds Policy</p> <p>Action: Include on Board agenda for 10 October 2018 meeting</p> <p>Action Update: The policies were approved by the Board at its meeting on 10 October 2018</p>	
6	<p>Accounts</p>	
*6.1	<p>Perth College Management Accounts – 3 months to 31 October 2018</p> <p>The Head of Finance introduced the paper and indicated that there was nothing of concern in the first quarter. The Committee noted the reasons that staff costs which were marginally under budget in the first quarter. In terms of non-staff costs, the Head of Finance indicated that budgets were allocated on the basis of calendar months, but that could</p>	

skew the profile depending on expenditure in any given month. Finance staff would review the approach to budgeting and profiling going forward. The Head of Finance worked closely with budget holders to ensure budgets remained on track.

The Committee noted the paper and were invited to provide any feedback to the Head of Finance.

***6.2 AST Management Accounts – 3 months to 31 October 2018 - Closed**

7 Estates

***7.1 Estates Update**

The Principal reported that the sector backlog maintenance and condition survey highlighted a significant cost to address the backlog. SFC was providing funding to Colleges but that grant was insufficient. The Committee noted that a number of other Colleges had added a risk on 'estate condition/funding for maintenance' and F&GPC agreed this matter should be deferred to Audit Committee to decide whether it should be added to the College's Risk Register.

Principal

In terms of the grant provided for projects for 2018-19, the Committee noted that SFC had extended its deadline to 31 July 2019 to account for the discrepancy in Financial and Academic Years between the Funding Council and institutions. Work to extend the coverage of CCTV across the Campus was planned as well as a new boiler for Goodlyburn, which would soon be tendered.

***7.2 Residences – Option Appraisal - CLOSED**

8. Implementing Lean and Efficiency Savings

The Committee discussed the proposal outlining how the College would utilise lean methodology in improving processes/collaborations within the College, leading to continuous process improvement.

The Principal commented that the approach would be taken forward by the Project and Planning Manager who was experienced in applying Lean Six Sigma methodology; using this approach would ensure a logical and ordered approach to process improvement. The Committee noted that it was not expected that there would be any extra unbudgeted costs, and a number of staff across the College already had change management experience.

F&GPC welcomed the paper and approved the approach in principle. In addition, the Committee would like to receive updated reports on a bi-annual basis.

9 Committee Business

***9.1 Forward Calendar for F&GP Committee**

The Committee noted the forward calendar of business and agreed that a lean methodology report (referred point 8 above) should be added to the May meeting agenda.

Secretary

10 Standing Committees

Joint Negotiating Committee

Support Staff – 25 October 2018
Lecturers – 25 October 2018

Noted

The Principal reported that there was no regular HR Statistics Report on the agenda because of technical difficulties with the College's HR System, which were being investigated. A report would be available for the next meeting.

Principal

11 Date of Next meeting

27 February 2018 at 5.30pm

12 Review of Meeting

The Committee agreed the meeting had covered its Terms of Reference.

13 Joint Meeting - The Committee was joined by the Audit Committee at 5.30pm

The Chair of F&GPC welcomed the Audit Committee to the joint meeting to review the 2017-18 Financial Statements. Introductions were made and apologies noted. The Chair of F&GPC would continue in the role of chair for the joint meeting.

14 Perth College Management Accounts Year to 31 July 2018 – Final Report and Commentary

Closed

15 Draft Perth College Group Report and Financial Statements for the year Ended 31 July 2018

Closed

16 External Audit Annual Report 2016-17

The External Auditor presented the External Audit Report for 2017-18. The Committee noted that the scope of the Audit was in line with the Annual Audit Plan presented to the Audit Committee on 22 May 2018. As the College's external auditors, EY prepare the annual audit report to summarise key findings and conclusions from its audit work, for the College's Board of Management and the Auditor General.

The Auditor provided a summary of the key findings of the report. In terms of the financial statements audit, an unqualified audit opinion was provided on the College's consolidated financial risks.

The key messages from wider scope audit were discussed and the Committee noted the Red/Amber/Green (RAG) status for two items. Financial sustainability was assessed as 'amber' as the financial environment continued to be challenging for a number of reasons. Members discussed the projected financial status for the College in the Audit work on the Financial Forecast Return and noted that there were some critical aspects of expenditure that were not absolutely within the College's control including national bargaining and the Central Costs of the University. All agreed that it was important for the College to be aware of how savings could be achieved. Members also expressed concern over the extent of the control the College had in generating sufficient levels of commercial and other income. No issues were identified in terms of governance, which was assessed as 'green', but a final governance checklist would be completed before the final report is issued to the Board.

F&GPC and Audit Committee welcomed the report and a number of questions were raised about plans for income growth in a tight financial climate. Income diversification would be discussed with budget holders and a more rigorous approach to business case development would be put in place. Discussions with budget holders would allow income centres to set targets levels for non-core funding that they might reasonably be expected to achieve.

SMT and the Board were aware of the deteriorating financial position but the auditor recognised that the College had a good track record in managing its finances in a tightening financial climate, and this provided some reassurance.

F&GP Committee approved the External Audit report to Audit

Committee for onward approval to the Board.

The Chair of F&GPC thanked the auditor and colleagues in the Finance Team for their work in preparing the financial statements and for a successful overall position.

F&GP Committee concluded its business and left the joint meeting at this point.

Information (Scotland) Act 2002 (FOI(S)A). Certain exemptions apply: financial information relating to procurement items still under tender, legal advice from College lawyers, items related to national security.

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 with removal of closed items

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**