

Draft Minute

Finance Committee

23rd November 2015 Boardroom Cumbernauld Campus

Present: Kenny Anderson (Chair), Stuart Reid, Paul O'Donnell, Moira Jarvie, Martin McGuire

In Attendance: Linda McTavish, Iain Clark, Penny Neish, Celia Devine (for Item 4), Diane McGill (Board Secretary)

For the Item on Nursery Provision the additional members and attendees of the RGP committee were also in attendance as follows: Margaret Cook (Chair), Brian Gilchrist, Tom Dodds.

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<p>1. Chair's Welcome Kenny Anderson welcomed everyone to this meeting of the Finance Committee and noted that there would be a joint session with the Resources and General Purposes Committee on nursery provision at the start of the Finance Committee meeting.</p>	
<p>2. Apologies There were no apologies with a full attendance.</p>	
<p>3. Declaration of Interest There were no declarations of interest.</p>	
<p>4. Joint Item with the RGP Committee – Nursery Provision 4.1 At the last meetings of the Finance and RGP Committees there was discussion of nursery provision at New College Lanarkshire. The committees had agreed the following at the last meetings on the 5th October 2015:</p> <ul style="list-style-type: none"> • The committees needed to fully understand the nursery model. • The committees needed to understand the risk. • The committees needed to understand where any surplus would go and how it would be dealt with. • Also the committees needed to understand why the college had this model for nursery provision and what the advantages and disadvantages are. 	<p>The committees agreed the following:</p> <p>4.2. (1) The governance relationship between the AMCOL Board and the Lanarkshire Board needs to be further clarified and work undertaken to do this.</p> <p>4.2.(2) The Finance Committee agreed in further discussion after the RGP Committee left that NCL's lawyers would be asked to review the governance relationship between the AMCOL Board and The Lanarkshire Board and to make a recommendation to the RGP and Finance Committees which would then be reported to the Board.</p>

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<p>4.2 Celia Devine presented two papers on the nursery provision. Coatbridge and Cumbernauld Campus nurseries are run by the college and Motherwell Campus uses AMCOL - a wholly owned subsidiary that is now subject to ONS. There are 113 NCL places and 575 AMCOL places. The committees noted the scale of the activity across the provision with an annual income of £3,027,175 and annual salaries of £2,312,644 for a total of 162 staff across the six nurseries. The committees also noted that the nursery provision is well run with robust risk assessment and very good reviews from the Care Inspectorate of AMCOL. AMCOL is enabling 130-150 students per annum to attend the college of which 50% are lone parents and it provides flexible childcare with support for children with learning and development needs. AMCOL was established as a Trust in 1995 and in 2008 it became a wholly owned subsidiary of Motherwell College and applied for charitable status. As a charity AMCOL is able to claim relief from corporation tax and local authority rates and this enables AMCOL to further support the advancement of education. The Principal of Motherwell College was a trustee before the creation of NCL. Currently there is representation from NCL at meetings but no NCL membership of the Board to avoid any potential conflict of interest.</p>	
<p>5. Minute of the meeting of the 5th October 2015 5.1 The committee considered the minute.</p>	<p>5.1 The minute was approved.</p>
<p>6.1 Update on the Integration of the Finance System with the Student Records System. There are still issues with the integration with the student records and with the payroll and budgeting systems. Currently manual solutions are being used. There will be a meeting with the MIS team in Fife College who have been using the TECH 1 system for some time to discuss what assistance they can give to resolving the issues.</p> <p>6.2 There is a projected c £500k of underfunding for NCL student funds this year. It was noted that the treatment of the Lanarkshire region has been unfair to date in terms of the allocations of student funds. Moreover, last year NCL had to use net depreciation to cover under funding for both Lanarkshire Colleges whereas other regions that had received adequate funding were able to use their net depreciation for other pressures.</p>	<p>6.1 Iain Clark will update the next meeting of the committee on progress with the new TECH1 system</p> <p>6.2 The Chair of the Board and the Principal of NCL will continue to press the SFC and the government on the issue of student funding for Lanarkshire.</p>

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<p>7.Context Statement</p> <p>7.1 The Chair had asked for a context statement from the Finance Team to show the practical implications of moving to be treated as part of central government through the application of ONS to colleges and he thanked Iain Clark for the context statement which was very useful. The statement shows a move from one framework SORP and three SFC reporting returns to an additional three framework documents and twenty eight reports. The Finance Team are also working with two different methodologies (cash versus accruals) and two different year ends (31st March versus 31st July).On top of this there is a new SORP for Year Ends from the 1st January 2015 and new Scottish and EU procurement legislation which will impact on the Finance Department. As part of the discussion on EU procurement, Iain Clark advised that APUC have offered a student to help with the additional procurement workload.</p>	<p>7.1 The committee noted the report and the extra workload on the Finance Team. This paper is to be circulated to the Audit Committee.</p>
<p>8/9.Quarterly Management Accounts and Resource Return</p> <p>The accounts were tabled. These items were taken together. Iain Clark informed the committee that the accounts are on track for the first quarter.</p> <p>There was discussion on the treatment of surpluses - one-off releases of non-government deferred capital grant balances and future non-government grants will, subject to audit, be treated as Income under the new SORP.</p> <p>Land and buildings at the Motherwell Campus are being revalued and Iain Clark informed the committee that such revaluations can have an impact on the accounts. This will be further discussed at the special meeting of the Finance and Audit committees to consider the 2014-15 accounts on the 10th December 2016.</p>	<p>8/9. The committee agreed that it wanted to continue to receive the Management Accounts and the Resource Return in the meantime. The Management Accounts will be sent out on a monthly basis to the committee. The committee noted that the 2015-16 accounts are on track for the first quarter.</p>
<p>10. Catering Contract – Quarterly Update</p> <p>The report updated the committee as follows:</p> <p>Staff have been TUPE'd over to NCL from Aramark and salaries adjusted to give the living wage, staff have completed training courses, there is now a flexible and consistent approach across the campuses with new menu selections, there is now a small café outlet at the Kirkintilloch Campus and there is a clear identity and branding across the campuses. The loss making retail shop at the Coatbridge Campus has been closed.</p>	<p>10. The committee noted that the catering delivery is going well and the campuses are well serviced.</p>

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<p>10/11 SFC Action Plan and Terms of Reference.</p> <p>The Scottish Funding Council made a presentation at the Board meeting on the 26th October 2015 that included information about an Action Plan to enhance the regional dimension in the Board's activities. This includes producing a Regional Strategy, Regional Finance Procedures, Value for Money Statements and Risk Plans. Enhancing the regional dimension will impact on the Terms of Reference for the Committees and the documents that were presented to the committees in October 2014 will be revised.</p>	<p>The committee agreed to the revision of the Terms of Reference by written procedure.</p>
<p>12.AOB</p> <p>The Principal reported on the continued success of New College Lanarkshire at the WorldSkills UK Final which was held at the NEC Birmingham last weekend. The scale of the competition was such that over 78,000 visitors attended over the 3 days. This is the third year that New College Lanarkshire students have won medals which included 2 Gold, 2 Silver, 2 Bronze and 7 Highly Commended. As well as this, 4 NCL students have been selected to work towards a place in the UK Worldskills Squad for Abu Dhabi in 2017.</p> <p>There would be a report to the Board on the Parliamentary Audit Committee's review of the former Coatbridge College's voluntary severance payments. The committee noted the amount of the Chair's and Principal's time this was taking up on a weekly basis and would support additional help if required.</p>	<p>The committee congratulated the staff involved in the World Skills competition and noted the level of achievement again of NCL students.</p>
<p>13. The Date of the next meeting.</p> <p>There will be a special meeting of the Audit and Finance Committee on the 10th December 2015 at 4.30 in the Boardroom at the Cumbernauld Campus to make a recommendation to the Board on the 2014-15 accounts.</p> <p>The date of the next meeting is the 7th March 2016 at 3pm in the Boardroom of the Coatbridge Campus.</p>	