

Finance & General Purposes Committee

MINUTES

Meeting reference: F&GP 2020-21/01

Date and time: Monday 21 September 2020 at 5:00pm

Location: Online

Members present: Craig Ritchie, Board Member (Chair)
Heather Cormack, Board Member
Katrina Hodgson, Board Member
Debbie Hutchison, Board Member (until Item 8.1)
Linton Scarborough, Board Member
Margaret Cook, Principal
John Dare, Staff Board Member
Alex Wilson, Student Board Member (until Item 8.1)

In attendance: Lorenz Cairns, Depute Principal (Academic)
Veronica Lynch, Vice Principal (External)
Katy Lees, Head of HR & Organisational Development
Iain Wishart, Director of Finance
Ian McCartney, Clerk to the Board of Management

Apologies: Brian Crichton, Board Chair

Chair: **Craig Ritchie**
Minute Taker: Ian McCartney
Quorum: 4

Summary of Action Items

Ref	Action	Responsibility	Time Line
5	11 – Whistleblowing Policy Head of HR&OD to ensure updated policy is Published	Head HR&OD	ASAP
6.1	Perth College Management Accounts – 12 months to 31 July 2020 Director of Finance to distribute full management accounts to Committee	Director of Finance	ASAP
6.1	Perth College Management Accounts – 12 months to 31 July 2020 Cashflow information to be added to management accounts info from next meeting	Director of Finance	Next meeting
6.1	Perth College Management Accounts – 12 months to 31 July 2020 Director of Finance to provide summary of items considered for review within the challenges page of accounts summary, and their potential impacts.	Director of Finance	Next meeting
6.3	Capitalisation Levels Director of Finance to present full review of Financial Regulations at the next meeting of F&GP	Director of Finance	Next meeting
6.4	Voluntary Severance Proposals Board be advised of outcome of proposals, including the Management Responses circulated to F&GP	Clerk	ASAP
10.1	Risk Register Clerk to seek guidance from Internal and External Auditors re removal of Risk 27	Clerk	Audit Committee

Minutes:

Item		Action
1	<p>Welcome and Apologies</p> <p>The Chair welcomed everyone to the meeting, and introduced new Board Members to the meeting.</p> <p>Apologies were received from Brian Crichton, Chair of the Board of Management.</p>	
2	<p>Additions to the Agenda</p> <p>The following items were added to the Agenda: Item 6.3 – Capitalisation Levels (Paper 11) Item 6.4 – Voluntary Severance Proposals (Paper 12)</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 04 March 2020</p> <p>Pending corrections to some minor typographical errors, the Minutes were accepted as an accurate record.</p>	
5	<p>Matters Arising from Previous Minutes</p>	
	<p><u>Matters Arising from 04 March 2020</u> <u>Ref 10 – Policies</u> Action: Amended Procurement Policy to be aligned with Terms of Reference and Schedules of Delegation within Governance Manual to be tabled at June Board Meeting</p> <p>Action Update: Completed</p> <p><u>Matters Arising from 27 May 2020</u> <u>Ref 10 – Risk Register</u> Action 1: Concern was raised over some Residual Risk scores being greater than the Gross Risk score in that area. Clerk to amend as appropriate</p> <p>Action Update: Completed</p> <p>Action 2: Review Risk 25 given current circumstances affecting AST.</p> <p>Action Update: Completed</p>	<p>Complete</p> <p>Complete</p> <p>Complete</p>

	<p><u>Ref 11 – Whistleblowing Policy</u> Action: Update amendments as notified prior to publication of Policy</p> <p>Action Update: Amendments completed, Policy still to be published</p>	Head of HR&OD
6	Financial Performance & Budgets	
6.1	<p>Perth College Management Accounts – 12 months to 31 July 2020</p> <p>Director of Finance presented Paper 2, noting that the information presented were high-level figures only as full management accounts were not yet available – these will be distributed to Committee later this week.</p> <p>Director of Finance noted a £0.5m end of year deficit compared to a £1.2m mid-year forecast deficit; Micro-RAM adjustment of £140k; £230k shortfall in FE Main Grant; and Income from Aeronautical Engineering and Nursing deferred due to not being able to complete due to COVID.</p> <p>Board Member asked about impact of furlough scheme. This was confirmed as reducing staff costs by approx. £150k.</p> <p>Chair asked Director of Finance about robustness of information. Director of Finance noted that prioritisation would be given to ensuring comparisons to previous year as well as budget to provide Board members with useful data. Additionally, attention is to be focused on reducing number General Ledger codes from current 1,500 to around 200 to make comparative analysis quicker and easier. PECOS will also be looked at in an effort to reducing double workloads.</p> <p>Director of Finance noted AST income being reduced by around £650k due to COVID issues, but this had been offset by reduced costs, including £100k of staffing costs, and the repatriation of Libya funds.</p> <p>Director of Finance provided Committee with longer-term forecasts across the Partnership, noting that UHI were projecting an almost breakeven position for 2021/22, and that the deficit projected was almost entirely related to the projected Perth College deficit for that year.</p> <p>Board Member asked whether there was any best practice evident from other partner Colleges on how they plan to address this issue. Director of Finance noted that focus across partnership was on reduction in costs such as staffing, Estates and IT, but that something more fundamental is likely to be required.</p>	Director of Finance

	<p>Board Member queried to what extent Perth College was master of its own destiny. Principal summarised the strategic options that were being examined.</p> <p>Director of Finance summarised the challenges in returning to a break-even position, noting that achieving this within 2020/21 looks impossible, and not achievable within current cashflow position.</p> <p>Chair noted that it would be helpful to receive a cash projection with future sets of management accounts. Director of Finance noted that a cashflow is currently provided to SFC so will add from next meeting.</p> <p>Board Member also requested a summary of items considered for review within the challenges page, and their potential impacts. Director of Finance to provide.</p>	<p>Director of Finance</p> <p>Director of Finance</p>
6.2	<p>COVID Support for Colleges & Universities</p> <p>Vice Principal presented Paper 3, which provides an overview of allocations and potential pipelines, however it was noted that none of the funds detailed were designed to cover core costs. While there was a focus on student hardship and Estates, the funds available do not cover the levels of investment required.</p> <p>Committee noted the report.</p>	
6.3	<p>Capitalisation Levels</p> <p>Director of Finance presented Paper 11, noting the requirement for this to be tabled due to timing issues. Paper proposed to increase the Capitalisation levels for Perth College from £1,000 to £5,000 to keep broadly in line with similar Colleges.</p> <p>Board Member queried why Capitalisation levels were being reviewed separate from the Financial Regulations. Director of Finance confirmed this was due to wanting to apply the higher levels within the 2019/20 final accounts process.</p> <p>Chair queried when Committee could expect to see the full review of Financial Regulations. Director of Finance advised that these would be presented at the next meeting of F&GP.</p> <p>The proposal outlined in Paper 11 was APPROVED.</p>	<p>Director of Finance</p>
6.4	<p>Voluntary Severance Proposal</p> <p>Chair noted the email dated 15th September issued by Chair of Board of Management, which outlined the outline Voluntary Severance process being proposed and associated legal guidance;</p>	

	<p>and Paper 12, which had been circulated to Committee members in advance of the meeting outlining some of the questions raised by Board Members. Members were reminded that the reason for seeking online approval was to ensure that an approved outcome would allow Principal to seek appropriate authority for the VS Scheme via UHI and SFC</p> <p>Principal summarised the Management Responses noted in Paper 12, and advised that a clear majority in favour of the proposals had been received via the online process. Student Member noted queries submitted, and advised that they would not be in a position to endorse the proposals without additional information to reach a full evidence-based decision. Principal addressed each of these concerns in turn.</p> <p>Following a discussion around the remaining Management Responses and next steps in the process, Committee APPROVED the Voluntary Severance proposals, and requested that the full Board be advised of this outcome, including the Management Responses circulated to F&GP.</p>	Clerk
7	Procurement	
7.1	<p>Tay Cities Deal/Aviation Academy - Contract Strategy</p> <p>Vice Principal presented Paper 4 and provided an update on the Tay Cities Deal/Aviation Academy project, noting that the Cities Deal had not yet been formally signed off by the Scottish and UK governments, although this is expected within the next month, and that the Outline Business Case cannot be progressed until feasibility work has been completed.</p> <p>The paper seeks approval for procurement of professional fees.</p> <p>Chair asked about the management of risk factors should this aspect of the project not be progressed. Vice Principal advised that, in such a case, it would be unlikely that Tay Cities Deal funding would be forthcoming. Chair noted that, in effect, the sunk costs are limited to the amount required for the feasibility study.</p> <p>Board Member noted references to Moray College and sought clarification on the logic that, if we were not working with them on this project, we'd be competing against them. Vice Principal noted that all 3 partners have different specialisations which provided enough gaps to justify the regionalisation of the project.</p> <p>Following these clarifications, the proposals outlined in Paper 4 were APPROVED.</p>	

8	Estates	
8.1	<p>Estates Update</p> <p>Depute Principal presented an update on current work in Estates as outlined in Paper 5, with particular focus on return to campus arrangements.</p> <p>Chair expressed thanks on behalf of Committee to Estates and other staff around the College for their work in getting students and staff back on campus.</p> <p>Student Board Member asked whether summer works had been completed, and how much disruption to curriculum areas was caused by the flooding noted in the report. Depute Principal advised that the prioritised summer works had been completed, and there was minor flooring damage caused by flooding which mainly affected the Arts Studio, a computer suite and the Brahan Lecture Theatre.</p> <p>Depute Principal informed Committee that, given current circumstances, it did not seem appropriate to continue with work on the wide-ranging Estates Strategy that had been previously discussed, however a planned maintenance & conditions survey had commenced to assess the likely state of campus buildings over the next 2-3 years. This approach was ENDORSED.</p> <p>Depute Principal concluded by advising Committee of a report submitted to the Health & Safety Executive around Legionella control measures. Committee was advised that an inspection had taken place and reported no major failings.</p>	
8.2	<p>Five-a-Side Pitches – Business Case</p> <p>Vice Principal outlined Paper 6, which sought procurement approval for a feasibility study for the creation of five-a-side pitches to be funded from monies raised via the Development Trust.</p> <p>Board Member noted that local demand has existed for such facilities for some time, and wondered whether St Johnstone FC could be involved in some way. Vice Principal advised that local organisations were to be approached for possible involvement.</p> <p>Chair queried whether land was available given previous discussion on the Aviation Academy. Vice Principal noted that different land was earmarked next to ASW, which would not be suitable for the Aviation Academy.</p> <p>The proposal was APPROVED.</p>	

9	Human Resources	
9.1	<p>HR Update</p> <p>Head of HR & Organisational Development presented Paper 7 for noting by Committee.</p> <p>Following a query from a Board Member, Head of HR&OD clarified that a Stress Short-Life Working Group had been planned earlier in the year but did not proceed due to COVID. Health and wellbeing is regularly considered within Healthy Working Lives developments.</p> <p>Committee NOTED Paper 7.</p> <p>Principal added an update on UHI investigation related to a proposed action for UHI to undertake a full staff survey within Perth Principal noted that it had been made clear that such an approach was unacceptable and, during a meeting with the new chair of UHI Audit Committee, it was agreed that Perth College would engage an external consultant to undertake its own survey, in collaboration with staff and trades unions, with a summary of results being provided to UHI Audit Committee. The survey is scheduled to take place in Semester 2, and Engagement Committee will be kept informed.</p>	
10	Compliance & Reporting	
10.1	<p>Review of Risk Register – F&GP</p> <p>Committee reviewed items on Risk Register within the remit of the Committee.</p> <p>Chair queried whether Residual Risk under Risk 15 could be reduced if student numbers remain robust. Principal noted the College was still in process of enrolment and, with a degree of uncertainty remaining, it would be advisable to retain the status quo and review in November. Chair agreed.</p> <p>Chair suggested removal of Risk 27, as previously discussed at Board. Clerk noted that action from Board involved liaison with Internal and External Auditors prior to removal, however this had yet to happen. Clerk to seek guidance as actioned.</p>	Clerk
11	<p>Committee Minutes</p> <p>The minutes for the following meetings were received and noted:</p> <ul style="list-style-type: none"> ● JNC Support Staff, 11/06/20 ● JNC Lecturing Staff, 11/06/20 ● JNC Budgetary Meetings 22/06/20, 20/08/20 & 01/09/20 	

12	Date & Time of next meeting Monday 30 November @ 5:00pm Vice Principal noted that External Audit timescale means that the Audit sign-off is unlikely to take place before January 2020, therefore it advised that the joint F&GP/Audit element of this meeting may be reviewed.	
13	Review of Meeting The Committee agreed the meeting had covered its Terms of Reference.	

DRAFT

Information recorded in College minutes are subject to release under the Freedom of 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 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 2018. 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