



vS1.19, Stirling Campus or Teams 4.30pm

## AGENDA

		Publish on Web?	Type	Lead
1	Apologies, Declaration of Interests and Changes to Members' Register of Interest	N/A	Discussion	Liam McCabe
2	Draft Minutes and Matters Arising of meeting of 12 June 2025 (Elements of paper 2 are withheld from publication on the Forth Valley College website under Section 36 Confidentiality of the Freedom of Information (Scotland) Act 2002.)	Yes	Approval	Liam McCabe
3	Review of Action Tracker FRAIC & SLWG – Financial Sustainability (Elements of paper 3 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.)	Yes	Discussion	Alison Stewart

## FINANCE

4	Board Members Responsibilities for Financial Sustainability	Yes	Discussion	Senga McKerr
5	Revenue Budget 2025-26 (Paper 5 is withheld from publication on the Forth Valley College website under Section 36 Confidentiality of the Freedom of Information (Scotland) Act 2002.)	No	Endorsement	Alison Stewart
6	Financial Forecast Return 2024-28 (Paper 6 is withheld from publication on the Forth Valley College website under Section 36 Confidentiality of the Freedom of Information (Scotland) Act 2002.)	No	Endorsement	Senga McKerr
7	College Transformation Framework Presentation Proposal (Paper 7 is withheld from publication on the Forth Valley College website under Section 36 Confidentiality of the Freedom of Information (Scotland) Act 2002.)	Yes No	Presentation Endorsement	Alison Stewart

## OTHER

8	Review of Risk	Yes	Discussion	All
---	----------------	-----	------------	-----



## 2. Minutes of Meeting of 12 June 2025

7 August 2025

### FINANCE, RESOURCE & INFRASTRUCTURE COMMITTEE

---

#### Steeple Suite, Falkirk Campus (commencing at 4pm)

Present: Liam McCabe  
Craig Arthur  
Philip Harris  
Kirsten Kennedy, FVSA Vice President  
Suzanne Reynolds  
Campbell Ure

Apologies: None

In Attendance: Kenny MacInnes, Principal  
Alison Stewart, Vice Principal Finance and Corporate Affairs (VPFACA)  
Colin McMurray, Vice Principal Business and Innovation (VPBI)  
Senga McKerr, Director of Finance (DOF)  
Ralph Burns, Head of HR (HHR)  
Moirra France, Finance Manager (FM)  
Ester Vasallo, Supply Chain Manager (SCM) for item F/24/051 and 052 only  
Stephen Jarvie, Corporate Governance and Planning Officer (CGPO)

#### **F/24/044 Apologies, Declaration of Interests and Changes to Members' Register of Interest**

No apologies

#### **F/24/045 Draft Minutes and Matters Arising of meeting of 27 March 2025**

The CGPO reported that the HHR had identified a couple of grammatical errors and that these would be rectified in the final version of the minute.

a) Members approved the minutes subject to the changes above

#### **F/24/046 Review of Action Tracker**

The VPFACA reported that all actions listed related to the Short Life Working Group of the Committee.

She reported that a couple of actions had been completed and reported on the status of the remaining actions.

a) Members noted the content of the update

#### **F/24/047 People Strategy 2025-2030**

The HHR presented the new strategy for members' consideration. He reported that the strategy was aligned to the objectives of the overall College strategic plan. He confirmed that the 'listening to employees' process, feedback from Trades Unions and

---

feedback from managers had where possible been incorporated into developing the strategy.

Members noted that the targets were ambitious and queried the resource implications of these.

The HHR agreed that some of the targets were a push but confirmed that these had been agreed with the Leadership Management Team were envisioned to be achieved within existing resource.

a) Members approved the strategy

### **F/24/048 Protection of Vulnerable Groups Scheme Policy**

The HHR presented members with an update to the Protection of Vulnerable Groups (PVG) policy.

He reported on recent legislative changes in relation to PVG, including it now being a criminal offence to not be PVG registered while undertaking regulated work.

He confirmed that all College staff were currently PVG'd but that the College needed to be careful when utilising non-college staff, such as agency bank staff, to cover periods of sickness.

Members queried how long it takes to obtain a PVG. The HHR commented that it was normally 2 weeks. He noted that, when added to the recruitment process, this presents challenges to replace roles that become unexpectedly vacant.

Members queried whether FVSA class reps would need a PVG. The HRR thought that this was not the case but agreed to look further into this to be sure.

a) Members approved the policy

### **F/24/049 HR Policy Update: Home Working Policy**

The HHR presented the Home Working Policy which had reached its review date. He reported that there were only minor changes and that the policy overall is working well.

a) Members approved the policy

### **F/24/050 National Recognition and Procedures Agreement (NRPA)**

The VPFACA informed members of changes at the sector level whereby two of the support staff unions have resigned from the NRPA which originally covered both lecturing and support staff. EIS-FELA have agreed that there should be separate NRPA

---



## 2. Minutes of Meeting of 12 June 2025

7 August 2025

### FINANCE, RESOURCE & INFRASTRUCTURE COMMITTEE

---

agreements, however GMB is refusing at this time to resign from the original agreement.

College's Scotland are leading on the discussions on behalf of the sector and have made the College aware that a new NRPA for support staff will require Board approval in due course.

Members asked for more details on developments with the support unions and any impact on the College. The VPFACA updated members on the current developments.

a) Members noted the content of the update

#### **F/24/051 Procurement, Strategy 2025-2028 and Policies and Procedures 2025-26**

The SCM presented members with an updated procurement strategy, policy and procedures for consideration and approval.

In relation to the documents, she reported that there had been minor changes and outlined what these were for members.

She confirmed that threshold limits had been updated to match SFC limits.

She provided an overview of how the changes would be communicated to relevant staff and how training for new staff would be updated to reflect the changes.

She also confirmed the strategy and policy would be public facing on the College website as well as the requirement to have these provided to Scottish Government by the end of July.

Members thanked the SCM for a comprehensive review of the documents. It was queried whether detailed procedures needed to come before the Committee as these were essential for College management to oversee and implement.

Members queried how procurement manages any trade off between the value for money imperative and sustainability requirements as the two may conflict.

The SCM noted that the impact and cost over the whole life of any procurement is reviewed and can influence any decisions in this regard.

a) Members approved the Procurement Strategy and Policy

#### **F/24/052 Procurement Contract Approvals**

The SCM presented a procurement contract in relation to frozen foods for Committee approval, noting the value of the lifetime of the project was over the Principal's approval level so had to come to Committee.

---

Members noted that the College had been using the same supplier for a period of time and queried why this had not being put out for tender. The SCM reported that this would take a significant amount of resource and would be unlikely to secure commensurate levels of savings. However, as the first ranked supplier on the appropriate framework had been utilised this approach was acceptable within the Procurement regulations.

Members requested that this be tendered after the conclusion of this contract.

a) Members approved the award for one year and requested this be tendered the following year

### **F/24/053 Accounting Policies for year ended 31 July 2025**

The FM presented the accounting policies for the current academic year, noting that these had been reviewed and no changes were identified.

She did note that the sector was expecting some changes in the accounts direction in relation to disclosures on sustainability but that this had not yet been received.

Members welcomed the requirements on going concern in the document.

a) Members approved the accounting policies

### **F/24/054 Q3 High Level Forecast Outturn 2024-25**

The FM presented the Q3 figures, noting that there had been an improvement compared to Q2 and outlined the main reasons for this.

She discussed the remaining risks as outlined in the paper.

Members queried whether the remaining funds from the ALF allocation would need to be repaid to the ALF.

The VPFACA commented that the ALF could be approached for their guidance on this. Members agreed that this should happen to provide clarity.

Members queried whether managers had been instructed regarding discretionary spending to help achieve in year savings.

The FM confirmed communications had been issued on this from the Principal to all staff. The Principal noted that there was still some discretionary spend available but only where this supported the department business model.

a) Members noted the content of the report

---



## 2. Minutes of Meeting of 12 June 2025

7 August 2025

### FINANCE, RESOURCE & INFRASTRUCTURE COMMITTEE

#### F/24/055 Revenue Budget 2025-26

The DOF presented the revenue budget for members consideration. She highlighted that the budget was projecting a deficit for next year and asked for endorsement to submit this to the Board while management investigate ways to address the deficit.

[REDACTED]

[REDACTED]

[REDACTED]

a) Members endorsed the revenue budget for submission to the Board of Management and requested that the Board's attention be drawn to the College's cash situation.

#### F/24/056 Capital Budget 2025-26

The DOF presented the capital budget to members, seeking endorsement to submit to the Board of Management for approval.

She provided an overview of the budget and noted that there was an assumption in regards to RDEL/CDEL movements.

Members queried what happens if there is an underspend.

The DOF confirmed that the projects in the paper were priority projects and that there were other areas such as IT where an underspend can be utilised in a cost effective manner.

a) Members endorsed the revenue budget for submission to the Board of Management



### F/24/057 Financial Forecast Return 2024-28

The DOF presented the Financial Forecast Return (FFR) for 2024-28 and sought endorsement to submit this to the Board of Management for approval.

She outlined the assumptions SFC have set for the FFR along with the requirement to produce balanced forecasts.

The VPFACA informed members that, at the previous week's Finance Directors Technical Group meeting, they had been informed by SFC staff that they did not need to submit balanced forecasts and that they should also submit the date by which they think they will run out of cash.

She confirmed this this was in contradiction to the published guidance from SFC.

Members discussed the options available based on this new information.

Members wanted to ensure the Board see the situation as it really is and the DOF noted that there was a section in the FFR to do so.

Members queried the corrective actions listed as these have not yet been approved by the Board. The VPFACA confirmed the draft paper for the Board had already been changed to reflect that these are only potential corrective actions.

a) Members agreed the FFR should be submitted balanced in line with the published guidance, as the Board paper will also be submitted with the FFR which details the true underlying position, before potential and theoretical savings have been applied.

### F/24/058 Review of Risk and AOCB

Members noted the risks as outlined in the papers

[REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED]  
[REDACTED]

[REDACTED]  
[REDACTED]

a) Members approved the Principal to sign for the grant if offered.

Meeting	Date	Minute Ref	Action	Assigned to	Deadline to report?	Status	Output Required	Comment
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]		[REDACTED]		[REDACTED]
			[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
FRAIC SLWG	12/2/25	None			17/03/2025	In Progress		Masterclass to be shceduled pre Audit & FRAIC. Paper to go to BoM at end of Sept 25. Initial paper went to SLWG 15/5/25.
			Curriculum Model update	Kenny MacInnes			Decision on new model	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]		[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]		[REDACTED]		[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]		[REDACTED]		[REDACTED]





## 4. Board Members Responsibilities for Financial Sustainability For Discussion

7 August 2025

FINANCE, RESOURCE & INFRASTRUCTURE COMMITTEE

### 1. Purpose

To present members with a summary of the statutory requirements for the Board of Management in relation to the financial sustainability of the College.

### 2. Recommendations

That members note the following conclusions from the various publications.

- The Board of Management is responsible for the financial sustainability of the College
- The Board of Management can approve a deficit budget in an individual year as long as there is a plan to balance the financial position over the following 2-3 years and there is sufficient cash to cover the deficit.
- As a public body, the College is by definition a going concern.

### 3. Summary of Guidance

The responsibilities of the Board of Management in relation to the financial sustainability of the College are referenced in several published documents, the primary ones being:

- [Audit Scotland](#) published a guide for auditors in respect of Going Concern in the public sector (December 2020)
- [The Code of Good Governance for Scotland's Colleges](#) (September 2022) has a section on Financial and Institutional Sustainability, requiring the Board of Management to ensure compliance with the Financial Memorandum and relevant aspects of the Scottish Public Finance Manual.
- As a condition of grant, [the Scottish Funding Council through the Financial Memorandum](#) monitors institutions to ensure that they plan and manage activities in a way which ensures their sustainability and financial viability. The responsibility for ensuring compliance with the Financial Memorandum lies with the Board of Management.
- As charity trustees [the Charities and Trustee Investment \(Scotland\) Act 2005](#) applies to members of the Board of Management. The Act requires trustees to act with care and diligence when managing the affairs of the charity, including ensuring that the charity is run properly, responsibly and lawfully.
- The [Companies Act 2006](#) applies to the responsibilities of directors when a company is likely to encounter financial difficulties and cease to be a going concern. Continuing to trade when they knew or ought to have known that there was no reasonable prospect of avoiding insolvency and failed to minimise potential losses to creditors is known as Wrongful Trading and can result in punitive consequences for directors. The Companies Act does not apply to the College, and this is only mentioned to highlight the difference between the private and public sectors. As explained below, as a public body the College is deemed to be a going concern.

### 4. Key Considerations

The concept of a **going concern** assumes that an entity's functions and services will continue in operational existence for the foreseeable future. As a public entity, the College cannot be dissolved without statutory prescription, as such it must prepare financial statements on a going concern basis of accounting unless informed by the relevant government body of the intention for dissolution without transfer of services or function to another entity.



## 4. Board Members Responsibilities for Financial Sustainability For Discussion

7 August 2025

### FINANCE, RESOURCE & INFRASTRUCTURE COMMITTEE

---

The Audit Scotland December 2020 guide states that in determining the appropriateness of the going concern basis of accounting, the continued use of the assets to deliver services is more important than the continued existence of a particular public body, and as such the use of going concern basis of accounting will always be appropriate for public bodies, and as such does not require justification by future forecasts and cash flow projections. Based on the Audit Scotland guidance the College is by definition a going concern.

Separate to the concept of going concern is the **Financial Sustainability** of the College, which considers the ability to generate cash from day-to-day operational activities, and evidence that liabilities can be met as they fall due. Given the uncertainty in the current economic environment, high wage demands, tightening of government finances, and high inflation, the assessment of financial sustainability is more complex. Ultimately, the financial sustainability of the College, and indeed the sector, requires one or more of the following – reduction in delivery volumes, increases in funding levels and/or fundamental restructures. All of these require input from Scottish Government.

The SFC has provided written confirmation that there will be cash flow support in the event that the College is running short of cash. This is likely to take the form of a working capital advance. While this helps with liquidity it does not resolve the underlying issues of flat cash, unchanged delivery levels and inflation.

The SFC instructions for the completion of the FFR are that the 4-year period of the forecast (being the current year expected outturn, the budget, and the following 2 years of forecasts) should aim to be balanced in each budget year. However, the guidance goes on to note that “where a deficit is forecast in any one year, colleges must work towards bringing income and expenditure back into balance over the forecast period”. **It is therefore acceptable to have a deficit budget in any one year if there is a plan to balance the financial position over the FFR period.**

In recent years where the FFR has been forecasting substantial deficits, the Board of Management has written to SFC directly regarding the unsustainable financial position and has made it clear that the Board is not approving the achievement of balanced budgets through the theoretical corrective actions included in the balanced Financial Forecast Returns.

SFC has now confirmed in writing that given the exceptional circumstances they are content with Forth Valley College showing an unbalanced budget in its FFR which is in line with the approach taken by other colleges.

It should also be noted that the Board of Management has previously approved deficit budgets with the most recent approval being in September 24 for the Budget 2024/25 which had a deficit of £887k.

**The key consideration is whether the College will have sufficient cash to cover the deficit, either through its own cash reserves or with support from SFC.**

**Risk Owner** – Alison Stewart  
**Paper Author** – Senga McKerr

**Action Owner** – Board of Management  
**SMT Owner** – Alison Stewart

---