



### Meeting of the Finance and General Purposes Committee

Meeting to be held

On Tuesday 10 September 2019

At 1030 hours in the Board Room

#### AGENDA

Number	Item	Presented By	Action Required: Decision, Discussion, For Noting
<b>F.19.4.01</b>	(i) Resignations	Clerk	Noting
	(ii) Appointments		
<b>F.19.4.02</b>	Apologies for Absence	Clerk	Noting
<b>F.19.4.03</b>	Any Additional Declarations of Interest including specific items on this Agenda.	Convenor	Noting
<b>F.19.4.04</b>	Minutes of previous meetings:		
	(i) Draft Minutes of Finance and General Purposes Committee meeting held on 4 June 2019. *	Convenor	Decision
	(ii) Draft Minutes of Special Finance and General Purposes Committee meeting held on 15 August 2019 *	Convenor	Decision
<b>F.19.4.05</b>	Draft Matters Arising from previous meetings:		
	(i) Draft Matters Arising/Action Sheet from Finance and General Purposes Committee meeting held on 4 June 2019 *	Clerk	Noting
	(ii) Draft Matters Arising/Action sheet from Special Finance and General Purposes Committee meeting held on 15 August 2019*	Clerk	Noting
<b>F.19.4.06</b>	Financial Update	Finance Director	Discussion
	i. Management Accounts to 31 July 2019 *		
	ii. 2018/19 - Financial Forecast Return * • Actual v Budget *		
	iii. Cash flow *		
<b>F.19.4.07</b>	2019-20 Budget *	Finance Director	Discussion
<b>F.19.4.08</b>	Estates and Backlog Maintenance verbal update	Finance Director	Discussion

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<b>F.19.4.09</b>	Emerging Issues	Finance Director Chair	Discussion
	(i) Update of funding allocation from FERB	Finance Director	Noting
<b>F.19.4.10</b>	Risk Register Update - verbal	Finance Director	Discussion
<b>F.19.4.11</b>	Review of Terms of Reference of F&GP *	Chair	Decision
<b>RESERVED ITEMS</b>			
<b>F.19.4.12</b>	Draft Reserved Minutes of Finance and General Purposes Committee meetings:		
	(i) Draft Reserved Minutes of Finance and General Purposes Committee Meeting held on 4 June 2019 *	Convenor	Decision
	(ii) Draft Reserved Minutes of Special Finance and General Purposes Committee Meeting held on 15 August 2019 *		
<b>F.19.4.13</b>	Matters Arising/action Sheet from Finance and General Purposes Committee meetings:		
	(i) Matters Arising/Action Sheet from Finance and General Purposes Committee meeting held on 4 June 2019 *	Clerk	Noting
	(ii) Matters Arising/Action sheet from Special Finance and General Purposes Committee meeting held on 15 August 2019 *	Clerk	Noting
<b>F.19.4.14</b>	Contribution Report *	Finance Director	
<b>F.19.4.15</b>	Commercialisation – verbal Update	Finance Director	Discussion
<b>F.19.4.16</b>	Date of next meeting – 26 November 2019	Clerk	Noting



University of the  
Highlands and Islands  
Moray College

**Finance and General Purposes Committee  
Draft Minutes of Meeting held on  
Tuesday 4 June 2019 at 1330 in AGBC110**

**Present:**

Mr Murray Easton (Convenor)    Mr James Knowles  
Mr Peter Graham                      Mr Joe Bodman  
Mr David Patterson                Miss Caroline Webster  
Mrs Rosemary McCormack

**In Attendance:**

Mr Nick Clinton  
Mrs Cathie Fair (Clerk)

Item		Action	Date
<b>F.19.2.01</b>	<b>(i) Resignations</b>		
1.1	There have been no resignations received.		
	<b>(ii) Appointments</b>		
1.2	Mr Kyle Gee has been appointed as incoming HISA Rep and will take up this post with effect from 1-8-2019.		
<b>F.19.2.02</b>	<b>Apologies for Absence</b>		
2.1	Apologies were received from Mrs D Newton, Mrs El Melton and Nathan Sanderson		
<b>F.19.2.03</b>	<b>Any Additional Declarations of Interest including specific items on this Agenda</b>		
3.1	There were no additional declarations of interest.		
<b>F.19.2.04</b>	<b>Draft Minutes of Finance Meeting held on 5 March 2019</b>		
4.1	The minutes were accepted as a true record and approved by the Committee: Proposed: Mrs Rosemary McCormack Seconded: Mr Peter Graham		
<b>F.19.2.05</b>	<b>Matters Arising/Actions Sheet from F&amp;GP Meeting held on 5 March 2019</b>		
	All actions were completed or on Agenda with the exception of the following		
5.1	Mr Easton and Mr Clinton to meet and agree on reporting mechanism for Commercialisation Group	Mr Easton Mr Clinton	To be agreed
5.2	To chase up issue of standardisation of insurance across UHI	Mr Clinton	Ongoing
<b>F.19.2.06</b>	<b>Q3 Financial Update</b>		
	<b>(i) Management Accounts to 30 April 2019</b>		

6.1	Mr Clinton's covering paper highlighted the key points from FY18/19 Q3 Management Accounts and anticipated outturn. Overall Q3 position is positive with the underlying deficit (excluding exceptional gains) being ahead of budget and cash position being broadly in line with budget. National Bargaining presents significant challenges and has impacted the increased deficit.		
	<b>(ii) 2018/19 – Financial Forecast Return Actual v Budget</b>		
6.2.1	The Financial position shows an underlying income deficit of £174K with a £355K deficit for the remaining 3 months. £390K additional staff costs plays a significant part. It was noted the impact of 23+1, Sickness cover, and Actions short of Strike have all had an impact.		
6.2.2	The question of ALF funding was discussed and Committee requested an explanation on why ALF funding had been released.		
<b>Action</b>	To check minutes as to when this had been agreed.	<b>Mrs Fair Mr Clinton</b>	ASAP
	<b>(iii) Cash flow</b>		
6.3.1	Cash flow position estimates a £100K loss against budget and Committee agreed this is an unacceptable outcome. Discussion took place on possible measures to address the position which is not sustainable.		
6.3.2	Committee agreed they need to address how to deal with projected deficit before taking to Board. This needs to be considered in conjunction with the 19/20 Budget. Recommended position to Board is a cash neutral position and a plan on how we propose to get there.		
<b>Action</b>	Mr Clinton to provide additional granularity and rework budget ahead of Board meeting.	<b>Mr Clinton</b>	14/6/2019
<b>F.19.2.07</b>	<b>2019-20 Budget – verbal update</b>		
	Mr Clinton provided a verbal update on the 19/20 budget.		
<b>Action</b>	To keep Committee informed by e-mail of the budget process and timeline.	<b>Mr Clinton</b>	As required
<b>F.19.2.08</b>	<b>Estates and backlog Maintenance Update</b>		
8.1	A summary of Backlog maintenance spent/committed to date had been circulated for		

	information and it was confirmed £1.3 M has already been drawn down.		
<b>F.19.2.09</b>	<b>Emerging Issues</b>		
	<b>(i) Update on funding allocation from FERB</b>		
9.1	Partnership Council endorsed proposed allocations but figures yet to be approved by FERB prior to going to Court.		
	<b>(ii) National Bargaining Funding Update</b>		
9.2.1	Committee requested views on how other UHI Colleges are being affected by the impact of National Bargaining.		
Action	To raise with Chair of F&GP Court the net effects of National Bargaining	Mr Clinton	14/6/2019
9.2.2	A lengthy discussion ensued in relation to the fact the College remains in dispute with UHI over the issue of allocation of National Bargaining Funding. Options on how to take this forward were discussed including possible escalation if satisfactory outcome/explanation was not reached.		
Action	It was agreed that Mr Easton would write to the Chair of UHI F&GP Committee – Andy Rogers.	Mr Easton	Immediate
Action	Mr Graham to raise with Michael Foxley seeking assurance that endorsement of the UHI funding allocations would not take place until this dispute was settled.	Mr Graham	Immediate
	<b>(iii) Teaching Staff Pension Update</b>		
9.3	Employer's Contribution to teaching staff pension due to increase by 6% next year to 23%. Although 50% of this may be funded, it will have a huge impact of £300-£350K annually.		
	<b>(iv) Audit Scotland Annual Report</b>		
9.4	Mr Patterson highlighted key points from the Audit Scotland annual Report which is now live.		
Action	Mrs Fair to circulate link to Board	Mrs Fair	Immediate
	<b>(v) Fire Investigation</b>		
9.5	College Health and Safety Consultant carried out a Fire Investigation and the Fire Enforcement Officer has produced a report which has established cause and recommendations. This will be considered at the next SLT meeting.		
<b>F.19.2.10</b>	<b>Risk Register Update</b>		
	<b>(i) Update on Risk Management Policy</b>		
10.1	The revised Risk Management Policy had been circulated for information.		

	<b>(ii) Risk Register Update</b>		
10.2	Committee suggested investigating one risk per meeting to explore how risk is managed. Committee agreed that the Management Information is not currently fit for purpose.		
<b>F.19.2.11</b>	<b>Review of Terms of Reference of F&amp;GP</b>		
11.1 <b>Action</b>	It was agreed that Mr Clinton and Mrs Fair would meet and review these and take to next F&GP Meeting	<b>Mr Clinton Mrs Fair</b>	<b>10-9-2019 F&amp;GP</b>
<b>Action</b>	Committee to provide any feedback	<b>Committee</b>	<b>ASAP</b>
<b>F.19.2.12</b>	<b>Policy Review Update</b>		
12.1 <b>Action</b>	Mr Clinton's paper highlighted policies that were due to be updated and it was agreed these will be carried forward to September F&GP	<b>Mr Clinton</b>	<b>10-9-2019 F&amp;GP</b>
<b>F.19.2.13</b>	<b>Date of next meeting – 10 September 2019</b>		
	<b>RESERVED ITEMS</b>		
<b>F.19.2.14</b>	<b>Draft Reserved Minutes from Finance and General Purposes Meeting held on 5 March 2019</b>		
14.1	This item is reserved and the minute held in confidence.		
<b>F.19.2.15</b>	<b>Draft Matters Arising from Finance and General Purposes Meeting held on 5 March 2019</b>		
15.1	This item is reserved and the minute held in confidence.		
<b>F.19.2.16</b>	<b>Board and Committee Effectiveness Review Report 2018-19</b>		
16.1	This item is reserved and the minute held in confidence.		
<b>F.19.2.17</b>	<b>Draft/Example Contribution Report</b>		
16.1	This item is reserved and the minute held in confidence.		
<b>F.19.2.18</b>	<b>Commercialisation</b>		
18.1	This items is reserved and the minute held in confidence.		
<b>F.19.2.19</b>	<b>Moray Growth Deal Bulletin</b>		
19.1	This item is reserved and the minute held in confidence.		
	<b>Meeting closed at 1620</b>		



**Finance and General Purposes Committee  
Draft Minutes of Special Meeting held on  
Thursday 15 August 2019 at 1000 in the Board Room**

**Present:**

Mr Murray Easton (Convenor)

Mr Joe Bodman

Mr David Patterson

Mr James Knowles

Mr N Sanderson (HISA)

**In Attendance:**

Mr Nick Clinton

Mrs Deborah Newton

Mrs Cathie Fair (Clerk)

Item		Action	Date
<b>F.19.3.01</b>	<b>(i) Resignations</b>		
1.1	Although there were no resignations from the Committee, Mr Patterson explained that Mr Clinton had resigned as Finance Director and would be leaving the employment of the College in approximately 3 months. The Committee expressed thanks to Mr Clinton for his work as Finance Director and wished him well.		
	<b>(ii) Appointments</b>		
1.2	There were no new appointments and it was noted that Mr N Sanderson (HISA) will continue to sit on this Committee.		
<b>F.19.3.02</b>	<b>Apologies for Absence</b>		
2.1	Apologies were received from: Mr P Graham Miss C Webster Mrs R McCormack		
<b>F.19.3.03</b>	<b>Any Additional Declarations of Interest including specific items on this Agenda</b>		
3.1	There were no additional declarations of interest.		
<b>F.19.3.04</b>	<b>Update on National Bargaining Funding allocation</b>		
4.1	This item is reserved and the minute held in confidence.		
<b>F.19.3.05</b>	<b>Draft Budget for 2019-20 *</b>		
5.1	This item is reserved and the minute held in confidence.		

**Action Sheet/Matters Arising from Finance and General Purposes Committee Meeting Held on 4 June 2019**

<b>RESERVED ITEMS</b>		<b>ACTION</b>	<b>DATE</b>	<b>UPDATE</b>
<b>F.19.2.16</b>	<b>Board and Committee Effectiveness Review Report 2018-19</b>			
16.1	To circulate whole review to the Board ahead of Board meeting and to produce a brief one page summary report for Board meeting.	<b>Mrs Fair</b>	25-6-2019	Completed
<b>F.19.2.17</b>	<b>Draft/Example Contribution Report</b>			
17.1	To produce a one page summary for September F*	<b>Mrs Fair</b> <b>Mr Clinton</b>	ASAP	
	<b>(ii) Cash Flow</b>			
6.3.2	To provide additional granularity and rework budget ahead of Board meeting.	<b>Mr Clinton</b>	25-6-2019	Completed
<b>F.19.2.07</b>	<b>2019-20 Budget</b>			
7.1	To keep Committee informed by e-mail of the budget process and timeline	<b>Mr Clinton</b>	As required	
<b>F.19.2.09</b>	<b>Emerging Issues</b>			
	<b>(ii) National Bargaining Funding Update</b>			
9.2.1	To raise with chair of F&GP Court the net effects of National Bargaining	<b>Mr Clinton</b>	14-6-2019	
9.2.2	It was agreed that Mr Easton would write to the Chair of UHI F&GP Committee – Andy Rogers regarding the allocation of national bargaining funding.	<b>Mr Easton</b>	Immediate	
9.2.3	Mr Graham to raise with Michael Foxley seeking assurance that endorsement of the UHI funding allocations would not take place until dispute over funding allocations was settled.	<b>Mr Graham</b>	Immediate	
	<b>(iii) Audit Scotland Annual Report</b>			
9.4	Mrs Fair to circulate link to report to Board	<b>Mrs Fair</b>	Immediate	Completed



Reserved Matters Arising from Finance and General Purposes Committee 4 June 2019  
 Agenda item: F.19.4.05 (i)

<b>RESERVED ITEMS</b>		<b>ACTION</b>	<b>DATE</b>	<b>UPDATE</b>
<b>F.19.2.11</b>	<b>Review of Terms of Reference of F&amp;GP</b>			
11.1	It was agreed that Mr Clinton and Mrs Fair would meet and review these and take to next F&GP meeting.	<b>Mr Clinton</b> <b>Mrs Fair</b>	10-9-2019	Date agreed 1-8-2019
<b>F.19.2.12</b>	<b>Policy Review Update</b>			
12.1	Mr Clinton's paper highlighted policies that were due to be updated and it was agreed these will be carried forward to September F&GP	<b>Mr Clinton</b>	10-9-2019	

Agenda Item: F.19.4.11

<b>Title of Paper:</b>	Review of Terms of Reference of Finance and General Purposes committee			
<b>To Committee:</b>	Finance and General Purposes Committee			
<b>Subject:</b>	Terms of Reference of Finance and General Purposes Committee			
<b>Version number and date:</b>	Version 2 – 27 August 2019			
<b>Brief summary of the paper:</b>	A review of the Standing Orders of the Board of Management is currently being undertaken. The review is due by the end of 2019. It would seem sensible and timely to also undertake a review of the terms of reference of each of the Board's Standing Committees at the same time.			
<b>Recommendations:</b>	Committee is asked to consider the attached draft terms of reference and if agreed to approve these. There have been a number of changes to the remit of the Committee; the Building Committee no longer exists. Staff Governance is now responsible for the oversight of health and safety.			
<b>Action requested/decision required:</b>	Consider current terms of reference against the work of the Committee and make any recommended changes to be incorporated into the review of the Standing orders.			
<b>Status:</b> <i>(please tick ✓)</i>	<b>Reserved:</b>		<b>Non-reserved:</b>	✓
<b>Date paper prepared:</b>	27 August 2019			
<b>Date of committee meeting:</b>	10 September 2019			
<b>Author:</b>	Cathie Fair			
<b>Link with strategy:</b> Please highlight how the paper links to, or assists with: Strategic Plan including <ul style="list-style-type: none"> <li>• Curriculum</li> <li>• Learning and Teaching</li> <li>• Organisational culture</li> <li>• Partnership</li> <li>• Sustainability</li> </ul>	Remit of F&GP covers financial stability and sustainability of the College			
<b>Equality and diversity implications:</b>				

Agenda Item: F.19.4.11

<b>Resource implications:</b> <i>(If yes, please provide detail)</i>	
<b>Risk implications:</b> <i>(If yes, please provide detail)</i>	Risk that terms of reference do not accurately reflect the current work of the Finance and General Purposes Committee
<b>Appendices:</b>	
<b>References:</b>	<i>References to anyone else's work, publications or journals</i>

## **FINANCE & GENERAL PURPOSES COMMITTEE**

### **Terms of Reference**

#### **Authority**

The Finance and General Purposes Committee is accountable to the Board, and is authorised on its behalf to:

1. Ensure that a sound system of internal financial management and control and a robust mechanism for considering financial issues is in place; making recommendations as appropriate.
2. Monitor the performance of that system on a regular basis throughout the accounting period.
3. Carry out detailed examination of the Annual Report and Financial Statements and, if appropriate, recommend their approval by the Board. The Board remains responsible for their approval and for safeguarding the College's assets.
4. Review the College's needs with regard to buildings and property, and to make recommendations to the Board on the acquisition and disposal of land, buildings or properties in accordance with those needs.
5. The Committee may obtain independent professional advice and secure the attendance of external persons with relevant expertise and experience.

#### **Membership**

1. The Committee shall comprise at least three members of the Board, (at least one of whom should have a background in finance or accounting), and the Principal.
2. The Committee may co-opt non-executive members who are not members of the Board, and who have particular relevant experience or expertise. Co-opted members may not be appointed to be Convener of the Committee, or attend Board meetings, but their status in other respects will be equivalent to full Board members.
3. The Board will appoint the Convener of the Committee.

**Agenda Item Reference: F.19.1.**

**Proceedings**

1. The Committee should meet at least three times a year, and the timing and content of the meetings should follow, as far as possible, the financial reporting cycle and the scheduling requirements of the full Board.
2. The Finance Director will attend meetings. Other staff may also be invited to attend as appropriate, given the areas of responsibility under consideration.
3. The Clerk to the Board of Management will attend the Committee. S/he will be responsible for establishing and maintaining effective mechanisms to inform the Committee of relevant reports and other publications that impact on the Committee's work.
4. At all its meetings, the quorum shall be at least one third of the total number of its members, subject to a minimum of three where the substantive membership is five or two where it is less than five.

**Duties**

**Financial Management and Controls - General**

1. Monitor the financial control of the college and keep the College Financial Regulations under review.
2. Monitor capital expenditure against agreed development plans.
3. Consider financial benchmarking information and monitor unit costs.
4. Advise the Board on financial strategy.
5. Review the effectiveness of financial management within the College.
6. Consider and report on the annual financial statements.
7. Approve all key decisions taken in relation to college finance.
8. Consider and report on any other financial matters which the Board may delegate or refer from time to time.
9. Ensure compliance with statutory and regulatory requirements.
10. Consider and report on Shared Services in so far as they relate to the provision of such services to the college
11. Consider and report on issues of procurement.

**Agenda Item Reference: F.19.1.**

12. Consider and recommend to the Board on all matters relating to the operation of the Arms Length Foundation.

13. To produce an annual report to the Board on the state of the College's finances.
14. To consider and advise the Board on any relevant taxation issue.
15. To advise the Board generally on investments and borrowings and to seek appropriate advice from external sources.
16. To consider new means of income generation and advise the Board accordingly.

**Risk Management and Business Continuity**

1. To consider and advise the Board about the College's approach to risk management and business continuity.

**Budget Setting and Monitoring**

1. Recommend to the Board the college's annual budget.
2. To consider and make recommendations to the Board on the annual estimates of income and expenditure, including income, from Public Funds and all other sources.
3. To monitor actual financial performance against budgets on a regular basis throughout the accounting period, to investigate significant variances in income and expenditure and to report to the Board.
4. To consider and make representations to the Board on the solvency of the College and the safeguarding of its assets, including reviewing annually the College's insurance arrangements.

**Banking**

1. Review and approve the establishment of any arrangements to provide the College with banking facilities including approval of College signatories for accounts. This is subject to the authorisation limits set by SFC for the drawing down of loans.

**Student Matters**

1. To approve all tuition fees and arrangements for determining the charges for services, and a system for collecting them in accordance with the Act and the Financial Memorandum.

**Agenda Item Reference: F.19.1.**

2. To consider Policies and Procedures for the financial support of students.
3. Approve fee waivers on behalf of the Board and approve the write-off of bad debts (in accordance with the limits set in the Scheme of Delegation).
4. To review and recommend to the Board if appropriate the writing off of individual debts outwith the authority delegated to the Principal.

**Property**

1. To consider and review any proposed capital spending projects and where appropriate approve those contained within the approved budget and to advise the Board on the financial implications of those in excess of the approved budget.