

FINANCE AND GENERAL PURPOSES COMMITTEE

Minute of Meeting of 21 July 2015

The meeting commenced at 0900 hours.

PRESENT – S Brimmer, I Gossip (Chair), J Harper, J Henderson, K Milroy, A Smith, R Wallen, K Wetherall

IN ATTENDANCE – R Scott, E Hart, P May, P Kesson

OBSERVER – S Grant

Mr Gossip welcomed Ms Wetherall (Students' Association Regional President) to her first meeting of the Committee. Mr Gossip also welcomed and congratulated Ms Grant on her recent appointment to Director of Curriculum

1. Apologies for Absence

Apologies were received from S Masson.

2. Minute of previous Meeting

The Minute of Meeting held on 19 May 2015 was approved.

3. Matters arising from previous Meeting

3.1 Animal Care Provision

Mr Wallen informed the Committee that he had confirmed with SRUC that the College would transfer its animal care provision to SRUC with effect from the start of AY2016-17. Mr Wallen added that relevant College staff had been informed of the transfer and that TUPE processes would commence in due course.

3.2 Macduff Learning Centre

Mr Wallen informed the Committee that Mr Cowie, Vice Principal Business Services, and colleagues had met with the Local Area Manager for North Aberdeenshire to discuss College provision in Macduff. It was reported that the discussion had been very beneficial and had confirmed that there is a need for provision in the area. Mr Wallen added that the discussion had also highlighted the potential for utilising accommodation at Banff Academy or other suitable premises in the area if a decision was taken to close the College's Macduff Learning Centre.

4. Report by the Principal

The Committee noted a report by the Principal providing information on: Prevent duty; internal audit; over-clad and re-roof at Aberdeen City Campus; Engineering Technologies at Fraserburgh Campus; site of the former Balgownie Centre; Ellon Learning Centre; facilities management services; and motor vehicles.

Mr Wallen provided further information on Prevent duty; work in progress to generate sufficient numbers to run viable part-time classes at Ellon Learning Centre; and the acquisition of 4-wheel drive pool cars to maximise the safety of staff who have to travel between Aberdeen and Fraserburgh campuses.

Mr Scott provided information on the transition to the new cleaning service at Fraserburgh Campus.

5. Matters for Discussion

5.1 Student Activity, AY2014-15

The Committee considered a paper providing information on the current status of student activity for the academic year 2014-15.

Mr Wallen informed Members of the work carried out by management to ensure that the College legitimately maximises its Extended Learning Support (ELS) claim for AY2014-15, and advised that this was expected to compensate for the forecast shortfall of wSUMS in BCD. Mr Wallen confirmed that the Scottish Funding Council (SFC) activity target will now be met and that the risk of the College having to pay back a substantial amount of money to the SFC has been removed. Members noted that the figures provided are subject to audit at the end of July 2015.

Mr Wallen paid tribute to senior management colleagues, the Directors of Curriculum, and the Head of Student Services for the excellent work carried out to enable the College to meet its AY2014-15 activity target. Mr Milroy endorsed Mr Wallen's comments.

A discussion followed on the College's ELS wSUMs claim for AY2014-15, with Mr Wallen noting that the College had always taken a conservative position with ELS in previous years. Mr Wallen assured the Committee that whilst auditors will note that the College is claiming a higher percentage of ELS activity than previously, the claim is legitimate.

Members noted that with the introduction on the new funding methodology in AY2015-16, there will no longer be a separate target for ELS.

Mr Wallen commented that staff are working hard to mitigate the risk of lower numbers of applications for full-time courses for next year.

Members noted the paper and the planning activity spreadsheet for AY2015-16 based on new credit values. Mr Wallen informed the Committee that Mr Cowie has confirmed that the AY2015-16 activity target for BCD is achievable.

5.2 Revenue Budget, Forward Look

The Committee noted a report providing information on the College's financial position.

Information was provided on the financial environment and context; and the baseline financial position.

In providing further information to Members Mr Scott commented that the figures were 'best estimates', and highlighted that in AY2018-19 the College deficit would be in the range of £3m-£3.5m if no further actions were taken.

Mr Scott also informed Members that the financial effect of Living Wage accreditation has not been taken into account.

Members noted that work is being undertaken to address the underlying challenges but there were still a number of unknown factors.

In response to a query from Mr Milroy, Mr Scott said that the planning assumptions noted are for NESC, not the Sector.

In response to a query from Mr Gossip, Mr Scott highlighted potential mitigating actions that will be considered by the Senior Management Team.

A discussion was held on the financial implications of amending the College's curriculum offer in the longer term, including consideration of modes of delivery, price groups, and meeting regional needs.

The Committee noted the information presented in the report, and Mr Scott confirmed that Members would continue to be periodically updated on the College's budget position.

Ms Hart joined the meeting for discussion of agenda item 5.3

5.3 VS Additional Hours Payment and action from Payroll & HR Internal Audits

The Committee considered a paper providing further information on the situation with regard to an additional hours' payment paid under the Voluntary Severance Scheme and the actions identified in the Payroll and HR Audits as they relate to HR.

Information was provided on the issue of a Voluntary Severance (VS) payment which was highlighted by an internal audit of Payroll; possible explanation of the additional hours payment; HR recommendations from Payroll Internal Audit; HR recommendations from HR Internal Audit; and building resilience in HR and Payroll.

The Board of Management, at its meeting on 08 June 2015, had requested further clarification on the matter of an additional hours VS payment made to a former employee of Banff & Buchan College. The Committee noted the explanation given in the paper.

In response to a question from Mr Gossip regarding a member of the HR staff working closely with Payroll, Ms Hart said that the focus of their duties would revert back to HR as the work relating to Payroll decreases due to issues being resolved.

Ms Hart reported that all HR posts have now been filled and HR Team members' duties have been clarified. Ms Hart added that the backlog of filing has been cleared.

Ms Hart advised that a deadline of 31 August 2015 had been set for the HR Team to check the accuracy of employee records.

Mr Gossip requested that Ms Hart prepare a RAG report detailing timelines and percentage achieved for the programme of systems training for the HR Team.

The Committee considered the updates from the Internal Audit of Payroll and Ms Hart confirmed that, with regard to overpayments – with the exception of pensions which are more complex - high level procedures are now in place.

With regard to new starts, leaver and amendment forms, Ms Hart said she would ascertain exact timelines when the HR Manager returns from annual leave.

The Committee considered the updates from the Internal Audit of Human Resources. Ms Hart was requested to: give consideration to undertaking all exit interviews on a face-to-face basis instead of by post; provide an update on the work carried out to fully validate data in the HR/Payroll System for the next meeting of the Committee; ensure that RM were asked to confirm that actions are being completed to remove leavers from College IT systems.

Mr Gossip requested that Wylie & Bisset be asked to carry out further reviews of the Payroll and HR functions by 31 December 2015.

Ms Hart left the meeting at this time.

5.4 Procurement

The Committee considered a paper providing information on recent procurement activities.

Information was provided on six contracts recently awarded, and on current and forthcoming procurements. Mr Scott informed the Committee that Mitie TFM had been re-appointed to undertake facilities management services at a price which was lower than their previous contract.

The Committee noted the report.

5.5 Reclassification

The Committee considered a paper providing information on matters related to the reclassification of colleges as central government bodies, with effect from 01 April 2014.

Information was provided on: Scottish Funding Council returns; and assurance and audit requirements. Mr Scott commented that the position remains largely unchanged since last considered by the Committee.

The Committee noted the report.

5.6 Environmental Sustainability, Monitoring Information

The Committee considered a report providing information relating to environmental sustainability in the College.

Members noted the contents of the report and the data on the consumption of resources.

5.7 Leased Properties

The Committee considered a paper providing information on the lease of properties at Fraserburgh and Peterhead.

Information was provided on the lease of a sports field at Fraserburgh Campus, and on the lease of café facilities within the premises of the Scottish Maritime Academy at Peterhead.

Members noted the actions being taken to establish new leases for these facilities.

6. Summation of Business and date and time of next Meeting

The Secretary gave a summation of the business conducted. The next meeting of the Finance and General Purposes Committee is scheduled to take place on Tuesday 15 September 2015 at 0900 hours.

Reserved Items of Business

7. Matters for Discussion

7.1 Financial Monitoring

7.2 Business and Community Development/College Activity Target

8. Summation of Reserved Items of Business

The Secretary gave a summation of the reserved items of business.

The meeting concluded at 0956 hours.