

South Lanarkshire College

Finance & Resources Committee (Board of Management)

Held on 18th November 2021

Present

C Gibb (Chair)

H Anderson

A Kerr A

McKechnie

D Morrison

Apologies

T Donnelly In

Attendance

K McAllister

S McManus

S Hampshire

B Keegan (Clerk)

1. Apologies

Apologies from T Donnelly were noted

2. Declarations of Interest

A Kerr and A McKechnie declared their interest as members of the Lanarkshire Board. A Kerr declared his membership of the Scottish Funding Council.

3. Minutes of Previous Meeting

The minutes were approved subject to noting that the reversal of deficit had significance in the context of clawback.

4. Matters Arising

4.1 After a discussion on questions being submitted in advance of meetings, the Clerk agreed to work with the Principal and the Committee Chair to establish a system for this which might be rolled out across other meetings

4.2 The committee was asked to note that the implications of a 4 day week would be challenging from a resourcing perspective.

4.3 An updated version of the budget had been submitted to and approved by the Board of Management

4.4 It was agreed that the Training on College Finances should be offered to the full board and that the Accounting Policy should be re-issued to all members

5. Head of Finance Report

K McAllister reported that there had been a lot of activity in the first quarter and invoices raised as appropriate. There were no surprises with regard to salary costs but there would need to be an accrual for job evaluation and asked the Committee to note the financial forecast to for the year to July 2022 . The Strategic Aim was to ensure financial sustainability provide by providing the highest quality education & support in a high quality working and learning environment

Key points to note on risk were:-

- Student recruitment and therefore fee income was down but the challenge was recognised
- There was an increased level of non-payment of fees and subsequently higher write off figure without a great deal of commercial activity to offset this ● Projections have been very conservative in terms of income and known potential expenditure despite possible further funding opportunities ● The ring fenced capital funding had not been sufficient to fully support the capital works but the shortfall had been made good from reserves ● Provision had been made for salary costs and job evaluation but these of course were controlled centrally
- There is however a cash balance sufficient to meet day-to-day requirements with a surplus sufficient to fund minor and major works in line with the draft Strategic Investment Plan
- There was likely to be a substantial increase in the price of utilities but this might not surface until 2022
- The college was conscious of the need to plan a route for zero carbon which might reduce the draw on utilities but the College would take expert advice as appropriate

6. Management Forecast

The Committee noted with approval the detail in Appendices IA to 1 D inclusive which are referred to for their terms and summarised the position as indicating reassuringly healthy funding despite the challenges.

Members reviewed and noted the Forecast albeit it was early in the financial year which may flex figures and requested that management be alert to the possibility of "clawback" by SFC in respect of unspent monies and monitor and mitigate accordingly to optimise benefit for students.

It was observed that planned strategic investment and student support funding be incorporated once cashflow figures are clarified

7. Update on Grant-in Aid Allocation

The committee noted with approval the detail in Appendix 2 which is referred to for its terms but took the point that there was movement year on year and this needed to be monitored through the funding database.

8. Facilities and Estates Update

S McManus spoke to the detailed Report [Appendix 3] which is referred to for its detailed terms.

The Board approved the final additional spend on the roof and noted after due discussion:-

- Progress on Backlog of maintenance works
- Plant room findings and recommendations following failure of the sump pump and shut off valve resulting in the need for urgent work to replace the tank and overflow system
- The issues with the lift shaft which required strengthening
- The contract performance review and the implications of RAG rating
- Sustainability action where there was a one year race for HE and FE towards compliance with zero carbon targets

9. Procurement Report

The Committee noted the Quarterly Procurement Report [Appendix 41 which is referred to for its detailed terms,

The ever present risks are that :-

- If procurement processes and procedures are not adhered to then the College would not be meeting their legal compliance obligations — and in that context noted specifically that the College was updating and reviewing its procurement strategy

- If purchasing does not follow proper procedure then value for money is compromised and is exposed to improper use of resources — and in that context noted specifically that the status of all contracts awarded or planned (including renewals) was provided in the Report
- If the process is not rigorous then this would be inconsistent with the need to secure the economical, efficient and effective management of resources

The committee appreciated therefore the Quarterly Reports which they felt were reassuringly robust. The Board however asked the Management to bear in mind the need for community benefit to be a feature of College activities and the need to work with ethically sound organisations. In general, the Board took the view that there was always a need for ongoing training in this regard.

There being no other competent business the Chair closed the meeting with thanks to all contributors.