

Zoom meeting @ 4.30pm

AGENDA

1. Declarations of interest

FOR APPROVAL

2. Minutes of meeting of 14 June 2022

Elements of this paper are withheld from publication on the Forth Valley College website under Section 33 Commercial Interests and the Economy of the Freedom of Information (Scotland) Act 2002

3. Matters Arising – None

4. Review of Committee Remit Alison Stewart

5. Financial Forecast Return 2021/22 - 2026/27 Senga McKerr

Paper 5 is withheld from publication on the Forth Valley College website under Section 36 Confidentiality of the Freedom of Information (Scotland) Act 2002.

6. Student Association Outturn for 2021/22 & Budget for 2022/23 Amber Little

Elements of paper 6 are withheld from publication on the Forth Valley College website under Section 36 Confidentiality of the Freedom of Information (Scotland) Act 2002.

7. Financial Regulations Senga McKerr

Elements of this paper are withheld from publication on the Forth Valley College website under Section 25 Information Otherwise Accessible of the Freedom of Information (Scotland) Act 2002 – <http://www.forthvalley.ac.uk>

FOR DISCUSSION

8. Management Accounts 2021/21 Forecast Outturn Moira France

This paper is withheld from publication on the Forth Valley College website under Section 33 Commercial Interests and the Economy of the Freedom of Information (Scotland) Act 2002

9. Progress Review: Development and Fundraising Pauline Jackson

Elements of this paper are withheld from publication on the Forth Valley College website under Section 33 Commercial Interests and the Economy of the Freedom of Information (Scotland) Act 2002

10. Review of Risk
11. Any other competent business

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Zoom (commencing at 4.30pm)

Present: Liam McCabe
Andrew Caldwell
Lindsey Hastie

Apologies: Trudi Craggs
Amber Little
Ken Richardson

In Attendance: Professor Ken Thomson, Principal
Alison Stewart, Vice Principal Finance and Corporate Affairs (VPFACA)
David Allison, Vice Principal Infrastructure and Communications (VPIC)
Kenny MacInnes, Vice Principal Learning and Student Experience (VPLSE)
Senga McKerr, Director of Finance (DOF)
Moira France, Finance Manager (FM)
Ester Vasallo, Supply Chain Manager (SCM) until item F/21/032
Stephen Jarvie, Corporate Governance and Planning Officer (CGPO)

F/21/027 Declarations of Interest

The Chair declared an interest owing to the links between the College and University of Stirling in relation to certain degree level courses and under the Scottish Funding Council (SFC) HEI funded activity.

F/21/028 Minute of Meeting of 22 March 2022

Members approved the minute of the meeting of 22 March 2022.

F/21/029 Matters Arising

None

F/21/030 Tuition Fees & Fee Waiver Policy Session 2022-23

The VPIC presented the annual review of the Tuition Fees and Fee Waiver Policy for session 2022-23.

He noted that this was the first time since 2016/17 that the College were proposing to change our prices.

Full time fees remain set nationally and if there are changes to these this will be reflected both in the Tuition Fees and Fee Waiver documentation. This information is expected by the end of June.

He outlined the proposed changes to the fee levels and noted that this is in line with the increase in the Consumer Price Index which is predicted to be close to 10% by

October 2022 and also reflects inflationary pressures being experienced by the College.

He outlined the known fee levels across the sector and confirmed that the College remains in line with the sector in terms of fees.

Members noted the justification for the increases provided and commented that these seemed reasonable in the circumstances.

Members commented that any price increase could meet with negative publicity and that relevant communications should be prepared.

Members queried whether they thought the increases would impact on recruitment. The VPIC noted that the evening prospectus had recently been published with the newer price levels and there had not been a decrease in interest levels.

a) Members approved the Tuition Fees and Fee Waiver Policy Session 2022/23

F/21/31

Accounting Policies for year ended 31 July 2022

The FM presented the accounting policies for use in the preparation of the 2021/22 financial statements.

She confirmed that these had been reviewed and that there were no changes proposed to be made from the previous year's version.

a) Members approved the Accounting Policies for year ended 31 July 2022

F/21/32

Procurement Strategy, Policy and Procedures

The SCM presented members with a new Procurement Strategy for 2022-2026 and associated updated policies and procedures.

She noted the main drivers for change in the policy, including a refocus of the procurement objectives and a target to improve contract and supplier management processes and communications.

Members noted that the policy was clear and well laid out and welcomed the inclusion of environmental factors in procurement decision making.

Members queried how the impact of the policy would be measured.

The SCM confirmed that there is an annual report on procurement performance which is taken to the Finance Committee in November each year.

The SCM discussed the policy and procedures, noting that there were minor changes to both and that the main ones related to new terms and conditions, guidance on writing procurement specifications and cyber risks.

She also highlighted that there had been an audit recommendation from a recent review by the College's Internal Auditors which had highlighted management of procurement activity below threshold limits and that measures relating to this were included in the document.

Members welcomed the changes and their clear alignment to the Procurement strategy and the overall College Strategic Plan.

Members queried whether the College would use established procurement frameworks for expenditure where possible.

The SCM confirmed that it was part of the procedure that a quote or tender process could only be used in circumstances where there was not an existing procurement framework.

The Principal noted that SFC were tightening up on adherence to procurement policy and procedures and we had received a request to conduct a review which would be done and communicated back to them.

Members queried what the approval process was for expenditure over £25k. It was confirmed that SMT approval was required for this expenditure.

a) Members approved the Procurement strategy, policy and procedures

F/21/33

Budget 2022-23

The DOF presented the 2022-23 revenue budget to members.

She discussed the assumptions used to compile the budget and noted that, while it did appear to be a deficit budget, this related to a number of one off costs and overall the actual position should be one of a small surplus on core activity as outlined in appendix 1 of the paper.

She highlighted that, even with the budget, there were still some risks remaining especially as the Scottish Government spending review highlighted flat cash for the next few years which amount to ongoing cuts.

She noted that pay increases could be an issue and outlined the assumptions used in the budget for these.

She discussed funding that had originally been designated to be donated to the ALF and that, after the budget process, it had been decided to ask permission from SFC to retain this and carry forward into next year.

She outlined a request from SFC for Financial Forecast Returns and highlighted that the assumptions SFC have asked the College to use do not match the College's.

It was therefore proposed to complete an FFR using the College's own assumptions and she confirmed the full FFR would come to the September meeting of the Committee, once SFC had provided details of future funding levels.

[REDACTED]

Members agreed that, in relation to the FFR, the College should present as realistic a view as possible as this was both a reflection of good management and the professional opinions of those involved.

The VPFACA provided members with an update on the progress with the consultation which had concluded that week. She confirmed that the savings the consultation had been designed to secure had been realised.

The Principal informed members that the College and the impact of the consultation had been mentioned in the Scottish Parliament the previous week and that it was regrettable that the information presented was not fully correct. He confirmed he had a meeting this week with Jamie Hepburn MSP, the Minister for Higher/Further Education, Youth Employment and Training to discuss this further.

Members commended the College team for preparing the budget and for realising the savings needed. Members noted the challenges which lie ahead given SFC's flat cash allocation in the recent Scottish Government 3 year spending review.

a) Members noted the content of the budget and endorsed this for approval by the Board of Management

F/21/34

Q3 Forecast Outturn 2021-22

The FM presented the Q3 forecast to members, noting that this projected a carry forward into 2022-23 of [REDACTED]

[REDACTED]

The VPFACA confirmed she would be discussion this further with SFC to gain their approval for the proposed approach.

Members queried the forecast of the VS payments. The DOF confirmed that forecast level and noted that the final amount was dependant on issues such as payment for

holiday provision and payment in lieu of notice for those staff who are approved for VS. The DOF confirmed the forecast would be sufficient to cover the final cost.

a) Members noted the content of the report

F/21/035 Review of Risk

Members noted that, while 2022-23 appeared to be ok, there were concerns about subsequent years and that this, and other risks discussed, should be considered for inclusion in the College Strategic Risk Register.

F/21/36 Any Other Competent Business

None

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1. Purpose

To review the remit of the Finance Committee to ensure it continues to provide the Board of Management with the appropriate assurances for next Academic Year.

2. Recommendation

That members review the remit of the Finance Committee and recommend any changes to the Board of Management.

3. Background

The Board of Management approved the remit of all Board sub committees in September 2018. It is considered good practice for the remits of these committees to be reviewed on an annual basis to ensure they are fulfilling their role of providing the Board of Management with the necessary assurances in relation to good Governance.

4. Financial Implications - None

5. Equalities

Assessment in Place? – Yes No

Review of committee remit does not require equalities assessment.

6. Risk

Please indicate on the matrix below the risk score. Risk is scored against Impact and Likelihood as Very Low through to Very High.

	Likelihood	Impact
Very High		
High		
Medium		
Low		
Very Low	X	X

Risk the Committee does not get the assurances required by the Board of Management if remit is out of date.

Risk Owner – Alison Stewart

Action Owner – Stephen Jarvie

7. Other Implications – None

Paper Author – Alison Stewart

SMT Owner – Alison Stewart

Finance Committee

1 Committee Rationale

To contribute to good governance by providing independent advice to the Board of Management on the financial management of the College, providing a strategic overview of the Colleges' financial direction while ensuring a position of financial security and that all relevant audit and legislative requirements are met.

2 Purpose

- To help the Board of Management meet its responsibilities under the Further and Higher Education (Scotland) Act 1992 in relation to financial and property matters and to ensure compliance with the Financial Memorandum between the Scottish Funding Council and the Board of Management of the College of Further Education.
- To advise the Board of Management on finance related matters and make recommendation on the financial policy of the College.

3 Membership

- The Committee shall comprise of 5 members of the Board of Management.
- The Chairman of the Board of Management and College Principal shall be ex officio members and are not eligible to vote on committee matters.
- The Chair of the Committee shall be appointed by the Board of Management and should not be the Principal. In the event that the Chair is unavailable to attend a meeting of the committee, a substitute will be nominated by the Committee members in attendance
- Committee members should possess an appropriate level of experience in finance, accounting or auditing and a professional qualification in one of these areas is desirable

4 Meetings

- The Committee will normally meet quarterly, though other meetings may be arranged as necessary
 - The meeting shall be quorate if 3 or more members eligible to vote are in attendance
 - Minutes will be kept of the proceedings and circulated after approval by the Chair. The minutes will be presented to the following meeting of the Committee for approval and to the next Board of Management meeting
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- Meetings will be held in accordance with the Board of Management Standing Orders and Operating Guidelines
- Other members of College staff may be invited to attend meetings of the Committee

5 Specific Duties of the Committee

- To ensure compliance with the Financial Memorandum between the Scottish Funding Council and the Board of Management of the College of Further Education
 - To ensure preparation of annual revenue and capital budgets and to consider them prior to final approval by the Board of Management
 - To receive regular financial reports to allow the revenue and capital budgets to be monitored and the financial position of the College to be assessed. (For example, revenue/capital monitoring statements, cash flows, debtors, grant receipts etc)
 - To ensure that annual accounts are prepared within the timescale, and in the format, determined by the Scottish Funding Council
 - To consider the annual accounts prior in conjunction with the Audit Committee and prior to the Board of Management
 - To receive and review such regular reports on such key performance indicators as may be required by the Committee
 - To consider and advise on the financial management and control systems within the College – including the approval of Financial Regulations
 - To receive advice, and consider recommendations, from the Audit Committee
 - To consider and advise on College systems for financial planning
 - To consider and advise on all matters concerning the disposal, purchase or major alterations to land and buildings
 - To consider and advise on proposals with significant financial implications to be met from within approved budgets, and to consider and advise on proposals not included in approved budgets
 - To request reports or investigations on any matter related to the finances of assets of the College and/or matters with current or potential significant financial implications
-

6 Authority

- The Committee is authorised by the Board of Management to approve all policies relevant to the Committee, or where appropriate refer to the Board of Management for final approval

To provide advice and monitor the arrangements, for

- Insurance
- Procurement
- Fundraising
- Banking
- To annually review and set the rates for tuition fees for further education courses and most part-time courses

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1. Purpose

To present the Student Association Outturn for August 2021 to July 2022 and the Budget for August 2022 to July 2023.

2. Recommendation

That members note the 2021/22 Outturn and approve the Budget for 2022/23.

3. 2021/22 Outturn

Throughout 2021/22 the pandemic played a huge part in how we conducted FVSA duties, however, there were still some great highlights from the year:

- Events – Hosted Fresher's/Re-Fresher's, Step Count Challenge, St Andrews day and various awareness raising throughout the year.
- Class Rep Training – Again FVSA delivered online training, this was a highly successful training programme with almost 200 class reps registering.
- Department Class Rep Meetings - These very successful meetings were introduced as another way of engaging with students to gather feedback on their specific department areas such as coursework, welfare etc. With the addition of CM drop-ins at these meetings, students who had not yet met their CM prior to this had the opportunity to do so and discuss any issues.
- Feedback Fridays - A weekly method of surveying students within FVSA, with the aim to have a regular feedback cycle with students on topics that are relevant that week.
- FVSA Website – in 2020/2021 we made our move to www.fvsa.co.uk. We have now used this domain for a full year and have successfully used this platform for ticketed events such as St Andrews day, Cinema trips and our Smartphone quiz.
- FVSA Student Awards - The Student Association ran our first in campus awards ceremony in May 2022 to celebrate the amazing achievements of students across the College. There were 9 categories with 49 nominations received.

Appendix 1 shows the Student Association Outturn for 2021/22.

There is a deficit of £43k for the academic year, utilising some of the previous year's surplus of £60k. Thus reducing the Student Association overall carry forward surplus to £17k.

The 2021/22 outturn shows savings in most areas as the team continued to deliver virtually, with some events being held on line or with limited capacity on campus.

Salary costs are showing a saving of £12k for 2021/22. Some of the variance is due to the budget assuming all staff would be in the pension and this was not the case, as well as the Student Engagement Coordinator role being vacant from May 2022.

Due to the success of the newly created Communication and Marketing Coordinator role which was funded by SFC, the post has been extended for a further year from the start of July 2022. This

was not budgeted and the July 2022 salary cost offsets some of the overall salary underspend in 2021/22.

4. 2022/23 Budget

Appendix 1 shows the Student Association Budget for 2022/23.

The overall operating budget has increased compared to the prior year mainly due to the extension of the Communications and Marketing Coordinator role.

The following key points are worth noting,

There has been an increase in the budget for Entertainment Functions in the hope to run a bigger and better awards ceremony in May 2023 as well as increasing events on campus.

The aim is for events to return to being in person and predominately in campus, while still offering a few online activities. We will also return to making a small income from Fresher and Re-fresher events and stall fees.

Salary Costs for 2022/23 have been based on 2021/22 actual salaries with a 2% inflationary increase. A review is being carried out to align Student Association salaries in line with the College and this may result in more funding being required from the ALF.

The Student Association have received funding of £186k from the Forth Valley College Arm's Length Foundation (ALF) to cover salary costs for 2021/22 and 2022/23. This funding along with underspend in salaries from previous years will cover the 2022/23 estimated salary costs of £105k. This will result in a small balance of ALF funding not being utilised.

An ALF application is outstanding for the extension of the Communications and Marketing Coordinator role. The ALF application will ask to realign the underspend from core salary funding (21/22 & 22/23) and request additional funding to cover the balance remaining for this role. It will also address any additional funding required as a result of bringing Student Association salaries into line with the College.

5. Financial Implications

There is no financial implication, as long as the ALF application is approved and the Student Association stays within Budget. This will be monitored monthly to ensure there is no overspend.

6. Equalities

Assessment in Place? – Yes No Non-Applicable

7. Risk

Please indicate on the matrix below the risk score. Risk is scored against Impact and Likelihood as Very Low through to Very High.

	Likelihood	Impact
Very High		
High		
Medium		
Low	x	x
Very Low		

Please describe any risks associated with this paper and associated mitigating actions:

Risk Owner – Kenny MacInnes

Action Owner – Amber Little

8. Other Implications – NA

Communications – Yes No **Health and Safety** – Yes No

Paper Author – Claire Green/Lisa Penman **SMT Owner** – Kenny MacInnes

1. Purpose

To seek approval from members to implement updated Financial Regulations for the College

2. Recommendation

That members:

- Consider the contents and revised levels of delegated authority
- Approve the revised Financial Regulations for implementation

3. Background

The Financial Memorandum between the Scottish Funding Council (SFC) and Forth Valley College sets out the terms and conditions on which grant is made. The Board of Management is responsible for ensuring that conditions of grant are met. As part of this process, Forth Valley College must adhere to the SFC's Financial Memorandum, the Outcome Agreement, the Scottish Governments Scottish Public Finance Manual (SPFM), except where any special actions or derogations have been agreed with Scottish Ministers, and the Code of Good Governance for Scotland's Colleges which requires it to have sound systems of financial and management control.

The Financial Regulations of Forth Valley College form part of this overall system of accountability, and translate into practical guidance, the College's broad policies relating to financial control within this context. Compliance is compulsory for all members of staff.

The purpose of these Financial Regulations is to provide control over the totality of Forth Valley College's resources and provide management with assurances that the resources are being properly applied for the achievement of Forth Valley College's strategic plan and business objectives:

- Financial sustainability
- Achieving value for money
- Fulfilling its responsibility for the provision of effective financial controls over the use of public funds
- Ensuring that Forth Valley College complies with all relevant legislation
- Safeguarding the assets of Forth Valley College.

The Financial Regulations were last updated in 2012. The core principles and practices within have not significantly altered, but to incorporate current policies and procedures, the document itself has been fully rewritten.

4. Key Considerations

The key consideration for members:

- Compliance with these Financial Regulations is critical to ensure that FVC complies with the SFC Financial Memorandum. Breaches of the Financial Memorandum are required to be reported to Finance Committee and SFC.
- Although ultimate responsibility sits with the Board of Management, practically it sits with the management team and LMT members understand their responsibility to ensure that staff are familiar with the contents.
- There are a number of College policies referenced throughout the document, and staff signposted to the relevant department SharePoint page. These policies are part of the Financial Regulations of the College.
- The document refers to various legislative and technical guidance to be read in conjunction with these Financial Regulations (section 2.7). Any key matters FVC staff need to be aware of are detailed within the updated document and non-finance staff are not required to read the external guidance.
- The approval limits for Pricing of Products and Services, and College expenditure have been reviewed and revised by the Vice Principal Finance & Corporate Affairs, and are set out within the relevant sections of the document, but also summarised in [Section B](#).
- Once approved by the Finance Committee, the Financial Regulations document will be added to the Finance SharePoint page.

5. Resource Implications (Financial, People and Estate)

Once the updated document is approved and uploaded to the Finance SharePoint page, communication via a [special e-focus](#) will be required to inform staff of the revised regulations and remind them of their responsibilities in relation to compliance. Staff will be signposted to the individual policies and sections of the Financial Regulations they need to read to prevent staff being overwhelmed by the size of the document.

6. Equalities

An equalities assessment is not applicable given the nature of this report.

7. Risk and Impact

	Likelihood	Impact
Very High		
High		
Medium		X
Low		
Very Low	x	

Total Risk Score – 3

The risk of staff not complying with the updated Financial Regulations is low given that there are minimal changes to current practices. The impact of non-compliance has a potentially higher risk, depending on the area of non-compliance, however controls within the Finance department mitigate against this risk.

Risk Owner – Alison Stewart
Paper Author – Senga McKerr

Action Owner – Senga McKerr
SMT Owner – Alison Stewart

1. Purpose

To provide a performance review of Development and Fundraising from August 2021 to July 2022 and to highlight key activity for 2022/23.

2. Recommendation

That LMT consider the performance, noting the outcomes achieved and take the opportunity to discuss the forward work plan.

3. Background

Established in May 2016, the Development and Fundraising function works with internal and external partners on a wide range of initiatives and projects that benefit our learning community. Over the past six years, approximately £2m of additional support has been secured contributing to strategic themes including: Digital Skills and more recently Digital Poverty, STEM, Widening Access, Mental Health and Wellbeing, Economic Recovery, Sustainability, Green Economy and Equality of Opportunity,

The Development and Fundraising Strategy “Making Fundraising Work 2019-2022” provides a framework for this activity and has three key objectives:

- Engage, develop and retain a diverse supporter base.
- Enable the development and delivery of key projects, programmes and initiatives that contribute to strategic objectives.
- Embed and lead on development and fundraising activity across the College – aligning with relevant internal and external strategies.

4. Key Considerations

During 2021/22 development and fundraising has progressed well with projects supported from a range of sources. Collaborative working with strategic organisations across our region has been a priority over the past twelve months. This reflects not only the shifting landscape of funding but also highlights the critical “anchor” role the College plays in the success of flagship, Scottish and UK government economic initiatives. These include, Community Renewal Fund, Levelling Up (UK Shared Prosperity Fund), City Region Deal (Clacks/Stirling) and the Falkirk Growth Deal.

Appendix 1 of this report provides a summary of the support secured for 2021/22 and key outcomes to highlight include:

- Twenty-four proposals submitted – twenty-one secured support
 - Total financial value of support - £310,041
 - Strategic partnership projects with Scottish Canals and Clackmannanshire Economic Regeneration Trust, supported through the UK Community Renewal Fund.
-

- Partnership project with the Robertson Trust continues – £75,000 of further funding support for the continuation of Time4Me up to June 2024. Match funding of £44,000 was approved for this from the Forth Valley College Foundation.
- STEM outreach activity supported initially by Stirling Council is now being expanded into Clacks and Falkirk with a first-time grant from the Edina Trust.
- Sponsorship support secured from six businesses for FVC Staff Awards 2022

5. Forward Work Plan 2022/23

Falkirk Growth Deal

An exciting project, which is a priority for 2022/23 is the ongoing development of the Innovation Skills Transition Centre (ISTC). The ISTC is one of nine projects that form the investment portfolio for the Falkirk Growth Deal. Funded by the UK and Scottish Governments and led by Falkirk Council, the deal will see a £90m capital investment coming to our area over the next 10 years.

Following the signing of the Heads of Terms in December 2021, each project must now prepare and submit an Outline Business Case (OBC). The OBC will follow the five-case model for business planning and must adhere to the HM Treasury Green Book standard.

Through the ISTC, the College is seeking a £4m investment that will strengthen the position of Falkirk and FVC as a leading location for developing the skills and talent required to support the Just Transition and “greening” of businesses across the area. Within our proposal, we will now also have an option to include capital and revenue expenditure - which is welcome news.

The development of the business case is a significant piece of work, which will involve departments from across the College and external stakeholder engagement. With additional contribution from a specialist Green Book consultant, we are aiming to submit the business case by December 2022, leading to a full business case by March 2023. Funding from the Growth Deal should be available by the summer of 2023, providing a fantastic investment opportunity for the College with potential to lever in funding from other sources.

UK Shared Prosperity Fund (UKSPF)

The College has been actively involved in discussions and contributed to the submissions made by Stirling, Clackmannanshire and Falkirk Council for the Shared Prosperity Fund. The Forth Valley area has an allocation of £12m up to 2025, which includes resource for the new Multiply programme. Working with our local authority partners in the delivery of the UKSPF will bring opportunities to enhance existing and develop new initiatives that benefit our learners.

Development and Fundraising Strategy 2022/2025

The current strategy is now due for a full review to ensure it continues to be fit for purpose and reflects the objectives in the College’s new Strategic Plan for 2022/25. This review will form part of the forward activity for 2022/23 and we are aiming to present a draft prior to the end of 2022.

6. Financial Implications

Please detail the financial implications of this item

Development and fundraising activity from August 2021 to July 2022 has secured funding support with a financial value of £310,041. This has promoted strategic partnership working, raised our profile and benefited our learning community.

Equalities Assessment in Place? – No

If No, please explain why – Not applicable

Individual assessments carried out at project level.

Please summarise any positive/negative impacts (noting mitigating actions) – N/A

7. Risk

Please indicate on the matrix below the risk score. Risk is scored against Impact and Likelihood as Very Low through to Very High.

	Likelihood	Impact
Very High		
High		
Medium	X	X
Low		
Very Low		

Please describe any risks associated with this paper and associated mitigating actions –

Development of fundraising proposals and initiatives requires investment in time and resources, which may not always result in a successful outcome. However, the Strategy provides a framework to co-ordinate activity, consider risk and progress high quality proposals. Additional funding promotes innovation, encourages collaborative working, enables new approaches to be tested and ultimately brings added-value to our learners.

Risk Owner – Colin McMurray

Action Owner – Pauline Jackson

8. Other Implications –

Please indicate whether there are implications for the areas below.

Communications – Yes

Fundraising function will work closely with Communications and Marketing on promotion of fundraising projects and acknowledgement of our supporters.

Health and Safety –No

Paper Author – Pauline Jackson

LMT Owner – Colin McMurray