

# Finance and General Purposes Committee

Wed 20 April 2022, 16:30 - 18:30, held on Teams

## Attendees

### Chair

- Graeme Howell (Chair of Finance and General Purposes Committee)

### Board Members

- Angela Sutherland (Non-Teaching Staff Director)
- Absent: Rory Gillies (Independent Director)

### Ex-Officio Members

- Jane Lewis (Principal - Shetland UHI)
- David Sandison (Chair of the Board of Management)

### Also In Attendance

- Matt Sierocinski King (Board Secretary)
- Glenn Gilfillan (Head of Central Services)
- Elaine Laurenson (Administration Manager)
- Isobel Johnson (Finance Manager)
- Beth Mouat

## Meeting minutes

### 1. Welcome, Apologies, and Announcements

Mr Howell (Chair) welcomed everyone to the meeting.

### 2. Declarations of Interest

Mr Howell (Chair) asked everyone if there were any declarations of interest. No member of the committee or other individuals declared a declaration of interest with any item on the agenda.

### 3. Minutes of Previous Meeting

Mr Howell (Chair) asked everyone present to review the minutes for matters of accuracy. The Chair asked the members to draw their attention to any such corrections as necessary on a page by page basis. The Chair requested to Mx Sierocinski King (Board Secretary) to add the word "survey" after the word TFU on the final page of the minutes.

**Action:** The Board Secretary shall add the word "survey" after the word TFU on the final page of the minutes.

**Decision:** The minutes, as amended, were approved by the committee.

## 4. Matters Arising

Mr Howell (Chair) asked the meeting if there were any matters arising that were not already covered in the agenda of the meeting. No additional matters were raised.

## 5. Terms of Reference

Mx Sierocinski King (Board Secretary), introduced the terms of reference amendments to the committee, explaining that while the majority of the amendments were grammatical and formatting, there was one substantive change regarding quorum. The Board Secretary explained that a new requirement in the upcoming new release of the Code of Good Governance, is to require all committees and all decisions of committees to be made with 50% of Independent Directors participating.

The committee discussed the terms of reference quorum criteria.

**Decision:** The committee agreed the changes, and to advance the document to the Board of Management for approval.

**Action:** The Board Secretary shall add the terms of reference of the committee to the agenda of the next board meeting.

## 6. Financial Monitoring

Mr Howell (Chair) introduced the Financial Monitoring section of the agenda.

### 6.1. Finance Report

Ms Johnson (Finance Manager) introduced the paper, and explained the colouring system used. The Finance Manager highlighted to the committee that the deficit position as of January is £606,666. She also drew the attention of the committee to the notes in the reports, specifically, the funding advances from UHI has not been included in this report, while noting that the report figures are inclusive confirmed SFC funding only.

The Finance Manager also updated the committee on the use of SITS and how it interlinks into the finance system. Further revisions will come in future reports, as noted. The Finance Manager highlighted the income and expenditure figures in relation to the time of the year.

The committee discussed the reasoning behind the £220,146 positive variance. The Finance Manager explained that much of that variance was expected to be reduced in future reports, due to expected forthcoming costs.

The committee discussed the connections between SITS and the finance system, and how they interlink.

## 6.2. Five Year Forecast Narrative

This matter was deferred to later on in the meeting.

## 6.3. Historic Pay Award

Professor Lewis (Principal) updated the committee on the implementation progress of the Historic Pay Award. The Principal informed the committee that for the Distant Islands Allowance, pay had been back dated to October 2021 and added to the March pay packet. While for back pay from SIC, it had been back dated to August 2021 and shall be included to the April pay packet for staff.

The Principal informed the committee that the implementation of back pay has allowed SUHI to become eligible to register as an accredited real living wage employer.

The Principal informed the committee about strike activity on 22nd April 2022, highlighting that EIS-Fela had decided to undertake discontinuous strike action, with the first day being 22nd April 2022. She also mentioned that the Employers Association had undertaken a recent meeting with an improved offer, which was rejected to EIS-FELA; an offer that was beyond the pay that SUHI has budgeted for and beyond what SUHI can afford.

The Principal informed the committee that Unison have also called a statutory strike ballot, with news forthcoming as to whether that would affect SUHI staff.

## 1. 6.4. Legal Services

Mr Gilfillan (Head of Central Services) presented the paper, and brought to the attention the APUC to the committee, and how it impacts SUHI procurement procedures.

The Head of Central Services highlighted a conflict of interest regarding Anderson Strathern, and confirmed that SUHI could move down the list and utilise Thorntons as the provider of legal services for SUHI. The Head of Central Services explained the response to this request to the committee, and highlighted the letter to be sent to Thorntons to the committee. The Committee was asked whether SUHI should employ Thorntons on a one-stop-shop basis on a continuous basis.

The committee discussed the matter of a retainer.

**Action:** The Head of Central Services has been asked to assess the retainer question.

**Decision:** The committee agreed to appoint Thorntons on a one-stop-shop basis, and to delegate the matter to be signed off to the Head of Central Services and Professor Lewis (Principal).

## 6.5. Audit Services

Mr Gilfillan (Head of Central Services) presented the paper and highlighted the costs and timeline of the decision to be made in appointing an auditor, highlighting the challenge in appointing a local auditor.

The committee discussed the process of appointment an auditor and the relative balance of the responsibilities in the appointment process between Finance and General Purposes Committee compared with those of Audit Committee. The committee also discussed the timelines that are involved in terms with Audit appointment in relation to the year end.

A query was raised regarding FES Audits.

**Action:** The Head of Central Services will clarify if the dormant accounts have been submitted.

**Decision:** The committee agreed to appoint Henderson Logie as the auditors.

## **7. Estates and Assets**

Professor Lewis (Principal) updated the committee on the progress on the development of estates, and the reinstatement of student accommodation at Port Arthur House.

Mr Gilfillan (Head of Central Services) confirmed that the rooms were almost ready for use, and highlighted the progress made, and the actions needed to be undertaken.

### **7.1. Islands Deal**

Professor Lewis (Principal) updated the committee on the progress of the Islands Deal, explaining that the OBC has been accepted by the Scottish Government, adding that a full business case is now currently under development. The Principal also drew the committee's attention to the progress that had been made with SIC regarding the Knab regeneration project, with confirmation of support from UHI for the islands deal material. The Principal also explained that she now sits on the UHI accommodation committee.

## **8. Growth and Development of Shetland UHI**

### **8.2. Update on Merger Business Case**

Professor Lewis (Principal) updated the committee on the Merger Business Case, highlighting that SFC requested a post-covid update on the merger. The update summarised the impact of Covid on the merger along with growth projects, restructuring, curriculum, growth, student accommodation, CSS, TFU, net zero, engagement with employers and community, five year forecast.

The committee discussed the development on the memorandum of understanding with SIC, and commended the update, and the challenges in progressing its development.

## **9. Financial Risk Management**

## 9.1. Actions Update on the Risk Management Monitoring

Professor Lewis (Principal) updated the committee on Risk Management Monitoring.

The Principal highlighted the measures regarding student activities, good link with SITS, that as of today SUHI had 3999 FE credits in the system with the potential to surpass the revised target set. The Principal also highlighted the growth plans.

## 10. Any Other Business

Mr Howell (Chair) highlighted to the committee that National Secretaries Day was on Thursday 21st April. The Chair pledged to give Mx Sierocinski King (Board Secretary) a cake when they next meet to note the day,

**Action:** The Chair shall give the Board Secretary a cake when they meet in May.

## 11. Date of Next Meeting - Wednesday 29th June

The date of the next meeting is Wednesday 29th June

Agenda Item	Action	Responsible	Progress
3	Add the word "survey" after the word TFU on the final page of the minutes.	Board Secretary	Complete
5	Add the terms of reference of the committee to the agenda of the next board meeting.	Board Secretary	Complete
6.4	Assess the retainer question.	Head of Central Services	
6.5	Clarify if the dormant accounts have been submitted.	The Head of Central Services	Complete
10	Give the Board Secretary a cake when they meet in May.	Chair	