

Finance Development Network Steering Group Meeting
Friday 6 December 2019: 1000-1300 hrs
Scottish Enterprise Offices, Apex House,
99 Haymarket Terrace, Edinburgh, EH12 5HD
Agenda 04/2019-20
Chair Alan Williamson

Item		Lead	Paper
1.	Welcome and Apologies AR, IC, ST, (TE – VC'ing)	AW	Verbal
For Approval			
2.	Minute of Previous Meeting Friday 1 November 2019	AW	FDN 5-A
3.	Rolling Actions	AW	FDN 5-B
Invited Input			
4.	SFC Update (10.15) Lorna Macdonald & Andrew Millar SFC will provide an update on several relevant topics and take questions at the end	LMacD / AM	Verbal
5.	ESP Update (11.30) Jim Brown 5.1 Managing agent working group 5.2 Contracts update	JB	Verbal
For Discussion / Decision			
6.	FFR Update 6.1 Updated following CPG presentation.	AW	Slide Pres.
7.	Colleges Scotland Update 7.1 High Level Funding Principles	AWTY	Verbal 5-D

Standing Items			
8.	Feedback from Working Groups 8.1 Funding and Finance Committee 8.2 Financial Returns Working Group 8.3 Digital Ambitions Group 8.4 Events and Conferencing Group 8.5 National Bargaining	PS AS HR TBC AR/AW	Verbal
9.	SFC Publications since last meeting 9.1 College financial statements and returns 2018-19 – deadline 31-12-19 9.2 Funding for counsellors 2019-20 – various deadlines	AW	Verbal
10.	Any Other Notified Business	AW	Verbal
11.	Date of Next Meeting Friday 10 January 2020	AW	Verbal

Future meetings/events:

Type	Date	Location	Attendance
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 6 December 2019**



Present	
Alan Williamson (AWL) - Chair	Hazel Robertson (HR)
Brian Ferguson (BF)	Pete Smith (PS)
Susan Dunsmuir (SD)	Alison Stewart (ASt)
Tracy Elliott (TE) – via Skype	James Thomson (JT)
Karen Hunter (KH)	Andy Witty (AWTY, Colleges Scotland)
Graham Little (GL)	
Jennifer McLaren (JMCL)	
In Attendance	
Michelle Brand (MB) - Minute Secretary	Lorna Macdonald (LMac) – SFC
Jim Brown (JB) - ESP	Andrew Millar (AM) - SFC
Tom Hall (CS)	
Apologies	
Michael Breen (MBRE)	James Gow (JG)
Alan Carr (AC)	Alan Ritchie (AR)
Iain Clark (IC)	Stuart Thompson (ST)
Ailsa Close (AC)	Gayle Watson (GW)
Brigid Ferguson (BF-UHI)	

Actions from meeting

Ref	Details	Lead	Delivery Date
SFC Update	Whole of Government Accounts All colleges to request a log-in for the OSCAR system; if there are any questions around this colleges should contact LF, Scottish Government directly.	ALL	20.12.2019
	Student Support Funding SFC have reviewed all in-year positions and will feedback to individual colleges before the Christmas break and communicate to the wider sector early Jan 2020.	SFC	20.12.2019
	AWTY updated SFC on the recent CPG meeting where colleges raised the concerns and are looking for reassurance that any additional funds to support this Scottish Government policy change will be provided. SFC understand that this is a policy change and the impacts and pressures this is having on colleges and will continue to have discussions with the Scottish Government. SFC have communicated to the Scottish Government the pressures colleges are facing.	SFC	10.01.2020
	The College Funding Group meeting is on 16 December and AWTY has expressed that the college	SFC	16.12.2019

	<p>side would like the sector position confirmed at this meeting. LMac confirmed this would happen.</p> <p>New SORP The SFC will issue the new accounts direction towards the summer 2020.</p> <p>2018-19 Accounts SFC will be issuing the Mid-year Return early next year with a return date of end of March 2020.</p> <p>ESOL AWTY to forward the email received and all other supporting information from the Scottish Government to LMac for consideration. LMac will pass to the relevant person within SFC to reply and provide clarification and an understanding of how the information and figures were derived.</p>	SFC	27.05.2020
		SFC	31.03.2020
		AWTY	06.12.2019
		LM	20.12.2019
Colleges Scotland Update	TE raised the point regarding inequity between HE & FE and whether the Funding Model SLWG had papers that evidenced this inequity. AW confirmed that Colleges Scotland had this information and agreed to share this information with the FDN Steering Group.	Col Scot	10.01.2020
AONB	<p>Mental Health Funding AWTY will raise at the College Funding Group about flexibility of spend and report back to the FDN. Procurement spend restrictions are also a concern due to timing of use.</p> <p>Instructors and Assessors FDs to feedback to AS who will collate sector information about FTE/salaries being used for Instructors and Assessors. AS to report back to the FDN Steering Group.</p> <p>Audit Fees PS/AW to prepare correspondence to send to Audit Scotland on behalf of the FDN Steering Group about the increase in the fees. AW to confirm who the best person to contact is.</p>	Col Scot	10.01.2020
		FDs	20.12.2019
		AS	07.02.2020
		PS/AW	10.01.2020

Decisions from meeting

Ref	Details
Prev. Minutes (01.11.19)	The minutes of the meeting of 1 November 2019 were agreed with minor amendment.
SFC Update	Voluntary Severance SFC SPFM guidance on Voluntary Severance will be updated early 2020 and they will consult on any changes to the guidance in due course.
ESP Update	JB to send out information directly to MB for circulation to the FDN, to ensure the FD's remain up to date with all pots of funding available.
Colleges Scotland Update	It was agreed that AWTY would replace Andrea Saunders as a Finance Director representative on the Funding Model SLWG. TH will liaise with AWTY to ensure he has previous meeting papers.
Funding Model WG	It was agreed to add to WG update and standing items.
Managing Agent WG	It was agreed to add to WG update and standing items.
Financial Return WG	Remove the FR WG from standing item.
Events & Conferencing	JT agreed to Chair supported by KH and additional volunteer of HR to join the group. Anyone else who would like to join the group contact JT after the meeting. February will not be a viable option, so we are now working firmly to the May conference.
National Bargaining	Remove as standing item for the time being.

Notes from meeting

Ref	Details
Rolling Actions	The Rolling Actions were updated during the meeting.
SFC Update	Spending Review The outcome of the Spending Review will be known by the end of March 2020. The SFC will continue to work with the Scottish Government and will communicate to the sector as soon as there is more information. Various scenarios are being considered by the SFC as a contingency to mitigate against late notification of the Spending Review Outcome; one scenario that may be considered would be to roll over the budget from last year if nothing was confirmed by end of March. Whole of Government Accounts AM has spoken to Lorna Fawcett (LF) and she does not have any update on the changes for next year but will forward any updates to colleges as they arrive. There is no feedback to date on the 2018-19 submission, but it is believed to have been completed and sent to the Treasury. LF will communicate if there is anything coming back that needs action and has confirmed she is happy to come along to a future meeting. Student Support Funding

	<p>SFC have reviewed all in-year positions and will feedback to individual colleges before the Christmas break and communicate to the wider sector early Jan 2020.</p> <p>AWTY updated SFC on the recent CPG meeting where colleges raised the concerns and are looking for additional funds to support this. SFC understand that this is a policy change and the impacts and pressures this is having on colleges and will continue to have discussions with the Scottish Government. SFC have communicated to the Scottish Government the pressures colleges are facing.</p> <p>New SORP 2019 SORP was issued just over a year ago and was applicable from AY 2019-20 onwards. SFC are not expecting to see substantive changes for colleges. Most of the amendments were around clarifications rather than new accounting treatments.</p> <p>National Bargaining SFC will react to the information provided, colleges are better placed than the SFC to know if there are any risks. There is potential if a college FTE numbers changed significantly this may lead to amendments to accounts. SFC can only react at this time.</p> <p>Support Staff Job Evaluation has not fully commenced live evaluations at this time. SFC will be required to get ministerial approval to move funds over to next year, but SFC have been keeping ministers up to date with what information they have.</p> <p>Voluntary Severance SFC will be issuing a communication on changes to the SPFM Voluntary Severance guidance and will do something similar for all other future changes to the SPFM.</p> <p>£95k limit may occasionally come into play for some colleges but this is expected to be for very few.</p> <p>FDN expressed to the SFC that flexibility on the strain on the fund would be welcomed, but this is not likely to change at this time.</p> <p>2018-19 accounts Adjusted operating position – SFC have now received most colleges AOP and SFC are turning these around as quickly as possible. Things have improved from last year; some figures have been more difficult to track down especially relating to pensions. Call for information was issued on 26 November.</p> <p>ESOL Scottish Government guidance was issued to Colleges Scotland but clarification is required. Scottish Government mentioning 16-17m spend on ESOL through SFC funding. AY17-18 overall figure 17m. Colleges were encouraged to do more ESOL from core activity.</p>
ESP Update	Jim Brown attended the meeting and gave an update on ESP activity and funding streams available. The full presentation was circulated to the steering group following the meeting.
FFR Update	<p>There is a meeting on 11 December of the SFC and Scottish Government.</p> <p>Over the next 5 years the sector has to find £65m in efficiencies.</p> <p>8 colleges are showing a negative at some point during the next 5 years.</p>

	<p>Average cash at hand and bank for sector (23 days). 2019-20 £1.6m but a number of colleges with less than 5 days.</p> <p>Actions being considered are: review curriculum, improvement to timetabling and time management, process & procedure review, non-staff cost reductions where possible, review of estates, increase in revenue streams.</p> <p>The following additional actions are being considered: ALFs funding, risk profile of the most financially vulnerable regions.</p>
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Colleges Scotland Update	<p>High Level Funding Principles</p> <p>AW explained the rationale behind the formation of the group, as it had been increasingly identified across a number of different areas, such as the Digital Ambition work, that there was a need to change the funding model.</p>
Funding & Finance Comm	Meets next week.
Financial Return WG	No meeting to report on. Last meeting was 18 September
Digital Ambitions WG	<p>HR on group and Andrea Saunders has stepped off as she has left, looking for an additional FD to join this group.</p> <p>AWTY to share the table and narrative with FDN over the difference in funding split between HE and FE.</p> <p>Meets next week.</p> <p>Completed 7 workshops with different colleges across the country and following up with 2 digital workshops. Still emphasis on upskilling looking at the information that has been provided and compiling costings on top of this with the evidence received and how this will influence the spending review. Absolutely about investing to upskill people and economic impact. Looking to get an interim report out early 2020 to ensure feed into the spending review and then further draft April 2020.</p>
AONB	<p>Mental Health funding</p> <p>Must be able to demonstrate your counselling capacity and increased counselling provision.</p> <p>TE alerted the steering group that the SFC changed the universities year end reporting to 1 December.</p>
Date of Next Meeting: Fri 10 January 2020 – CDN Offices, Stirling	