

Finance Development Network Steering Group Meeting
Friday 1 November 2019: 1000-1300 hrs
CDN, Airthrey Castle, Hermitage Road, Stirling, FK9 4LA
Agenda 04/2019-20
Chair Alan Ritchie (AR) V2

Item		Lead	Paper
1.	Welcome and Apologies JM, TE, IC, HR	AR	Verbal
For Approval			
2.	Minute of Previous Meeting Friday 4 October 2019 ➤ CLA	AW	FDN 4-A
3.	Rolling Actions	AR	FDN 4-B
Invited Input			
4.	Audit Scotland Update (10.15) Mark McCabe - Financial Health Indicators	MMcC	Verbal
5.	APUC Update (11.00) Angus Warren will provide an update on the latest developments in the world of procurement	AWarren	Verbal
For Discussion / Decision			
6.	College Principal's Group Presentation Based on the information received group to discuss the content of the proposed presentation to the CPG on Monday 4 November	AR/AW	Verbal
7.	Colleges Scotland Update: ➤ Flexible Workforce Fund ➤ ESOL ➤ Alan Rae & Licencing ➤ Mackay Hannah Event ➤ Delivering Scotland's New Infrastructure & Increased Capital Investment	AWTY TH TH TH TH	Verbal
Standing Items			
8.	Feedback from Working Groups 8.1 Funding and Finance Committee 8.2 Financial Returns Working Group 8.3 Digital Ambitions Group	PS/TH AS/TH HR/TH	Verbal

	8.4 Events and Conferencing Group 8.5 Managing Agent Working Group 8.5 National Bargaining	KH/JT ST/PS/TH AR	
9.	Any Other Notified Business	AR	Verbal
10.	Date of Next Meeting Friday 6 December 2019	AR	Verbal

Future meetings/events:

Type	Date	Location	Attendance
Meeting	Friday 6 December 2019	Edinburgh	SFC
Meeting	Friday 10 January 2020	CDN, Stirling	
Meeting	Friday 7 February 2020	CDN, Stirling	
Meeting	Friday 6 March 2020	CDN, Stirling	
Meeting	Friday 3 April 2020	CDN, Stirling	SFC
Meeting	Friday 1 May 2020	CDN, Stirling	
Conference	28-29 May 2020	Dalmahoy	SFC



Minutes of CDN Finance Development Network Steering Group Friday 1 November 2019

Present	
Alan Ritchie (AR) (Chair)	Pete Smith (PS)
Alan Carr (AC)	Gayle Watson (GW)
Hazel Robertson (HR)	Alan Williamson (AWL)
Alison Stewart (ASt)	
In Attendance	
Michelle Brand (MB) - Minute Secretary	Mark McCabe (MMcC, Audit Scotland)
Gail Dunn (GD) Fife College	Angus Warren (AWarren)
Tom Hall (CS)	
Apologies	
Michael Breen (MBRE)	Karen Hunter (KH)
Iain Clark (IC)	Jennifer McLaren (JMcl)
Ailsa Close (AC)	Andrea Saunders (AS)
Susan Dunsmuir (SD)	Stuart Thompson (ST)
Tracy Elliott (TE)	James Thomson (JT)
Brian Ferguson (BF)	Andy Witty (AWTY, Colleges Scotland)
Brigid Ferguson (BF-UHI)	
James Gow (JG)	

Actions from meeting

Ref	Details	Lead	Delivery Date
APUC Update	<p>Modern Slavery Statements</p> <p>Organisations with over £36m turnover are required to publish their Modern Slavery statement. This is due to be updated and published by end January for most of HE/FE</p> <p>Statements must:</p> <ul style="list-style-type: none"> ➤ Be published within 6 months of the end of the financial year; ➤ Contain information on the efforts of the institution in that financial year; ➤ Be signed (accountable person) by someone at the most senior level in their institution (by signed we interpret to mean the name of the person responsible is displayed at the end, not recommended putting actual signatures on the internet!); and ➤ Be available from a link (one click) on a prominent place on the college homepage. 	ALL	31.01.20

Colleges Scotland Update	Tom Hall Colleges Scotland AR explained that there is a continued demand for ESOL and requested that the sector send the information to Colleges Scotland about ESOL demand. TH to take forward and ask the question of sector.	TH	06.12.19
Colleges Scotland Update	Mackay Hannah Event – Jan 2020 It was agreed that someone from Colleges Scotland should attend to represent the group at this event and then feedback to the group at the February meeting.	Col. Scot	07.02.19
AOB	Adjusted Operating Position AR to circulate the email communication received from the SFC where they confirmed that they will not go back and look at national bargaining monies for the teaching side. However, the SFC reserve the right to review the job evaluation monies.	AR	08.11.19

Decisions from meeting

Ref	Details
Prev. Minutes (04.10.19)	The minute of the meeting of 4 October 2019 were agreed without amendment.
Audit Scotland Update	Mark McCabe Audit Scotland It was agreed that the timing is right to scope new areas e.g. student support funds that are looking like being a growing pressure over the coming years. Where is the 'invest to save' money coming from as there is no cash in the sector? MMcC will take this forward when he meets the SFC. MMcM agreed to come back to a future meeting and provide an update.
Colleges Scotland Update	Copyright Licencing Agency The steering group were keen to keep Alan Rae's services to negotiate with CLA. Colleges Scotland will remain the main point of contact with Alan Rae.
Colleges Scotland Update	Funding Model Working Group It was agreed to add this as a standing item at moment with specific feedback and circulate the papers from this working group if ready in advance to support the FDN. TH is on this group and will liaise with MB regards circulating papers.
AOB	Future Meetings Following discussion amongst those present it was agreed that the monthly format of the steering group meetings would remain as 1 st Friday of the month. All members are encouraged to attend and where apologies are submitted to consider where appropriate to send a representative. It was also agreed to invite a representative from HMRC to a future meeting.

Notes from meeting

Ref	Details
<p>Audit Scotland Update</p>	<p>Financial Health Indicators</p> <p>MMcC attended the meeting as Audit Scotland are starting to scope out what the overview report will look like for 2020. Audit Scotland are looking for continuous improvement in reporting, to ensure the report provides added value. It was noted that there will be a new Auditor General for Scotland during 2020. For the time being there will still be an annual report and Audit Scotland will continue to work closely with the SFC.</p> <p>The report due in 2020 will be a retrospective look a 2018-19. MMcC asked the group to consider:</p> <ul style="list-style-type: none"> • Is the information included of use? • Is there information missing that should be included? <p>During discussions is was agreed that:</p> <ul style="list-style-type: none"> • Capital exhibit was well received. • Adjusted operation position is a more realistic indicator. • Student Support funds is an area of pressure. • Staff costs continue to be of concern across the sector due to nationally agreed pay. • Support staff costs are a concern as the national job evaluation process is about to start with a salary effective date set as Sept 2018. • Cash position, or lack of, is a concern. <p>The key risks were identified as:</p> <ul style="list-style-type: none"> • Outsourcing • Capital funding • National Job Evaluation • National pay policy • Student Support Funding <p>The steering group agreed that core commercial is on a downward trajectory.</p> <p>Delivery of HN courses has expanded due to the widening access policy and now schools and universities are offering HN delivery. Colleges are competing with schools and universities for a share of the same number of students. It is expected that college delivery across HN is likely to reduced.</p> <p>Assets are not of value as colleges are no longer allowed to hold cash to invest in assets.</p> <p>The Balance Sheet now does not represent the true value of colleges and it was suggested to focus more on the adjusted operating position, liabilities and liquidity.</p> <p>Delivering the Digital Ambitions Strategy – how does this get funded and supported?</p> <p>10:55 Angus Warren joined the meeting.</p> <p>11:00 MMcC left the meeting.</p>

<p>APUC Update</p>	<p>Angus Warren APUC AWarren provided the group with an APUC update. There are currently circa 175 framework agreements with 1,000 suppliers available for the sector to use.</p> <p>Collaborative spend for 2017-18 is 46% for combined HE/FE (45% HE, 48% FE). 2018-19 data is being collected at present.</p> <p>Benefits</p> <ul style="list-style-type: none"> ➤ 2016-17 - BT1: £15.9m, BT2: £26.3m ➤ 2017-18 - BT1: £17.1m, BT2: £35.3m ➤ 2018-19 data being collected at present <p>Institutional Shared Services – over 45 staff engaged</p> <p>Legislation</p> <ul style="list-style-type: none"> ➤ Procurement Reform Act now well embedded; ➤ New / updated Strategies for 2019-20 should now be in place and shared with Scottish Government Ministers; ➤ Annual Reports for 2018-19 AY are due to be published (and Scottish Government notified) by end Dec 2020; and ➤ E-Invoicing capability deadline April 2020. E-invoicing can be as simple as being able to accept an invoice by email and store a scanned copy of the invoice on a system. <p>Brexit Risks - work ongoing –status updates on frameworks issued every few weeks (publishing will now be paused until late 2019).</p> <p>Training / Guidance – PRA / EU</p> <ul style="list-style-type: none"> ➤ 8 e-Learning modules developed & on-line including new module on modern slavery ➤ Face to face training: circa 300 people trained per year <p>Trainee Scheme</p> <ul style="list-style-type: none"> ➤ All the last cohort of trainees have jobs in sector ➤ 3 new graduate (HND & above) trainees in place (18-month programme) ➤ Plus 3 new “procurement specialist trainee” post being recruited (Aberdeen and Stirling 2019, Glasgow in 2020) <p>Category Bulletins are issued quarterly, last batch was issued end September / early October.</p> <p>HE/FE Climate Emergency Procurement Working Group has been set up.</p> <p>Sector also has membership of the Scottish Government Procurement Climate Forum (not yet met).</p> <p>APUC Responsible Procurement Action Plan in place and being reviewed for climate emergency impacts.</p> <p>Sustain assessment tool – continued development well under way and integration with new Supplier and Contract Management (SCM) tool due from end 2019.</p>
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	<p>2019 PCIP Programme - Full and Medium assessments done, now Lite PCIPs/ OPRs taking place.</p> <p><u>Cost Sharing Group (CSG) Status</u></p> <p>Section 85 Agreement agreed with HMRC July 2019 on APUC CSG status.</p> <p><u>Other Shared Services</u></p> <p>ISC now (UCSS/APUC) Collaboration Catalyst – able to assist in all areas of business re shared services / collaborative support.</p> <p>Shared Services that are Live [host org in brackets]:</p> <ul style="list-style-type: none"> ➤ Moodle [Edinburgh Napier University]; ➤ Training register cross-sector [UCSS]; ➤ CISO-Share [HEFESTIS]; ➤ DPO Shared Service [HEFESTIS]; and ➤ Unidesk [University of Edinburgh]. <p>HEFESTIS Ltd has now been created as a separate legal entity. The new Board has had their first two meetings and Andy McCreath is employed as the MD.</p> <p>Going forward, the following shared services are being explored:</p> <ul style="list-style-type: none"> ➤ Change Management (was previously Project Management & Business Improvement); ➤ SharePoint /Office365 Optimisation; ➤ Finance systems (Agresso) support – 2 HEIs and one FEI in dialogue – harmonising versions; ➤ Various HR shared services at early stages of discussion; and ➤ Training, Ultra Low Carbon Data Centres <p>Angus left the meeting at 11:40 Gayle left the meeting at 11:45</p>
CPG Presentation	<p>FFR presentation to College Principals Group (Alan Williamson / Alan Ritchie)</p> <p>It was noted that 13/16 colleges returns have been received, so thank you. This presentation will go to the CPG and the Employers Association Group.</p>
Colleges Scotland Update	<p>Tom Hall Colleges Scotland Flexible Workforce Fund</p> <p>Additional £10m funding announced 3rd Dec – haven't had clarity from Scottish Government, they are still in the process of working options for ministers and will keep Colleges Scotland informed.</p>
Colleges Scotland Update	<p>ESOL</p> <p>Thank you to colleges who shared responses. Are there any further comments or challenges from the group for Colleges Scotland to take forward?</p>
Colleges Scotland Update	<p>Alan Rae Licencing</p> <p>Are there any follow up comments from the group – do we need him for 3 days per year? There needs to be a point of contact for the sector to try and negotiate and agree to keep fees as they are.</p>

Colleges Scotland Update	<p>Mackay Hannah Event TH provided information about the upcoming event which will be on the 13 January 2020 in Edinburgh £119 + VAT. Infrastructure Conference</p>
Colleges Scotland Update	<p>Digital Ambitions College based workshops have been happening this week. Infrastructure is a talking point and some of the challenges for distance learners with regards to connectivity for urban settings. Still a strong emphasis on physical learning space even with the increase of online learning. They are currently half way through the consultation process and it is progressing well.</p>
Colleges Scotland Update	<p>Funding Model Working Group (TH) The group met for the first time and had a good discussion about how to take this forward. Agreement nothing to change for next year but considering what changes are possible going forward. Consider how to take forward proposals to influence the funding model.</p> <p>The group will be meeting again in December and will establish a timetable. Due to the announcement of a general election on 12 December, which is the same day as the budget it due to be announced, things are a bit uncertain regarding dates.</p>
Colleges Scotland Update	<p>Managing Agent Working Group (MAWG) Successor group to CITB working group. The date of the 1st council meeting is the 22 November. MAWG will look at SNIFEFF SEFF and what is the evidence and issues.</p> <p>There is not a national offer and we are looking to standardise across the sector and then negotiate as a sector rather than individually.</p>
Colleges Scotland Update	<p>Funding & Finance Committee Nothing new to report currently.</p>
AOB	<p>Events and Conferencing Group are still looking for a Chair to take this forward and AR has requested a volunteer to get that moving again.</p>
AOB	<p>Mental health funding An email has been circulated to tell us what we can use the money for.</p>
AOB	<p>Climate Change Group held a meeting which CDN organised at short notice, PS attended. Mostly estates college staff, Colleges Scotland and NUS, APUC in attendance. The main points:</p> <ol style="list-style-type: none"> 1) Ambition / commitment statement of intent and NUS to eliminate single use plastics and Carol Turnbull will take to the CPG in Dec. Shorter time – eliminate for water bottles by Aug 2020. 2) Producing material for students at induction as to why colleges would want to do that and CDN agreed to pay for this. 3) If the Gvt wants us to reduce carbon footprint further, then we need resource and funding to support this and have expertise in the sector to take this forward. Possible shared service via APUC.
AOB	<p>Date of Next Meeting: Fri 6 December 2019 - Edinburgh</p>