



A meeting of
Argyll College Finance & General Purpose Committee
to be held at 2.30 pm on Friday, 18th May 2018
CERC, Lochgilphead, Kilmory Industrial Estate, Lochgilphead PA31 8SH
Tel 01631 559 830

A G E N D A

Agenda item no		Status	Papers
18.2.1	Welcome & apologies for absence		
18.2.2	Declarations of interest & items to be deemed confidential		
18.2.3	Minute of the meeting held on 23 rd February 2018	To approve	Attached
18.2.4	Matters arising: (a) NRPA (FD) (b) Assigned Status (FD) (c) Strategic Investment Fund update (FD) (d) Strathclyde Pension Fund paper (e) DYW update		To follow Attached
18.2.5	Management Accounts to 31st May 2018	Consideration	Attached
18.2.6	Nursery update (FD)		FD
18.2.7	Draft budget 2018/19		To follow
18.2.8	Strategic & Operational plan (FD)		
18.2.9	Properties update: Riverside property		Attached
18.2.10	Policies for approval: (a) Value for Money (b) Policy on Policies		Attached Attached
18.2.11	AOCB		
18.2.12	Date of next meeting: Friday, 24 th August 2018 at CERC, Lochgilphead	To note	

Please send any apologies or questions to Fi (Secretary to Board): fiona.fenn.smith@uhi.ac.uk / mobile: 0789 174 5766



**Minutes of Argyll College Management Board
Finance & General Purpose Committee
of Argyll College Management Board
held at 10 am on Friday, 23rd February 2018 at CERC, Lochgilphead**

Present: John Colston, Chair (JC); Fraser Durie (FD) & Jim Findlay (JF)
Via dial-in: Scott Matheson (SM)
In Attendance: Ailsa Close (AEC); Elaine Munro (EM); Fiona Fenn-Smith (Secretary)
Apologies: Andrew Campbell (AMG)

No	Item	Action
18.1.1	The Chair welcomed Scott Matheson to his first meeting of the F&GP committee.	
18.1.2	Apologies for absence & declarations of interest. Apologies received from Andrew Campbell.	
18.1.3	Minutes of the joint meeting with Audit committee held on 24th November 2017. The minutes were approved and FS will bring them to the board meeting on 9 th March for signing.	FS
18.1.4	<p>Matters arising</p> <p>(a) NRPA update (paper previously circulated). FD said he had attended an Employer's Association residential which clarified details on the 3-year pay deal for lecturing staff. If accepted by the union, it will be implemented when/if funding for migration is agreed by SFC. Other impacts will be the requirement for lecturers to register, incurring an annual fee, and the introduction of professional standards for lecturers. EM has circulated consultation on national standards to staff and a review of outcome taking place in March. There is a realization that colleges will need funding for the new pay strategy. Job evaluation for support staff will be done by a national organization. AEC said 62 days' annual leave for teaching staff has also been agreed and that this will be a significant additional cost for Argyll as terms are currently 41 days per annum. Support staff have already been given an extra 3 days.</p> <p>ACTION: College to look at the implications of alignment with NRPA. Agreed college will continue to shadow NRPA and will not commit to further pay increases unless fully funded by SFC. AEC to quantify costs of additional annual leave.</p> <p>(b) Action plan on assigned status (previously circulated). Actions requiring completion by 31st March 2018:</p> <ul style="list-style-type: none"> • External board evaluation: AEC looking at possible providers and gathering together quotes & tenders. • Equality & diversity: FD to send EM Jason Thurlbeck's comments. • Publication of board papers. FS to put board papers (minutes & attendant paperwork) onto SharePoint following approval at March 	<p style="text-align: right;">AEC</p> <p style="text-align: right;">AEC FD</p> <p style="text-align: right;">FS</p>

	<p>board meeting.</p> <ul style="list-style-type: none"> • Business continuity planning. FD to complete and circulate to senior management team. To bring to March board meeting. • JISC skills matrix: FS to remind all members to return their completed document for analysis. • Governor induction. FS to bring together all information and set up checklist. <p>(c) Update on funding for Helensburgh. FD's application to UHI Strategic Investment Fund was unsuccessful, and will have to be resubmitted by 28 Feb, when it will be considered along with new applications being considered by UHI. Head of Communications and Depute Principal now preparing the application. JC said UHI needs to be made aware of the reputational damage if Helensburgh has to close. FD has spoken to Sharon Drysdale of SFC re extra credits for college. 3 issues facing Helensburgh: UHI funding; additional credits through SFC; length of lease. AEC said she has concerns that it may never be a sustainable project without funding. However, committee noted very positive feedback from students. JC said that we are at risk but: Board is committed to this in knowledge of risks. The committee can see the advantages, but remain concerned about long-term viability.</p> <p>ACTION: Bring funding bid papers to board meeting.</p>	<p>FD/FS</p> <p>FS</p> <p>FS</p> <p>FD</p>
18.1.5	<p>Management Accounts to 31st January 2018. (Previously circulated.) £1m bank/cash balances, last year £1.3m so college is starting to use up reserves. Outturn forecast showing a deficit of £370k. The figure includes loss on the anticipated sale of the building in Lochgilphead of £135k, additional costs for Helensburgh not in the original budget of £126k, additional support salary costs of £30k for £425 per person pay rise and loss anticipated in Nursery of just under £19k when a surplus of £16k was originally budgeted for. Teaching salary costs and holiday pay much higher due to NRPA. If Helensburgh turns around, position will improve by £120k. As this is third year of deficit, it may trigger referral to Select Committee as indicated by our external auditor at last F & GP/Audit meeting. JC said all to be aware of risks.</p> <p>ACTIONS: F&GP to look at nursery income and expenditure and drivers behind current position with a view to evaluating all options. JF has a contact who has experience in this sector who could be asked for input. College to take a restrictive approach on any genuinely discretionary spending. Agreed to set budget for next year as early as possible to take difficult decisions early.</p>	<p>FD</p> <p>AEC/FD</p>
18.1.6	<p>Strathclyde Pension Fund. (Previously circulated.) AEC summarized the 3 options in the face of additional contribution of 2.3% (from 19.3% to 21.6% from 1st April 2018).</p> <ul style="list-style-type: none"> • Option One: Buy-out of the fund. College to withdraw from the fund and pay the £2m owed over next 10 to 12 years. College would still offer NEST pension to all eligible staff (contribution rate of 2% from 1 April 2018). This option would require consultation with staff. • Option Two: Close it to new entrants. Possibility in future years that of contribution rates being raised to cover the reduction in contributions as existing members leave over time. Also NRPA means teaching staff may at some point be given right to join the teaching pension and therefore it may further disadvantage support staff. Around 30 to 40 staff currently members of the SPF. <p>ACTION: AEC to look at Option Two – Paper to be circulated to Board.</p>	<p>AEC</p>
18.1.7	<p>DYW Update. FD reported that the risk previously recorded with regard to the employees of the College's DYW project was no longer a risk as the 6</p>	

	<p>month period had passed and one of the members of staff has now taken up a position out with the College but within UHI. It has been agreed that the College will advertise for an external temporary project manager to manage the project for the next 6 months and get an operating plan in place which meets the overall aims of the DYW regional group, but also links into the College.</p>	
18.1.8	<p>Detailed strategic & operational plan. FD circulated the Operational plan already circulated at the Dec Board meeting. He also circulated the KPIs from the 2015-18 Strategic Plan from which he had removed those which were not actually relevant to Argyll College but had been included because they were in the UHI strategic plan.</p>	
18.1.9	<p>Properties update (previously circulated). AEC indicated the need to put in a bid to the UHI Strategic Investment Fund for funding for new premises in Dunoon, but FD had expressed a concern that an additional bid may have a negative impact on the Helensburgh bid.</p> <p>ACTION: Committee agreed that the Dunoon bid was a strong one and should be put forward as very unlikely to impact on Helensburgh bid. Noted that committee found the property update helpful and informative.</p> <p>AEC gave update on Riverside property in Lochgilphead. College has agreed to sell at £90k to MacPool in line with the valuation they had carried out. Fiona Larg of UHI has contacted BLF who have taken on the responsibilities from the Millennium Commission funding, which part funded the original purchase and refurb of the building. Indications are that it is unlikely there will be any clawback given the loss that will be made on the sale of the premises.</p>	AEC
18.1.10	<p>ACOB. JF had attended an interesting talk on the Machrahanish space port, and felt there may be opportunities for the college. JF to keep college up to date on this.</p>	
18.1.11	<p>Date of next Finance & General Purpose meeting. Friday, 18th May at CERC, Lochgilphead.</p>	
18.1.12	<p>Signed by</p> <p>..... Date</p> <p>Chair of Finance & General Purpose Committee</p>	