

**Final Version Minutes of the
Finance & General Purpose Committee
held at 2.00pm on Friday 12th June 2020
via Webex**

Present: John Colston (JC), Chair, Jim Findlay (JF), Martin Jones (MJ), Bettina Sizeland (BS), Maggie Tierney (MT)
Apologies: Andrew Campbell (AC)
In Attendance: Elaine Munro (EM), Ailsa Close (AEC), Vicky Daveney (VD) (Board Secretary)

No	Item	Action
20.2.1	Welcome – JC welcomed all committee members to the meeting and welcomed Bettina Sizeland and Maggie Tierney to their first committee meeting.	
20.2.2	Apologies & declarations of interest. Apologies were received from Andrew Campbell. JF declared his position as a local authority councillor.	
20.2.3	Minutes of previous meetings. Minutes of F&GP meeting held on 28 February 2020 were approved. The minutes to be signed by Chair as an accurate record of the meeting.	JC/VD
20.2.4	<p>Matters arising.</p> <p>i) Update on nursery MJ provided background for the benefit of the new members and confirmed that the nursery will shut down on 26th June. The nursery closed prior to lockdown due to a number of staff self-isolating. Remaining staff are currently furloughed. JC asked if there had been any renewal of interest from any parties. MJ confirmed that there has not and Covid-19 may have stopped any further interest. MJ stated that after closure the college will own the lease on building, the lease restricts the use of the building to a nursery. BS was unclear why it cannot be re-developed and asked what the ongoing cost of the building is expected to be. AEC stated that funding was received for the nursery and a change of purpose would require permission from the funders. JF suggested that social distancing may increase the requirement for the space for education or childcare needs, and suggested the terms with the grant funders should be checked. JC invited MJ and AEC to look into the terms of the grant and thanked the management team for their work on the nursery closure.</p> <p>ACTION: Check terms of funding for nursery</p> <p>ii) Update on Helensburgh funding draw down MJ provided background information relating to the strategic investment funding which had been won when the centre opened in 2017, but not yet received from UHI. One of the aims of the centre being to maximise engagement with Faslane and facilitate the delivery of UHI's engineering</p>	MJ/AEC

	<p>programme to submariners. The funding has now been confirmed and is expected to be received within the next week. JC thanked MJ for his efforts in following-up on this and asked AEC if it will help the management accounts. AEC confirmed that it will, but it has not been incorporated as yet.</p>	
20.2.5	<p>Internal audit plan AEC confirmed that new internal auditors have been appointed, previously they were the external auditors, so they already have a good knowledge of the organisation and have a proactive approach. The 3 key areas they will focus on this year are: payroll, staff development and Health & Safety. MT asked whether a staff recruitment and retention audit had been carried out recently as it is listed as a high priority on the audit plan but not scheduled. AEC explained that areas for focus had been prioritised based on time, systems and staffing availability.</p>	
20.2.6	<p>Update on appointment of external auditor AEC explained that a joint tender with Sabhal Mor Ostaig and West Highland College went through APUC but only one bid received at double the cost of last year. The tender went back out as an individual tender and 2 bids were received. Armstrong Watson Ltd have been appointed, the other 2 colleges are also appointing them so there is a further 5% discount on tender price.</p>	
20.2.7	<p>SFC Mid Year Return 2019/20 AEC explained that every year SFC ask for a 5 year forecast (Financial Forecast Return, FFR) in June or September and the MYR is requested mid way through the financial year for a comparison of revised outcome against FFR projections. Due to Covid-19 they requested a further update. AEC has projected a breakeven position for 20/21.</p>	
20.2.8	<p>Management Accounts to 30 April 2020 AEC stated that although the accounts show a deficit there will be a surplus once the Helensburgh funding is taken into account, all else being equal. In addition, there may be further funding from UHI from the distribution of underspent 20/21 HE teaching grants (RAM). A request has been made for it to be distributed to the colleges, figures are currently unknown. JC asked about national bargaining funding. MJ confirmed that continued receipt of this is dependent on signing up to NRPA, which we are currently shadowing. There is a lot of work required before this can be done and steps are being taken to move the process along, including moving hourly paid staff to fractional contracts. MT asked if it allows enough flexibility to meet the needs of the business and what the timeframe is until we have to commit to joining. MJ stated that the way Argyll College was set up initially is not necessarily conducive to a national model, but we will be seeking to sign up once we have taken the required steps. It is difficult for the college to increase income due to rural locations. MT asked if a collection agency will be used for the expected bad debts on the nursery. AEC explained that due to sensitivities around the closure and Covid-19 debts are not currently being pursued but it may be a requirement to bring in an agency in the future. JC asked if the nursery income and redundancy figures are best estimates for year. AEC confirmed they are.</p> <p>ACTION: MT to provide AEC details of a collection agency.</p>	MT/AEC
20.2.9	<p>Draft Budget 2020/21 AEC explained that there are many unknowns due to the current climate but believes the budget to be reasonable. An increase in staffing costs has been estimated at 1.5%. UHI have confirmed income for 2020/21 but expenditure is more</p>	

	<p>difficult to predict. Capital expenditure budget has not been included but AEC will provide a plan for next year at the board meeting on 26th June. MJ stated that SFC have confirmed there will be no clawback this year and no penalties next year if targets are not met due to Covid-19, eg can only fit 50% of students in classrooms. JC was pleased there was a degree of reassurance from SFC. JF asked if the college is getting all the funding it should, particularly in relation to the nursery.</p> <p>ACTION: AEC to produce Capital Expenditure Plan for the next year. ACTION: AEC investigate funding options</p>	<p>AEC AEC</p>
20.2.10	AOCB	
20.2.11	<p>Date of next meeting Committee Meetings – Friday 11th September, Location TBC Board Meeting – Friday 2nd October, Location TBC</p>	
20.2.12	<p>Signed by</p> <p>..... Chair of Finance & General Purpose Committee</p>	<p>Date</p>