

**Finance Development Network Steering Group Meeting
Friday 4 October 2019: 1000-1300 hrs
CDN, Airthrey Castle, Hermitage Road, Stirling, FK9 4LA
Agenda 03/2019-20 V2
Chair Alan Williamson (AW)**

Item		Lead	Paper
1.	Welcome and Apologies	AW	Verbal
For Approval			
2.	Minute of Previous Meeting Friday 6 September 2019	AW	FDN 3-A
3.	Rolling Actions	AW	FDN 3-B
For Discussion / Decision			
4.	<p>SFC Update</p> <ul style="list-style-type: none"> • FFR returns update on progress and any issues being highlighted • Scottish Government spending review – indications of direction of travel • Financial Reporting Group meeting / remit / outcomes • New funding model – timescale and impacts • Whole of government accounts - preparation for changes due next year <p>SFC / Steering Group Discussion</p> <ul style="list-style-type: none"> • Student Support Funding – possibility of combining all funds • Preparation for new SORP implementation for 2019-20 financial statements • Updates to SPFM and how these are communicated to sector 	LM/A M	Verbal Verbal
5.	Copyright Licencing (11.00)	ARae	Presentation 3-C
6.	<p>Colleges Scotland Update:</p> <p>7.1 Digital Ambition Strategy Group</p> <p>7.2 ESOL update</p> <p>7.3 Funding and Finance Committee</p>	AWTY	Verbal

Standing Items			
7.	National Bargaining	AW	Verbal
8.	Any Other Notified Business	AW	Verbal
9.	Date of Next Meeting <ul style="list-style-type: none"> • Friday 1 November 2019 	AW	Verbal

Future meetings/events:

Type	Date	Location	Attendance
Meeting	Friday 1 November 2019	CDN, Stirling	Angus Warren (APUC) ESP
Meeting	Friday 6 December 2019	Edinburgh	SFC / Audit Scotland
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 04 October 2019**

Present	
Alan Williamson (AWL) (Chair)	Alison Stewart (ASt)
Brian Ferguson (BF)	Pete Smith (PS)
Hazel Robertson (HR)	Stuart Thompson (ST)
Jennifer McLaren (JMCL)	
In Attendance	
Claire Mason (CM) – Minute Secretary	Andrew Millar (SFC)
Tom Hall (CS)	Alan Rae (ARAE)
Lorna MacDonald (SFC)	Andy Witty (AWTY, Colleges Scotland)
Apologies	
Michelle Brand (MB)	Brigid Ferguson (BF-UHI)
Michael Breen (MBRE)	James Gow (JG)
Alan Carr (AC),	Karen Hunter (KH)
Iain Clark (IC) (Joint Vice Chair)	Alan Ritchie (AR)
Ailsa Close (AC)	Andrea Saunders (AS)
Susan Dunsmuir (SD)	James Thomson (JT)
Tracy Elliott (TE)	Gayle Watson (GW)

1 Welcome and Apologies | Verbal | Lead: Alan Williamson

AWL welcomed members and apologies were noted as above.

2 Minutes of Previous Meeting: Friday 2 August 2019 | Paper: A | Lead: Alan Williamson

The minutes of the meeting held on Friday 06 September 2019 were approved without amendment.

3 Rolling Action Points | Paper B | Lead: Alan Williamson

The rolling actions were updated during the meeting.

TT is taking forward enquiries about the ESOL group and will provide a copy of the remit, membership and minutes to the steering group.

AR sent communication to the wider finance network to cancel the November event a subsequent event is expected to take place in early 2020.

4 SFC Update | Verbal | Lead: Alan Williamson

SFC Update

LM stated that her and AM proposed to Video Conference into future meetings, whilst still attending meeting/conferences on a reduced number of occasions each year.

FFR Returns

A high-level review is scheduled to be completed by mid-October 2019, with a detailed analysis report due at the end of November. LM reiterated that it is important to present returns in an efficient way, as well as emphasising the importance of consistency in completion. LM stated that it is looking like some assumptions have not been followed in one or two submissions, with mitigating action not always identified, which is similar to last year.. The SFC will contact these Colleges accordingly and provide feedback in December 2019.

Severance

LM stated the importance of the FFR recognising the current situation of Colleges in Scotland, in particular implications on future staff numbers. The SFC plan to explain the staff implications in addressing sector-wide deficits to the Scottish Government, but it will be a balanced message.

Scottish Government Spending review

LM provided an update on the Scottish Government Spending review. This will be a rolling action point for future SFC updates.

Finance Reporting Group Meeting/remit/outcomes

A few group members attended the latest meeting. Two cash flow papers were discussed at the meeting where variances were considered.

The proposal regarding regional papers was rejected, however, there was positive conversation around Regional Strategic bodies reviewing papers, but this is on hold for now but may be revisited in future.

New funding model – timescale and impacts

AWTY stated the new funding model was discussed at the College Funding Group on 09 September. Colleges will be given the chance to feedback by end of November. The Principals group will consider the implications on funding allocations for 2021. The 116,000 FTE sector target is to be considered at some point by Scottish Government, but will be replaced by something else if removed.

Whole government account – preparation for changes due next year

AM confirmed that he has spoken with Lorna Fawcett and there are no plans confirmed for next year as yet.

SFC Steering Group Discussion

Student Support Funding – Possibility of combining all funds

ST explained that Student Support Funding is currently a separate allocation and enquired about the possibility of combining support funds. LM stated that AR should engage with Caroline at SFC to discuss what the steering group would like to do as she could provide more guidance.

ST to contact Michelle McNeil at SFC for further discussions.

Preparation for new SORP implementation for 2019-20 financial statements

LM stated for 2019/20 academic year, there are not expected to be too many changes. The group stated they would like more clarity to changes, however, there is not much to report presently as there has not been a SORP Board meeting. AW will keep group up to date.

Update to SPFM and how these are communicated to sector

SFC will share a 'highlight' communication to the Sector outlining brief changes to the SPFM. SFC are still working to a 1-year payback for VS, despite the SPFM advising 2 years payback, no guidance issued yet. It was emphasised to LM that pension strain costs are pushing payback well over the SFC's 12 month payback period, and is now considered discriminatory against older support staff. It is also concerning that accepting applications from specific college functional areas is now a decision for SFC and not the College's Executive Team and Board. It also affects succession planning as younger staff are more likely to meet the 12 month payback period.

5. Copyright Licencing | Presentation | Lead: Alan Rae

Alan Rae (AR) gave a presentation to the group regarding Colleges preparing for no-deal licences and the potential savings that can be made from being licence free.

AR stated that:

- Six Colleges no longer pay the Copyright Licencing agency fee
- There are inequalities and inconsistencies in:
 - current licencing fee structures,
 - current licencing terms and conditions of operation
 - licensors' tariffs, metrics and data collection
- Scottish FE is estimated at £450,000 in CLA Revenue 2017/18
- According to NLA, the Scottish FE revenue is £30,000

Savings can be made by:

- Making more intensive use of the exceptions in the 1988 Copyright Act 1988
- By reinvesting 'savings' into extra resources to mitigate any risks generated by going licence free
- Ignoring licences such as NLA, PRS AD PPL

The group agreed that further discussion was required at the next meeting.

6 Colleges Scotland Update | Verbal | Lead: Andy Witty**6.1 Digital Ambition Strategy Group**

TH stated the Digital Ambition Roadshows are now live for bookings on the College Development Networks website. There are 7 workshops planned in North East Scotland College, Borders College, West College Scotland, Fife College, Inverness College UHI, Forth Valley College and City of Glasgow College and 2 additional virtual workshops for those unable to attend. A report will be collated of common themes and high-level findings by the end of December 2019.

6.2 ESOL Update

This update was provided earlier in the meeting under Rolling Action Points.

6.3 Funding and Finance Committee

Management Agent Working Group

The Management Agent Working Group will be meeting for the first time on the 17th October. It was noted that there is opportunity for two Finance Directors to join this group. After discussions Stuart Thompson and Pete Smith agreed to join this group, both hope to be at the October Meeting. AWTY thanked both ST and PS who will update the steering group at the November meeting.

Review of Funding Model

The Funding Model short life working group are meeting on the 25 October and will be discussing changes they would like to see made to the funding model. AWTY will provide an update at the November Meeting.

Mental Health Working Group

AWTY informed the group that Year 1 funding was about to be allocated but Colleges Scotland pushed back on this. The Scottish Government will now include a statement regarding Equity of access, which they have now accepted to ensure a 50/50 split instead of the original 52/48 in favour of universities. There will be a monitoring of demand for the first year which will be reviewed. AWTY will be attending a meeting on the 04 October and will feedback.

Innovation Fund

The September deadline for the College Innovation Fund received just short of 20 bids, which are being reviewed. Evidence will be collected to cement funding for a two-year pilot as there is no guarantee of this going forward. Colleges Scotland in conversation with SFC regarding this.

Flexible Workforce

AWTY informed the group that there is £20 million in funding and is awaiting clarification on a possible change of rules. £9.7 million has been committed against last year. Colleges Scotland requires evidence and feedback from Colleges to defend their position, and therefore requires those colleges who have not already contacted Colleges Scotland to feedback as soon as possible.

7 National Bargaining | Verbal | Lead: Stuart Thompson

A national bargaining update was provided in relation to support staff and the job evaluation process.

8 AONB | Verbal | Alan Williamson

There was discussion on HE numbers which were becoming harder to achieve due to Universities lowering entry qualifications and some schools also offering HN provision despite not meeting SQA criteria. It was agreed that most colleges were in a similar position. The group agreed to discuss this further at the next meeting and include this item on the Agenda for the next meeting.

9. Date of Next Meeting is Friday 01 November 2019

The meeting closed 12:40