

## FINANCE AND GENERAL PURPOSES COMMITTEE

*Minute of Meeting of 20 May 2014*

The meeting commenced at 0900 hours.

**PRESENT** – I Gossip (Chair), J Harper, J McKendrick, D Michie, K Milroy, A Smith, R Wallen

**IN ATTENDANCE** – R Scott, P May, P Kesson, D Simpson (Mitie), E Buchan and D McBain (Arch Henderson)

### 1. Apologies for Absence

Apologies were received from D Cobban.

### 2. Matters for Decision

#### 2.1 Estates Masterplan, Fraserburgh Campus

The Committee considered a paper providing information on the latest version of the masterplan for the development of the Fraserburgh Campus.

Information was provided on the background to the establishment of the masterplan; the masterplan document prepared by Arch Henderson; affordability; and the next steps necessary to take forward the chosen option for the development of the Fraserburgh Campus.

Representatives from Arch Henderson provided a presentation to aid consideration of the masterplan.

Mr Scott advised that the masterplan would address legacy issues but would also prepare the College for the future.

Mr Scott informed Members that he had spoken with officials of the Scottish Funding Council (SFC) who had agreed that the planned work was a priority. The SFC had indicated that money might be made available in the current financial year, but Mr Scott pointed out that the bulk of the expenditure would fall in future financial years when it was not thought that funding would be available.

Mr Milroy stressed the need to go ahead with the masterplan as a priority but said the Board should continue to look to acquire funding to support the masterplan from the Scottish Government and the SFC. Mr Milroy added that he felt that the Board had to take some immediate decisions because of the environment the College is working in, and the level of investment that is required.

Members asked for reassurances on a number of issues, including, possible negative impacts on any future College developments or aspirations; alignment with the College's future curriculum; unintended consequences; and the business case for the development.

The Committee noted that increasing capacity in technical subject areas will be particularly important in the light of the Wood Commission recommendations regarding vocational provision for school pupils, and that increased capacity for engineering provision is also a priority given the skills gap in the oil and gas industry and the high demand for College places on engineering courses.

Mr Wallen said that the masterplan would have no denigration on the quality of the delivery of the curriculum in Aberdeen.

In response to a query from Mr Smith, Mr Scott confirmed that the College's capital plan contains provision for £4,000,000 to be spent on the refurbishment of areas of the Fraserburgh Campus that were outwith the scope of the 'College 2012' project, and added that the masterplan would require a further £4,000,000 to be sought from the NES Foundation.

The Committee agreed to support the masterplan following the provision of reassurances relating to the possible impacts of the development. It was also agreed that the implications of the Fraserburgh Campus Estates Masterplan would be considered at the meeting of the Board of Management scheduled for 23 June 2014.

Mr Gossip thanked the representatives of Arch Henderson for their presentation.

Mr Buchan, Mr McBain and Mr Simpson left the meeting at this time.

### **3. Minute of Previous Meeting**

The Minute of meeting held on 18 March 2014 was approved.

### **4. Matters arising from Minute of Previous Meeting**

There were no matters arising.

### **5. Reports by the Principal**

#### **5.1 Report by the Principal**

The Committee noted a report providing information on SFC Grants for AY2014-15; Audited Financial Statements for 2012-13 and 2013-14; internal audit; over-clad and re-roof at Aberdeen City Campus; the former Balgownie Centre site; and facilities management at Fraserburgh Campus.

Mr Wallen provided additional information on the sale of the site of the former Balgownie Centre.

#### **5.2 Post-merger Developments**

The Committee noted a report providing information on post-merger developments in the College relevant to the Committee.

Information was provided on finance, infrastructure and estates issues.

Mr Wallen informed the Committee that time has been spent with stakeholders who were strongly opposed to the merger but who are now seeing the positive benefits of it. The Committee noted that the Estates Masterplan for the Fraserburgh Campus will also demonstrate the College's commitment to maintaining the Fraserburgh Campus as one of the College's key learning centres.

### **6. Matters for Discussion**

#### **6.1 Reclassification of Colleges as Central Government Bodies**

The Committee considered a report providing information on the implications of the reclassification of colleges as central government bodies and on mitigating actions that have been or are planned to be taken.

Information was provided on training and support provided by the SFC to colleges; submission of two cash flow forecast returns to the SFC; work undertaken by the North East Scotland Foundation for Further Education; and insurance.

Mr Scott noted the recent Board training session "ONS Reclassification: What Board Members need to know", and commented that the session had reconfirmed the information provided previously to the Board and its Committees.

The Committee noted the report and requested the Principal to follow up a response to a letter sent to the Scottish Government seeking clarification on insurance matters.

## **6.2 Financial Systems**

The Committee considered and noted a report providing information on the current situation and progression of the project to implement unified financial systems for North East Scotland College.

## **6.3 Procurement**

The Committee considered a report providing information on procurement.

Information was provided on a number of contracts that have been awarded since the last meeting of the Committee; and on the competitive tender process currently underway to appoint a provider of distance learning materials.

Mr Scott provided additional information on the contracts for catering and cleaning services.

The Committee noted the contents of the report.

## **6.4 Key Performance Indicators for Environmental Sustainability**

The Committee considered a report providing information relating to environmental and sustainability issues in the College. It was noted that this information was previously considered by the HR Committee but that it had been agreed that the information was more closely aligned with matters considered by the Finance and General Purposes Committee.

Information was provided on the background and context to actions undertaken previously in the former Aberdeen College. It was noted that the original targets had been set based on the available data at the time, but that a refinement of collecting processes had since shown that some of the assumptions made at the time were incomplete. It was also noted that many things have changed within what was Aberdeen College, for example, the over-clad and re-roof of the Aberdeen City Campus.

Data were also provided on energy, water, vehicles and photocopying; waste production and segregation; the way forward; and revised targets.

After some discussion the Committee agreed to the adoption of the proposed revised targets relating to environmental and sustainability issues and agreed that a paper on the key performance indicators be presented to the Committee every six months.

## **7. Matters for Decision**

### **7.1 North East Scotland Further Education Foundation – Application for Grant**

The Committee considered information to assist it to make grant applications to the North East Scotland Further Education Foundation, an organisation established as part of the arrangements to mitigate the consequences of the reclassification of colleges as central government bodies on 01 April 2014.

After some discussion the Committee agreed to the request to make payment of grant in relation to the over-clad and re-roof project at Aberdeen City Campus, and to

advise the Foundation of the change in the Board's plans for the development of the Fraserburgh Campus.

## **7.2 Financial Regulations**

The Committee considered the Board's Financial Regulations.

Information was provided on the adoption of Financial Regulations; transition arrangements; the current situation; proposed operational amendment; and next review.

After some discussion the Committee noted the information provided in the report, and agreed to the deletion of paragraph 25, and the amendment of paragraph 12.8 in the Financial Regulations.

The Committee authorised the Committee Chair to approve any further amendments on their behalf.

Mr Gossip and Mr Scott will meet to consider the process to be followed in undertaking the next review of the Financial Regulations.

## **8. Summation of Business and date of next Meeting**

The Secretary gave a summation of the business discussed. The next meeting of the Finance and General Purposes Committee is scheduled to take place on Tuesday 15 July 2014.

### **Reserved Items of Business**

#### **9. Matters for Discussion**

##### **9.1 Financial Monitoring**

#### **10. Matters for Decision**

##### **10.1 Procurement of Contracted Services**

##### **10.2 College Debts**

The meeting concluded at 1015 hours.