



BOARD OF MANAGEMENT

FINANCE AND PROPERTY COMMITTEE

Tuesday 22 January 2019 at 5.00pm
Y150, Gardyne Campus

AGENDA

- 1. WELCOME**
- 2. APOLOGIES**
- 3. DECLARATIONS OF INTEREST**
- 4. ESRC RESEARCH PROJECT – INFORMED CONSENT** Paper A for information
- 5. MINUTES OF PREVIOUS MEETING** Paper B for approval
- 6. MATTERS ARISING**
 - Forfar Outreach Centre Business Case Verbal update BG
- 7. BUDGET MONITORING REPORT AND UPDATE** Paper C for information BF/CB
- 8. GOOD TO GREAT BUDGET FORECAST** Paper D for information CB
- 9. CAPITAL**
 - 9.1 Estates Update Verbal Update BG
- 10. VP CORPORATE SERVICES REPORT** Paper E for information CB
- 11. DATE OF NEXT MEETING** - Tuesday 12 March 2019, 5.00pm, Y150 Gardyne Campus



**FINANCE & PROPERTY COMMITTEE
22 January 2019**

ESRC Research Project – Informed Consent

PAPER A

Processes and practices of governing in FE colleges in the UK

Note to Board of Management to ensure ongoing informed consent

Dundee and Angus College is one of a select number of colleges participating in a four nations study of the processes and practices of governing in FE colleges. Funded by the Economic and Social Research Council (ESRC), this project is led by a team of highly regarded and experienced investigators from the Universities of Stirling, Birmingham and Cardiff (further details available on the project website <https://fe-governing.stir.ac.uk/>).

The main focus of the study is to observe and video meetings of the College Board of Management held between January and December 2019. In addition, a select number of committee meetings may be observed, but not recorded. Observational studies of governing bodies, whether in the public or the corporate sphere, are rare so by agreeing to have your board meetings videoed you are supporting leading-edge research in this area.

In order to be funded, the research has been through a highly rigorous process of review by the ESRC. It has also been closely assessed and approved by research ethics committees at the three universities. Working to the highest ethical standards, the researchers will ensure that confidentiality is maintained, that sensitive information is not shared, and that individuals are not identifiable (unless they have explicitly agreed otherwise) in any communications, presentations or publications. Furthermore, all data will be deleted within a year of the project ending.

All participants in the meetings that are videoed and/or observed are required to complete a participant consent form to confirm that they understand the nature of the research and are aware of their right to withdraw (and have any contributions disregarded) at any time without consequence. They are also encouraged to speak to a member of the research team should they have any questions or concerns. The contacts for Scotland are Dr Helen Young, Research Fellow (01786 467748, h.l.young@stir.ac.uk) and Professor Cate Watson, Principal Investigator (01786 467626 cate.watson@stir.ac.uk).



UNIVERSITY OF
BIRMINGHAM



**FINANCE & PROPERTY COMMITTEE
22 January 2019**

Minutes of Previous Meeting

PAPER B



BOARD OF MANAGEMENT FINANCE AND PROPERTY COMMITTEE MEETING

Minute of the Finance and Property Committee meeting held on Tuesday 27 November 2017 at 5.45 pm in Y150, Gardyne Campus.

PRESENT:

S Mill (Chair)	A McCusker
A O'Neill	G Ritchie
G Bisset	
D Fordyce	

IN ATTENDANCE:

C Blake (Vice Principal)	S Hewitt (Vice Principal)
S Taylor (Vice Principal)	B Ferguson (Head of Finance)
W Grace (Head of Estates)	

1. WELCOME

S Mill welcomed members to the meeting.

2. APOLOGIES

Apologies were received from C Clinkscale.

3. DECLARATIONS OF INTEREST

S Mill noted that he was an employee of Angus Council in respect of item 7 but had no input or interest in respect of this. There were no other declarations of interest.

4. MINUTES OF FINANCE AND PROPERTY COMMITTEE MEETING 11 SEPTEMBER 2018

The minute of the Finance and Property Committee meeting held on 11 September 2018 was approved as an accurate record.

5. MATTERS ARISING

ICT Resources Plan

C Blake intimated that the previous Head of ICT had now left the College and that the interview process had taken place for his replacement. Until the new Head of ICT takes up post C Blake will continue to look after the budget for ICT. It was confirmed that this item would be brought to the next meeting. **C Blake to progress.**

Good to Great

G Ritchie indicated that the meeting with D&A Foundation trustees would be rescheduled to coincide with the launch of the new College Website.

6. ESTATES UPDATE

B Grace summarised his report and commented on the positive range of works that had been progressed.

B Grace noted that spending on backlog maintenance was on target. Discussion took place on the possibility of requesting more money from SFC to complete works before the end on the Financial Year.

B Grace highlighted the energy reduction at Kingsway Campus due to the window replacements project. B Grace also highlighted that a successful appeal on the RHI payments from the Biomass project had been made, with funds in the region of £50,000 to be paid.

S Mill congratulated the Estates Team on their efforts and in particular the Food Waste Management Project that had received a Scottish Resources Award.

7. OUTREACH

7.1 Fairlie House, Kirriemuir

C Blake explained the joint effort with B Grace to seek approval for the sale of Fairlie House, Kirriemuir. There had previously not been an opportunity to dispose of the property (jointly owned with Angus Council) until now. The estimated sale price was around £175,000 and would be split between the joint owners. Plans are in the pipeline to use the money from the sale.

The committee discussed other potential savings from the sale of Fairlie House, Kirriemuir.

A McCusker asked that C Blake investigate if approval of Government Ministers (not SFC) is required as it is her understanding that this might be the case for any property disposals proposed by colleges. **C Blake to progress.**

Pending further information the Committee approved the paper for submission to the Board. **C Blake to progress.**

7.2 Forfar Centre Lease

C Blake explained the opportunity that had arisen with regards to the Forfar Centre and due to the sensitive commercial nature this item would not be minuted.

The Committee approved the proposal.

8. BUDGET MONITORING REPORT

8.1 Management Accounts

S Mill highlighted the projected £826k surplus and the £226k adverse movement from the previous FPC meeting.

B Ferguson summarised the budget monitoring report and associated commentary.

B Ferguson highlighted the adverse impact of the increase in Employers Pensions contributions from SPPA and expressed his hope that some additional funding would be available to mitigate the impact of this. A McCusker intimated that SFC was seeking additional government funding for this but noted that there might be a gap in funding between April and the new financial year. It was noted that the potential for funding was reasonably positive.

B Ferguson highlighted a positive position with regard to HE fees and enrolments, with this to be confirmed after the 1 December 2018 cut-off date for SAAS funding eligibility.

B Ferguson intimated that a request had been submitted for £1.3m for Student Support Funds and explained the changes underpinning this, including the new entitlements for Care Experienced Learners, changes in Universal Credit entitlements and improved learner retention. C Blake also highlighted the anticipated 'rich' mix of funding eligibility from the planned January 2019 recruitment.

S Hewitt explained the changes to recruitment, timetabling and audits etc had resulted in the number of students being down by 59 but the number of course streams being down by 71. Average class sizes were up as a result of this, resulting in improved efficiency.

The report was approved by the Committee.

8.2 Good to Great Monitoring Schedule

S Mill highlighted that the report reflects the new project structure.

C Blake intimated that spending has ramped up which was good news. The most recent funding claim had gone to the D & A Foundation and payment had been received.

9. FINANCIAL STRATEGY UPDATE

S Mill drew the Committee's attention to the main movements including the benefits from staff vacancies with the budget savings being used for the Curriculum Restructure and that the vacancies would be added back in 2019/20.

C Blake explained the updated assumptions noted in the report and highlighted the likely need for further annual savings of c. £750,000.

The following table summarises the changes from the strategy approved in March:

Table: comparison between financial strategy and November update	2019-20	2020-21	2021-22	2022-23
	£'000	£'000	£'000	£'000
Cash-backed surplus				
Financial strategy	380	688	630	577
November update	445	553	597	573
Closing cash balances				
Financial strategy	126	243	302	308
November update	761	744	769	771
Savings target				
Financial strategy	0	250	0	0
November update	500	750	500	750

The factors leading to a deterioration since March are:

- the reduction in credit funding for 2022/23, as a result of the end of ESF funding and the move to a new funding model;
- more pessimistic assumptions regarding cost of living awards; and
- the increase in employer's contribution to SPPA from April 2019.

10. FINANCIAL AUTHORISATION PROCESS

S Mill explained the background to the report and the main issues re oversight of renewals.

C Blake explained the proposed way to deal with the procedure for Contract Renewals on a clear but streamlined basis. It was confirmed that new contracts would continue to go through the full 'business case' approval process.

The Committee discuss the report and confirmed they were happy with the approaches identified.

The Committee approved the report.

11. FEES POLICY

The proposed fees structure and policy was discussed.

C Blake noted that the Service Design Academy fees were very low and A McCusker confirmed that the SDA are looking at a working group to meet and discuss and finalise future business plans. It was noted that the fee changes were estimated to generate additional income of circa £130k which was in line with the Financial Strategy assumption.

The policy was discussed and approved, with fees slightly increased. **B Ferguson to progress.**

12. PROCUREMENT REPORT

C Blake explained this is the first report from Rhona Munro, APUC Procurement Manager, which is very good, readable and useful.

S Mill also acknowledged that it was a well-pitched report but suggested that it might be worth noting processes for non-regulated suppliers in order that anyone reviewing the report not familiar with the College's procurement processes would have comfort that there was due process with regard to these also. **This was agreed. C Blake to progress.**

C Blake intimated the work taking place with Abertay University as part of the Tayside Regional Procurement group.

B Ferguson confirmed that the current Procurement Strategy 2014- 2020 is still a live document. However, Rhona Munro has looked at the Procurement Policy,

The report was approved.

13. VP CORPORATE SERVICES REPORT

S Mill noted that most of the content of the report had already been covered.

14. DATE OF NEXT MEETING

Tuesday 22 January 2019 in Y150, Gardyne Campus.

<u>Action Point Summary</u>		
Action	Responsibility	Date
ICT Resource Plan to be developed	CB/Head of ICT	12 March 2019
D&A Foundation Trustees to be invited to College website launch event	GR	January/February 2019
Proposed sale of Fairlie house to be progressed to Board	CB	11 December 2018
Key bullet points from Financial Strategy to be included in FPC minute to the Board	CB	11 December 2018
Revised 2019/20 Fee policy to be implemented	BF	immediate
Approach to non-regulated supplier purchases to be incorporated into Procurement annual report	CB	December 2019



FINANCE & PROPERTY COMMITTEE
22 January 2019

Budget Monitoring Report & Update

PAPER C

Management Accounts, Month 5 to 31 December 2018 and forecast for 2018/19

Summary

1. Management Accounts report actual performance for the five months to December 2018 together with a revised forecast for the current year.
2. Ancillary reports supplement the primary financial statements and include a Risk Assessment of the current forecast.
3. **The forecast for the year to 31 July 2019 is revised to a consolidated cash backed surplus of £1,240K**, against a budget of £570K, and improves upon the forecast surplus of £826K at Month 3 reported to Committee in November by £414K. The table below summarises the most significant net movements from the previous forecast, revealing significant savings from variable teaching pay, along with the elimination of the student support fund provision of £200K.

Analysis of the movement in forecast cash-backed surplus/ deficit:

	£'000
Month 3 Forecast reported November	826
Tuition Fees - reduction in HE full-time	(100)
International fees and contracts	(29)
SDS and other public sector revenues	176
Teaching variable pay savings, net of conversions	299
Support pay	(42)
Student funds subsidy contingency removed	200
Student individual support needs	(50)
ICT maintenance & licences cost increases	(50)
Other net miscellaneous movements	10
Month 5 Forecast	1,240

4. The Accounts also provide variance against budget, along with an adjusted variance which eliminates the inherent uncertainties and volatile timing movements arising from SFC Capital & Maintenance grant (C&M), Flexible Workforce Development Fund (FWDF) and Good to Great (G2G)

Income

5. Other SFC grants reduce by £28K but remain £262K ahead of budget. £86K has been deducted from the portion of Capital & Maintenance grant recognised in the current year as a consequence of the anticipated reduction in the FY19/20 allocation following the Scottish budget announcement. The grant attributable to FWDG, adopting the assumption that 80% of funding allocated for 2018/19 can be delivered by 31 July, has increased by £58K however. Costs have also now been re-evaluated and, whilst forecast has been refined between in-house and external delivery, there has been little change to overall forecast. The additional contribution is reduced to £13K after eliminating SDA commercial income now eligible for funding, as described below.

6. Tuition fees reduce by £105K in this forecast, down £97K on budget. Reductions have been necessary for a significant drop in full-time qualifying HE students, equating to £78K based upon current data, using SAAS's cut-off date of 1st December for payment.
7. Commercial Short Course Fees drop by a further £45K as a result of Service Design Academy (SDA) activity being delivered under FWDF. Whilst there have been off-setting increases of £39K from international student fees, a portion of this had been included within the Commercial Income Stretch Target and now removed.
8. Non-Core Income rises by a further £225K, to a positive variance of £533K from budget. An additional £140K was secured from SDS for the current year's Modern Apprenticeship contract. Other Public Sector Contract delivery has been re-assessed at £111K from a prudent budget position of only £50K. Modest forecast has also been introduced where there had been zero budget, together with elements of grant funding to match specific additional costs. Prior month's increases were largely due to the introduction of European project income and this is unchanged in this forecast.
9. Catering & other income adverse forecast variance is confined to two main items; Consultancy and G2G. Engineering Consultancy services have been reduced by £30K to a level similar to that achieved in the previous year.
10. The previous G2G forecast income reflected only the additional income under claimed during 2017/18. Budgets have now been revisited, as individual projects have evolved and timelines reconsidered, and this forecast now seeks to reflect a more realistic assessment of how activity will be delivered in the current year. As a consequence, anticipated claims revenue has reduced by £56K, but is still £136K more than budget. Associated costs have reduced accordingly, and are re-profiled as shown on the G2G Income & Expenditure Report included, showing a significant shift from teaching to support pay.
11. Commercial Stretch Target forecast, previously sitting at £93K, is removed in this forecast, recognising some of the commercial gains introduced elsewhere. £68K had remained in the forecast for international fees and contract income, down from £101K in budget. Whilst fees have risen by £82K, it has been deemed prudent to remove any allowance for contracts in view of the continued uncertainty.

Pay

12. With the exception of variable teaching pay, there are no substantive movements from the previous forecast but we do see increases in both support pay and invoiced costs.
13. The support pay award was implemented in November with only modest deviations from forecast. Assumptions for pay awards not yet implemented remain unchanged, with 19/20 awards mirroring current Scottish Government policy.

14. Support pay has risen slightly, due partly to variable casual and overtime elements, often due to sickness cover, and to increased costs of pay award in some areas.
15. G2G forecast had previously added £195K to variable teaching pay forecast, increased from a budget of £163K, assuming back-fill costs for substantive academic involvement. As it has become evident that this assumption was flawed, the bulk of this variable teaching pay has been removed in this forecast.
16. In other respects variable teaching hours continues to fall, producing positive hourly variance in each month, particularly in areas where income has declined such as Engineering and Construction. This trend is expected to continue, and therefore the part-time variable savings target has been increased again, to £150K, from a residual value of £60K at Month 3.
17. Invoiced staff costs increase by £88K following the review of FWDF, with a corresponding reduction in variable teaching pay.

Non-Pay

18. Non-pay costs are forecast to be £386K more than budget; reducing to £211K when adjusted, however much of this additional cost was added to the Month 3 forecast for European project activity. The adjusted adverse variance has improved by £34K.
19. Student related costs have been reduced by £150K since last reported forecast. Whilst the support funds subsidy of £200K has been removed as described below, £50K has been added for increased, demand-led, interpreting/translation support costs to meet individual student needs.
20. ICT & Telephony increases by £179K from budget, with most of this funded through G2G, leaving adjusted increases due to increases in Maintenance & Licencing costs and telephony. Significant savings are anticipated from a new mobile telephone contract but these would not begin to accrue until after April, and will not impact significantly upon current forecast.
21. Irrecoverable VAT forecast has been adjusted upwards in line with additional standard rated expenditure.
22. No forecast revision is required for Non-cash items at this time.

Subsidiary company - Gardyne Theatre Limited

23. The deficit is now forecast to further reduce to just £3K, updated for specific productions. This is stated after a Licence to Occupy charge of £10K payable to the College but takes no account of any Service Level Charge that may be levied.

Student Support Funds

24. The College's bid for additional in-year support amounted to just over £1.3m, due to additional funding for Care experience students, consequences resulting from the implementation of Universal Credit, increased retention and an upsurge in demand from independent students. Fortunately, SFC has intimated that our claim will be met in full. Whilst an inherent degree of risk remains, we have nevertheless felt it appropriate to remove the budgeted subsidy of £200K from forecast.

Cash

25. The projected cash position at July 2019 further benefits from the increased surplus now forecast. Whilst Negative working capital movements are anticipated, this is predicated on generally cautious assumptions, particularly with respect to settlement of pay awards. The March 2019 position is also expected to remain positive.

Brian Ferguson

Head of Finance

15 January 2019



Management Accounts

Actual for the period to Month 5, December 2018
and
Revised Forecast for year to 31 July 2019

Registered Charity No: SC021188

	2017/18	Period to 31 December 2018/Month 5			Full Year 2018/19			
	Actual	Budget	Actual	Variance	Budget	Forecast	Variance	Adj.Variance
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
SFC Credit income	24,929	11,005	11,005	-	26,412	26,412	-	-
SFC ESF Credits	1,243	481	481	-	1,154	1,154	-	-
Other SFC grants	1,970	798	1,203	405	2,129	2,391	262	77
SFC Total	28,142	12,284	12,689	405	29,695	29,957	262	77
Tuition Fees	3,699	2,863	3,166	303	3,893	3,796	(97)	(97)
Non-Core income	2,986	782	1,125	343	2,229	2,764	535	535
Catering & other income	1,906	1,111	991	(120)	2,092	2,188	96	(40)
Commercial Income Stretch Target	-	-	-	-	126	-	(126)	(126)
Total Income	36,733	17,040	17,971	931	38,035	38,705	670	349
Teaching Pay - established	12,976	5,443	5,290	153	13,231	13,085	146	171
Teaching Pay - variable	2,705	1,576	1,239	337	3,682	3,244	438	236
Part-time variable savings	-	-	-	-	(250)	(150)	(100)	(100)
Invoiced Staff Costs	224	51	94	(43)	208	307	(99)	(6)
Teaching Support Pay	1,506	644	772	(128)	1,553	1,962	(409)	(409)
Support pay	10,423	4,264	4,082	182	10,238	9,934	304	470
Apprenticeship Levy	95	42	39	3	100	100	-	-
VS Scheme	391	-	-	-	-	-	-	-
Unfunded pension payments	402	170	163	7	408	408	-	-
Total Pay Costs	28,722	12,190	11,679	511	29,170	28,890	280	362
Staff related costs	382	262	168	94	457	419	38	(51)
Consumables & Equipment	1,412	703	675	28	1,442	1,423	19	14
Exam fees	798	125	363	(238)	742	742	-	-
Student related costs	219	64	127	(63)	318	390	(72)	(72)
Property cost	2,414	1,046	1,199	(153)	2,530	2,564	(34)	(9)
ICT & Telephony	937	437	364	73	1,056	1,235	(179)	(61)
Insurance	135	59	47	12	141	113	28	28
Marketing	54	27	19	8	65	66	(1)	-
Professional fees	164	55	21	34	129	178	(49)	(38)
General Overheads	347	164	170	(6)	387	395	(8)	(3)
Interest & Charges	214	80	80	0	191	191	-	-
VAT	748	322	359	(37)	814	856	(42)	(19)
Total non-pay costs	7,824	3,344	3,592	(248)	8,272	8,572	(300)	(211)
Cash-backed surplus/(deficit)	187	1,506	2,700	1,194	593	1,243	650	500
Add: subsidiary profit/(loss)	(3)	(5)	19	24	(23)	(3)	20	20
Consolidated Cash-backed surplus/(deficit)	184	1,501	2,719	1,218	570	1,240	670	520
Net Depreciation	(750)	(700)	(1,140)	(440)	(1,680)	(2,736)	(1,056)	(1,056)
Other non-cash items:	(1,810)	(15)	(15)	-	(36)	(36)	-	-
Consolidated surplus/(deficit) after net dep'n	(2,376)	786	1,564	778	(1,146)	(1,532)	(386)	(536)
Memo - SFC Student Support funds								
Core allocation, inc. in-year distribution	7,541				7,648	8,957	1,309	
ESF allocation	96				-	-	-	
Total income	7,637				7,648	8,957	1,309	
Expenditure	(7,620)				(7,848)	(8,957)	(1,109)	
Excess/(shortfall)	17				(200)	-	200	
					<i>£200K provided in budget but removed in forecast</i>			

Dundee and Angus College
Management Accounts for the year to 31 July 2018
Income and Expenditure Report - Gardyne Theatre Limited
Period to 31 December 2018

	Prior Year Actual	Period ACTUAL	Full Year		
			Budget	Forecast	Variance
	£000's	£000's	£000's	£000's	£000's
Rental Income	87	48	67	91	24
Box Office	185	33	50	61	11
Merchandise	2	1	-	1	1
Bar	60	24	15	32	17
Catering	10	7	-	7	7
Grants, Sponsorships & Awards	2	4	30	30	0
Donations	1	-	-	-	-
Total Income	347	117	162	222	60
Payroll Costs	88	42	84	102	(18)
Other Staff Costs	1	0	-	-	-
Production Costs	154	31	61	75	(14)
Box Office Costs	1	0	1	1	-
Bar	24	9	10	12	(2)
Catering	8	7	-	7	(7)
Marketing & PR	26	3	5	4	1
Property & Transport Costs	12	4	12	12	-
Bad Debts	1	-	5	5	-
Other Operating Costs	36	3	7	7	-
Total Expenditure	351	99	185	225	(40)
Surplus/(-Deficit)	(4)	18	(23)	(3)	20

Dundee and Angus College

Management Accounts for the year to 31 July 2019

Cash Flow Forecast

	2017/18	2018/19		
	Actual	Actual M5	Budget	Forecast
	£000's	£000's	£000's	£000's
Cash backed surplus/(deficit)	184	2,719	570	1,240
Loan repayment	(571)	(571)	(571)	(571)
Working capital movements	(754)	(1,904)	-	(600)
Net Movement in cash balances	(1,141)	244	(1)	69
Opening cash balances	2,313	1,172	213	1,172
Closing cash balances	1,172	1,416	212	1,241

Restricted cash balances were approximately £660K at December 2018.

Dundee and Angus College
Forecast for the year to 31 July 2019

Risk Assessment of key volatile areas at Month 5

Income/Expenditure Category	Possible Cash Deviations			Adverse Risk Assessment			Comments and mitigation
	Forecast £000's	Favourable £000's	Adverse £000's	Likelihood £000's	Impact £000's	Overall £000's	
SFC Credit income	26,412	336	-	Low	Low	Low	Credit delivery will be carefully managed and risk of failure to achieve reduced target considered unlikely. Favourable potential reflects possibility of receiving additional NPB allocation together with funding for additional SPPA pension costs. Support Job Evaluation funding ignored meantime as costs similarly omitted from budget.
SFC ESF Credits	1,154	-	150	Low	Low	Low	Notional adverse potential recognises theoretical risk of achieving sufficient HN credits but this threat appears to have diminished.
Other SFC grants	2,391	50	100	Low	Low	Low	FWDF forecast increase considered achievable but does increase risk. Any potential movement in other grants likely to be matched with costs.
Tuition Fees	3,796	50	150	Low	Mid	Mid	Forecast reduction for full-time HE reduces residual risk, now focused upon part-time provision, where FE fees are lagging behind expectations. Attainment of commercial short-course fees also remains challenging.
Non-Core income(Inc. stretch target)	2,764	50	100	Low	Mid	Low	The net increase in this month's forecast reinforces the degree of prudence exercised within the budget. Overall downward risk has therefore been further reduced.
Total Pay (exc. VSS)	28,482	300	450	Low	High	Mid	Risks stem from several variables, rendering it difficult to quantify realistic deviation values. However, variations from assumed academic cost of living settlement present the greatest threat.
Property cost	2,564	50	150	Low	Low	Low	Reactive maintenance and utility costs present the most significant budget challenges not directly funded. Whilst there are no particular concerns at this time, potential utility increases from April remain unknown.
Student Support Funds subsidy	-	200	100	Low	Low	Low	Multiple uncertainties continue to present risks but there is confidence that the additional in-year funding now promised by SFC will be adequate.

Dundee and Angus College

Management Accounts for the year to 31 July 2019 - Month 5 update

Values are gross including vat, and fees

Funded projects, active from 1st August 2018
through to 31 July 2019

Actual & projected expenditure					
Actual		Projected			
B'fwd Aug 2018	Aug-Dec 18	Jan-July 19	Total 18/19	Total Project	
£000's	£000's	£000's	£000's	£000's	
Priority Maintenance					
Works costing >£50K:					
KC - Tower window replacement	353	16	3	19	372
KC - Library building window replacement	45	3	15	18	63
KC - Horticulture and Integrated Workshop roof rep	36	39	-	39	75
ALL -Roads resurfacing and external works	5	107	46	153	158
GC - Replacement chiller	2	61	-	61	63
Other back-log works	69	241	194	435	504
1 Total Priority maintenance	510	467	258	725	1,235
Other Maintenance					
Other maintenance works>£50K:					
GC - PE block lift		-	65	65	65
Other planned and reactive property maintenance	214	267	278	545	759
ICT Projects:					
HR/Payroll integration	4	-	65	65	69
General ICT works		-	50	50	50
Vehicles		17	33	50	50
3 Budget contingency for FY19/20			214	214	214
Total Other Maintenance	218	284	705	989	1,207
	728	751	963	1,714	2,442
Funding:					
2 SFC FY18/19	723	750	536	1,286	2,009
3 SFC FY 19/20		-	427	427	427
Total SFC funding	723	750	963	1,713	2,436
Good to Great	5	1	-	1	6
Total funding	728	751	963	1,714	2,442

1 All priority maintenance works included in order to demonstrate utilisation of ring-fenced FY18/19 allocation of £1,236

2 SFC FY 18/19 allocation totalled £2,009K, of which £723K was absorbed within AY 2017/18, leaving a balance of £1,286K available in the current year.

3 SFC funding for FY 19/20 remains an estimate, but has been reduced in recognition of the reduced funding levels announced in the Scottish Government budget.



**FINANCE & PROPERTY COMMITTEE
22 January 2019**

Good to Great Budget Forecast

PAPER D



FINANCE AND PROPERTY COMMITTEE – 22 JANUARY 2019

GOOD TO GREAT QUARTERLY FORECAST

Background

1. In June 2017 the Dundee and Angus Foundation approved a bid from the College for £845k to support a two-year transformation programme, badged as “Good to Great”.
2. The bid was supported by a detailed budget. Following approval, the budget was further developed into a quarterly schedule, to provide the Foundation with information on likely drawdown timings.
3. In September the Board approved a revised budget which aligned to the themes and projects set out in the June Interim Report.

Forecast by quarter

4. Further work has now been carried out on each project included in the revised budget in order to provide detailed information on the category and timing of expenditure.
5. The attached schedule summarises the forecast by quarter. Please note that, as previously indicated, the programme is now expected to be complete by December 2019, with £91k of expenditure being incurred in 2019-20.
6. The quarterly forecast will be submitted to the Foundation in February for information.

Recommendation

7. FPC is asked to note the quarterly forecast.

Catriona Blake
Vice Principal Corporate Services
11 January 2019

GOOD TO GREAT – QUARTERLY SCHEDULE

Theme	Project	Forecast	Q1-4 actual	Q5 actual	Q6 forecast	Q7 forecast	Q8 forecast	Q9 forecast	Q10 forecast
Recruitment	Funding Focus	1	0	1	0	0	0	0	0
Recruitment	Help Points	100	0	25	25	25	25	0	0
Recruitment	Learn 2 Learn (Prepare Me)	12	3	9	0	0	0	0	0
Recruitment	Schools Engagement	37	0	0	7	15	15	0	0
Retention	Escape Room	9	1	7	1	0	0	0	0
Retention	Wellbeing	62	3	8	8	12	19	11	0
Retention	Government Retention Project	50	25	6	6	6	6	0	0
Digital	Digital Community	40	5	2	6	10	10	8	0
Digital	Digital Curriculum	40	0	7	2	5	20	6	0
Digital	Digital Environment	76	0	0	1	15	45	15	0
Digital	Data project	15	0	0	0	0	15	0	0
Learning & Teaching	Gateway programmes	10	0	0	3	1	4	2	0
Learning & Teaching	IIIR Curriculum Portfolio Review	67	0	0	35	12	18	2	0
Learning & Teaching	Curriculum Resources	40	20	0	3	0	15	2	0
Learning & Teaching	Career Coach	37	23	2	3	4	4	1	0
Learning & Teaching	CommuniTAY STEM bus	25	0	2	5	15	1	1	0
Customer Experience	Customer Charter	15	0	0	0	15	0	0	0
Customer Experience	College Website	65	0	37	11	7	1	7	0
Customer Experience	SA/SU Website	1	0	1	0	0	0	0	0
Service Design	Service Design Training	30	15	2	3	3	3	3	2
Support Review	Support review	25	0	0	0	12	0	13	0
Project Management	Project Manager	67	31	7	6	6	7	7	4
Project Management	Project Administration and material	22	0	0	0	0	14	0	8
Total		845	125	116	127	163	222	78	14



FINANCE & PROPERTY COMMITTEE
22 January 2019

VP Corporate Services Report

PAPER E

FINANCE AND PROPERTY COMMITTEE – 22 JANUARY 2019

VICE PRINCIPAL CORPORATE SERVICES - REPORT

1. Introduction

This report brings to the Committee's attention matters which are not covered by other agenda items.

2. SFC funding update

The Scottish Government draft budget indicates that the revenue settlement for colleges is flat cash, other than the additional funding to support harmonisation, with nothing to cover cost of living awards or general inflation. Capital funding is set to return to 2017-18 levels, following a one-year increase for additional backlog maintenance costs.

As reported in the budget commentary, the College's claim for £1.3m for additional student support funds through the in-year redistribution exercise was met in full.

In response to SFC's request to the sector for information on forecast activity outturns, the College has indicated that it expects to deliver around 1,000 additional credits.

There is still lack of clarity around in-year redistribution of transitional harmonisation funding, with some colleges potentially losing up to £0.5m. On the face of it, Dundee & Angus would gain an additional £125k in 2018-19. This has not been included in the forecast.

3. National pay bargaining

There is no further progress to report on academic cost of living awards for April 2017, 2018 and 2019. A programme of industrial action commences with a one-day strike on 16 January, followed by three further planned strike days in February and March.

Preparatory work has commenced on collating information to inform job evaluation for support staff.

4. Annual Procurement Report

The College's Annual Procurement Report was approved at the November FPC meeting and subsequently published on-line. The Procurement Strategy 2016 – 2020 was approved at FPC in November 2016. Ahead of bringing a new strategy for 2020 – 2024 to FPC for approval, the existing strategy will be reviewed by the Procurement & Resources Group in the early months of 2019.

Catriona Blake
Vice Principal Corporate Services
11 January 2019