**Minute Finance Committee**

**Monday 24th February 2025 – 5.30 pm at the Cumbernauld Campus and via Zoom**

**Present: Paula Blackadder, Moira Jarvie, Elaine Loudon, Barbara Philliben.**

**In Attendance: Ann Baxter, Ronnie Gilmour, Lynn MacKenzie, Diane McGill, Penny Neish.**

**Via Zoom: Stella McManus, Elaine McKechnie.**

1. **Chair’s welcome:** Paula Blackadder welcomed everyone to the first meeting of the Committee in 2025.

**2. Apologies for Absence: There** were apologies from Iain Clark.

**3. Declarations of Interest:** Ann Baxter and Ronnie Smith declared that they are members of the AMCOL Board.

**4. Minutes of Meeting 18th November 2025:** The minute was approved subject to a correction notified to the Board Secretary by Lynn MacKenzie.

**5. Matters Arising from the minutes:** Matters arising would be dealt with in the course of the meeting.

**6. RSB and Assigned College Update:** Ronnie Smith informed the Committee that the Scottish Government (SG) was confident that the RSB – The Lanarkshire Board - would be dissolved within the agreed time frame of the 31st July 2025. The SFC had been charged with holding a series of meetings of a Tripartite Group comprising the SG, the SFC and the RSB to manage the dissolution and the transition to two regional colleges. He said that he had informed the SG and SFC that neither NCL or SLC wanted to put new formal arrangements in place with the current legal framework just having been set aside. It would be better to wait to see what, if any, arrangements would be needed for the future. He also commented that the dissolution of the RSB – the Lanarkshire Board – would be part of an overall dissolution process involving legal changes to further and higher education acts which would also include the Glasgow Regional College Board (GRCB). The two dissolutions would move in tandem but he noted that the process for the GCRB would be more complex.

**7. Head of Finance Report to RSB Finance Committee**

**7.1** Elaine McKechnie highlighted the following areas in her paper to the Committee:

* Management Accounts to 31 Dec 2024
* Cashflow Report
* Procurement quarterly update
* Facilities quarterly update
* Climate Change Action Team (CCAT) quarterly update
* CLIC Innovate UK’ a progress update
* Voluntary Severance Scheme update
* Legal Fee Analysis

**8. Financial Sustainability**

**8.1 AMCOL Protocol:** Lynn MacKenzie informed the Committeethat it had been agreed that there would be 4 weeks’ notice to AMCOL of any transfer of more than £500k. It was noted that AMCOL needed working capital of £800k in its accounts.

***Decision: It was agreed that there also needed to be consideration of a protocol for amounts less than £500k and for AMCOL to be a provision of working capital with monies being transferred back and forwards according to need. Lynn Mackenzie would update the Board and this would be on the agenda for the next meeting of the Finance Committee.***

**8.2 NCL Treasury Management Policy:** This had been reviewed and updated**.**

***Action: Lynn MacKenzie said that the letter from the minister at Item 9 on college assets disposals would have an impact on this policy and that it would be reviewed again and amended where necessary. The policy will also be amended to the Finance Committee recommending actions to the Board rather than approving actions.***

The Committee noted the updated policy.

**8.3 NCL Cash Flow Management:** Lynn MacKenzie updated the Committee with the latest cashflow position as follows:

**8.3.1 Cashflow issues**

* It has been reported to this Committee and to the Board that the NCL cash flow position is tight and that this would be particularly so in March 2025.
* There were four issues which were further impacting negatively on cash flow: less than expected in SAAS fees £340k, less than budgeted income from the undergraduate school £387k, increased pension scheme costs £196k and a raise in employers NI contribution £236k. A contribution of 60% is expected towards NI but not within this financial year.
* It was reported to this Committee on the 18th November 2024 that utilising funds from AMCOL the wholly owned subsidiary would be part of mitigating actions to manage the NCL cash flow position. AMCOL has now transferred £2 million to NCL. As noted above at Item 8.1, the protocol for funds transfer should include provision for the transfer of funds back and forward according to need to help with NCL cash flow. Ann Baxter has a meeting with the AMCOL Chief Executive later this week and would raise this issue of phasing of transfers of funds between NCL and AMCOL and the ring fencing of the £2million to enable this approach.
* The SFC has agreed to bring forward £4.5 million of next year’s funding i.e. front loading to assist with cash flow management. This eases the current cash flow issue but it does, however, mean that there will be a cash flow problem again at the end of the next financial year unless there is an increase in income and or a decrease in spend.
* It has not yet been determined by the SFC how they will treat previous front-loaded funds.
* The Committee noted the work of the Audit and Risk Committee at its meetings over the last year and the paper presented to the ARC Committee on the 2nd September 2024 on the issue of financial sustainability. The paper concludes that in essence, as per the external auditors - Audit Scotland - the College can continue to use the Going Concern concept unless there is any doubt around the

continuation of service, irrespective of who delivers that service. This reflects the college sector being included in the ONS classification and being part of public sector accounting.

**8.3.2 Christopher Moore** noted that the college had grown its income this year with the undergraduate school bringing £1.3 million this year in additional income which was a remarkable achievement. The Learning Well has also been launched and has more students on it than UWS were expecting – 91 as opposed to 10 or 12. There were the same number of students that applied and weren’t successful this time. There is also the possibility of international activity in the dental courses and this is being explored. NCL is doing its best in raising additional income. NCL is also monitoring spend very closely. Ronnie Smith commented that this was a systemic issue for college across the sector with colleges struggling with unfunded costs. Stella McManus said that SLC was undertaking a VS scheme and this would reduce staffing costs but then there were cost increases such as the increased pension contribution and employers NI which would impact on any cost reductions made. This made it difficult to get out of the funding situation.

**8.3.3** Christopher Moore informed the Committee that he wanted to get to a break-even position at the end of the year if at all possible. He raised the issue of preparing for a sale of the Coatbridge College nursery land and looking at the value of the land with and without planning permission and entering into discussion with East Dunbartonshire Council about the best use of space and income generation at the Kirkintilloch Campus.

***Decision: The Finance Committee agreed to recommend the nursery land sale and space utilisation discussions to the Board for approval.***

**9. College Asset Disposal – ministerial letter.** The Committee noted the letterand that it was a step forward but it did not fully clarify the position e.g. what might count towards the £1 million spend limit.

**10. NCL Management Accounts**

**10.1 NCL Management Accounts December 2024:** The management accounts for the period to 31st December 2024 show the Income and Expenditure Account as follows.

**10.1.1** The UOP to date shows £940k surplus, which is £-299k (-24.23%) unfavourable to Budget.

**10.1.2** Income is £-1,724k (-6.6%) unfavourable to Budget. The variances are:

* SFC Grants £-506k unfavourable (-2.6%)
* Education Contracts £-639k unfavourable (-24.2%)
* Tuition Fees £-279k unfavourable (-18.3%)
* Other Grant Income £-22k unfavourable (-7.1%)
* Other Operating Income £-303k unfavourable (-14.4%)
* Investment income £25k favourable (100%)

**10.1.3** Expenditure is £1,917k (7.5%) favourable to Budget, of which:

* Staffing costs are £394k (2.5%) favourable.
* Other Operating Expenses are £1,317k (19.7%) favourable.
* Depreciation, Irrecoverable VAT and Interest costs are £206k (7.1%) favourable.

**10.2 AMCOL Accounts:** Lynn MacKenzie informed the Committee thatthe AMCOL accountswere in a healthy position and the Finance Committee noted this.

**11. Scheme of Delegated Authority:** The Finance Committee noted the scheme.

**12. Future of the NCL ALF:** It was noted that the trustees of the ALF were considering the future of the ALF given the level of funds left, that there were no further funds coming to the ALF and the cost of keeping the ALF in place. They would inform the college of their decision. Christopher Moore noted that the EB had discussed the matter but were clear that any decision about the trust was for the trustees and not for NCL.

**13. Cumbernauld Campus Nursery Update:** Ann Baxter updated the Committee showing a video made about the nursery which demonstrated the effort that had been put in by the staff todeliver a 50 - week 8-6 service. The Finance Committee acknowledged this effort.

***Action: It was agreed to ask the nursery management to come to the next meeting of the Committee following their presentation last year to update the Committee but also so that the Committee could mark their achievement. The paper from the nursery Board would be sent to the BS to post on the Teams site.***

**14. NCL Educational Foundation Update:** The Committee received the update from the Foundation which showed that the Foundation’s reported balance in the previous report to this committee was £30,124.53. The current balance is £43,751.12, which is an increase of £13,626.67. The principal sources for this are donations from a Whisky Tasting event hosted by the Regional Chair, donations made at various College events (Staff Big Breakfasts, children’s Christmas Party), and other corporate, individual and departmental donations. The Foundation continues to provide breakfasts for students with improved options for the breakfasts although this does bring extra costs.

**15. Update from RGP Committee on ICT at NCL**

**15.1** Ronnie Gilmour updated the Committee on the following topics:

* Digital Inclusion Funding
* Replace the Cisco VOIP Telephone System with Microsoft Teams Telephony.
* Cyber Security
* Curriculum Delivery Plan (CDP) IT Requirements 2025-26

**16. Update on Systems Development at NCL**

**16.1** Ronnie Gilmour noted that since the last report in November 2024, there has been steady progress across a range of projects. During that period the systems have generally performed well in terms of availability.

* Systems Upgrade: The main system which was still to be migrated to a new platform was the HR/Payroll system – Chris. This was successfully undertaken in January 2025 and the staff are reporting much improved performance since the upgrade
* New Student Funding System: A visit to Ayrshire College is planned at the end of February to learn from them about the Unit-e Student Funding module which we plan to adopt starting in session 2026-27 when our current product Tequios reaches its end of life. In the meantime, a suite of reports has been developed for the Student Funding team which enables them to better track the status of all bursary applications and follow up with students who have not yet been made an award. Stella McManus said that SLC had recently adopted Unit-e and she suggested contacting the SLC IT Team.
* Staffing: There has been an award by the University of the West of Scotland for the Software Development Degree.
* There was also an update on projects.

**17. Update from RGP Committee on NCL Estate**

**17.1** The Committeewas informed thatduring the last period of November 2024 to February 2025, the Estates Department faced several challenges, including multiple call outs over the Christmas holiday period, Storm Éowyn in January, a stolen College vehicle, and local security issues in Motherwell in February. Despite these hurdles, staff continued to deliver Facilities Services and Maintenance across all the campuses. The Committee noted the report.

**18. Approval of publication of committee papers from this meeting.** The Committee approved the publication of the agenda, the minute, the Treasury Management Policy, the Scheme of Delegated Authority and the link to the Cumbernauld Video

**19. AOB:** There was no other business.

**20. Date of Next Meeting: The next scheduled meeting of the committee is the 19th May 2025 at the Motherwell Campus.**