

**BOARD OF MANAGEMENT
[FINANCE COMMITTEE]**

Minute of the Meeting of the Finance Committee held on Monday 1 June 2009 at 9.00 am in the Board Room.

PRESENT: B Keegan (Chair), A G Hyslop, K McKie, J Hamilton, A Struthers
B Miller, G Fraser

IN ATTENDANCE: S Bruce, J McMahon, E Proudfoot, C M Thomson (Secretary)

ITEM

ACTION

1. **APOLOGIES**

R W Paterson

2. **DECLARATION OF INTEREST**

There were no declarations of interest.

3. **MINUTE OF PREVIOUS MEETING AND MATTERS ARISING**

The minute of the meeting of 2 March 2009 was approved.

The following matters arising were discussed:

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- Scottish Funding Council

Mr Hyslop reported that Principals had now met with the Chief Executive of Partnership Action for Continuing Employment (PACE) and concern was expressed at the meeting that PACE was too bureaucratic. Further discussion would take place to progress this matter.

4. REVENUE BUDGET 2008/09 – REPORT TO 30 APRIL 2009

Mrs Bruce tabled a revised revenue budget report and referred to the summary report and to supporting documentation above. She stated that the report advised members of the actual income and expenditure figure for the third quarter and the estimated year end total giving a surplus of £100,000 which was in line with the original budget.

Mrs Bruce presented a full explanation of significant changes between the previous estimated year end position and the revised figures. The areas referred to included:

- Fees including part-time fees, overseas fees and HE fees: a discussion took place on the College Strategy for overseas fees and the role of ESOL.
- Contracts:- A discussion took place on the sustainable curriculum model, profitability, funded activity and targets.
- Draws on the Development Reserve: Mr Hyslop outlined the nature of this reserve which had the agreement of the external auditors. This provided the College with manoeuvrability, especially as there had been no ESF funds this session.
- Interest from cash deposits.
- Control of staff costs led to a 4.6% increase in teaching costs which in comparison with colleges of a similar size and type was impressive. Mr Hyslop agreed to introduce this to the Board.

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- Pension provision - the figures would not be known until very late in the financial year.
- Exam fees - very volatile.
- Marketing had increased mainly due to the new build.
- Security costs had increased and would increase more as security was increased for the new building.
- Depreciation - subject to change: Mr Hyslop stated that he had yet to agree the presentation of depreciation. Mrs Bruce concluded that the new build and pensions may affect the presentation of the accounts.

Mr Keegan thanked Mrs Bruce for an excellent and thorough report.

The Finance Committee agreed to:

- (i) note the report;
- (ii) instruct the Principal to keep a close watching brief throughout the year, particularly with regard to "sensitive" or volatile lines which can fluctuate; and
- (iii) instruct the Principal to take any necessary corrective action to ensure that the College reports an underlying operating surplus for the year.

5. **PROJECT REPORT (CAPITAL AND REVENUE) 08/09 AS AT 30 APRIL 2009**

Mrs Bruce referred to the summary report and to supporting documentation relating to the above. She stated that this report advised members of progress in areas where funding for projects was from the formulaic capital provided by the Scottish Funding Council. Mrs Bruce added that the presentation of the report had been changed on the request of the Property and Estates Committee.

Mrs Bruce referred to the details of the main projects and reported that some had been held back until the entry to the

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new building had been achieved. She stated that the three year grant period allowed the College flexibility with the projects. Mrs Bruce stated that there had been no problems financially with the new build and that it had been achieved under budget and on time.

Mrs Bruce explained the SALIX project concerning energy savings and reported that the project was progressing well.

Following a full discussion, the Finance Committee agreed to:

- (i) note and approve the Strategic Management Team's decisions in relation to the additional projects since the last report; and
- (ii) confirm their acceptance of the revised report layout.

6. **CASHFLOW REPORT (AS AT 30 APRIL 2009)**

Mrs Bruce referred to the summary report and to supporting documentation relating to the above. She stated that the cash flow position for 2008/09 as at 30 April 2009 and the projected position to July 2009 presented no problems. Mrs Bruce explained that cash funds had been deposited in four separate accounts and that this had been agreed by the Committee of Chairs.

The Finance Committee agreed to:

- (i) note the report; and
- (ii) approve the action taken to spread risk and maximize return on investments.

7. **SCOTTISH FUNDING COUNCIL**

- (i) Circular SFC/06/2009: 2008-09 'in-year' SUMs Data Collection for Funding Purposes

Noted. This had been completed.

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- (ii) Circular SFC/07/2009: Guidance on the audit requirements for Education Maintenance Allowances (EMAs) for financial year 2008-09

Noted.

- (iii) Circular SFC/09/2009: Final Fee Waiver Grant 2007-08

Noted. This was as expected.

- (iv) Circular SFC/10/2009: Revised formula capital funding for colleges 2008-11

Noted. This was as expected.

- (v) Circular SFC/15/2009: Further education student support and additional ESOL funds

Noted. Additional funds had been received but this would not impact on the year end figures. The College would bid for more next year.

- (vi) Circular SFC/16/2009: Main Grants to Colleges for academic year 2009/10

Noted. The College would revise its budgets for 2010, 2011 and 2012.

- (vii) Noted. This would be presented to the Board at the meeting in June 2009.

8. **DATE OF NEXT MEETING**

A schedule of meetings would be prepared.

Checked	
Dispatched	
Draft Approved (Chair)	
Dispatched (Members)	

Copied to Library	
Copied to Assistant Principals	