



BOARD OF MANAGEMENT FINANCE AND PROPERTY COMMITTEE MEETING

Minute of the Finance and Property Committee meeting held on Tuesday 21 May 2019 at 5.00 pm in Y150, Gardyne Campus.

PRESENT:

S Mill (Chair)	A McCusker
G Bisset	G Ritchie
B Carmichael	

IN ATTENDANCE:

J Carnegie (Vice Principal)	S Hewitt (Vice Principal)
S Taylor (Vice Principal and Secretary to the Board)	
W Grace (Head of Estates)	B Ferguson (Head of Finance)
A Ross (Head of ICT)	
T D'All (PA to Principal & BOM Chair)	

1. WELCOME

S Mill welcomed members to the meeting along with Jaki Carnegie the new Vice Principal Corporate Services and Barry Carmichael newly appointed to represent Academic staff on the Board.

2. APOLOGIES

Apologies were received from: D Fordyce, D Mackenzie, N Lowden, and C Clinkscale

3. DECLARATIONS OF INTEREST

There were no declarations of interest.

4. ESRC RESEARCH PROJECT – INFORMED CONSENT

S Mill noted that this was for information.

5. MINUTES OF FINANCE AND PROPERTY COMMITTEE MEETING 12 MARCH 2019

The Minute of the Finance and Property Committee meeting held on 12 March 2019 was approved as an accurate record with a slight change of date required to two Action Points (change to March 2019).

6. MATTERS ARISING

6.1 Pay 360 Business Case

A Ross noted that procurement had taken longer than expect but a purchase order had been submitted in early May 2019 and the College should soon have a Project Manager in place through Pay 360 to progress roll out.

6.2 Forfar Lease

B Grace intimated that the Forfar Lease was still with the legal team but that the building would be ready in August for the start of Academic Year 2019/20.

6.3 Outreach Costs

G Ritchie explained that the Finance & Property Committee had asked for a comparison of property costs per Campus including the current Forfar Outreach.

G Ritchie noted that the higher cost for the Forfar Outreach Centre would come into line with the other centres once the move to new premises was complete and intimated that this would be kept under review in relation to activity levels and full-time streams. The low costs for the Montrose centre were noted and that these were owned by the college compared with Forfar's rental.

S Hewitt noted work progressing to review the curriculum offer at outreach to ensure that this continued to meet local demand.

7. BUDGET MONITORING REPORT AND UPDATE

S Mill introduced the budget monitoring paper, highlighting that the forecast had improved to a £2,146 cash backed surplus. This represents a net increase of 56K since the last report to the Committee.

J Carnegie noted that the good work and efforts had paid off in relation to the efficiency of course delivery, reduced course streams, and other one-off factors, to realise the positive cash surplus.

Discussion took place on the potential options available to the College to best utilise cash relative to the needs of the Financial Strategy. It was noted that most of these could be dealt with by operationally but, if required, a paper on future options in respect of the Gardyne loan would be brought to the June Board meeting. **J Carnegie to progress.**

S Mill noted the positive forecast for a break-even outturn for the Gardyne Theatre Limited, noting that this was a significant shift and an improvement on the projected budget deficit.

The report and positive movement was welcomed.

7.1 Good to Great Monitoring Report

S Mill noted that the expenditure for the G2G Project was sitting at £537K and was in line with the budget. B Ferguson intimated that this was on track for Quarter 7.

S Hewitt confirmed that a meeting of the G2G Project Group had taken place and that a run through of each line on the budget had been undertaken. S Hewitt noted that the G2G Group were confident that each project and related spend was on schedule, with minor virements between a small number of project lines.

G Bisset enquired if there were still project submissions being made and S Taylor confirmed that a further 3 bids had been received for relatively small amounts, one of which was to support developments in training on hybrid & electrical vehicle maintenance.

8. 2019 / 20 DRAFT BUDGET

S Mill confirmed that the Finance & Property Committee were asked to approve the 2019/20 Draft Budget for submission to the Board of Management Meeting on 11 June 2019.

S Mill noted that the big move was in pay costs, with the last element of harmonisation funded by SFC along with anticipated funding of 50% toward pension costs. Any increases arising in respect of cost of living awards would not be funded.

J Carnegie noted that the final grant-in-aid announcement did not have any significant changes from the indicative figures, but noted that the starting point for the 2019/20 budget was improved as a result of the efficiency improvements continuing from the 2018/19 position.

It was noted that it was very likely that the Child Poverty Fund would be confirmed, with money from the Scottish Government via SFC.

Discussion took place regarding commercial activity and the challenges for D & A College in growing this. The need to better define what is commercial activity and expectations was noted, and S Hewitt outlined plans for the review and development of a new commercial strategy.

The link between the current budget outturn forecast, the 2019/20 draft budget, and the financial strategy were discussed. It was agreed that the high level assumptions within the financial strategy would be updated to allow forward years' savings requirements to be reassessed. This high level forecast would be brought to the next meeting of the Board.

J Carnegie/B Ferguson to progress.

J Carnegie intimated that when the new academic structure was in place it was the intention to undertake a revised budget exercise during the autumn which would be presented to the November meeting of the Committee.

Broader budget development arrangements were discussed, and the challenges of finalising a budget whilst still early on in the process of student recruitment was noted. J Carnegie noted her wish to explore this further as the new structure and budgeting arrangements developed. This was welcomed.

The Committee approved the Draft Budget for submission to the full Board. **J Carnegie to progress.**

8.1 Savings Plan

G Ritchie intimated that, given the more positive cash position, work was progressing on a more systematic (rather than reactive) approach to future savings and that conversations were progressing, looking at changes to some areas for implementation over the coming year.

This approach was welcomed.

9. 2019 FINANCIAL FORECAST RETURN (FFR)

B Ferguson noted that the SFC's intention was to have FFR guidance available for the end of May, with further discussion planned with the Finance Directors group during June. Given this, it was anticipated that the planned submission date for College FFRs (End June 2019) would be moved again, potentially to end September 2019.

S Mill asked if the submission of the FFR could be required before the next Finance & Property Committee in September 2019. It was agreed that, if this was the case, S Mill and A McCusker be given authority to agree final FFR details prior to full Board approval.

10. D & A FOUNDATION – ENGAGEMENT STRATEGY

G Ritchie summarised his recent meeting with the D & A Foundation trustees to discuss the relationship with D & A College. G Ritchie also summarised discussions and proposals in respect of the need for the College to develop a strategy on how it would best seek to work with the foundation and plan future bids for funding, recognising the independent status of the Foundation. The importance of this alongside the College estates strategy and developing capital plans was noted.

G Ritchie requested that the Chairs Committee meet to further discuss this relationship. This was agreed. **A McCusker to progress.**

11. CAPITAL

11.1 Estate Annual Report

B Grace noted several highlights from the Estates Annual Report including the Estate Strategy; pride in the sector leading sustainability projects; and the College's year on year reduction in carbon emissions. The Estates Team had a number of awards successes during the year including the LOcHER Project.

B Grace noted that Dundee City Council had been very generous in allocating the College approximately £300K for 10 new electric vehicles, allowing the College to replace old vehicles from its fleet and improve sustainability.

S Mill commended the work of the Estates team particularly in respect of driving forward the sustainability agenda through recycling and CO2 reduction initiatives.

11.2 Kingsway Campus Tower Redevelopment

G Ritchie explained that the Board of Management had previously approved the Estates Strategy for the Kingsway Campus with funds potentially from the D & A Foundation and SFC. The blueprint would allow the tower building to be modernised in a series of smaller projects to improve outdated facilities, including better social space for students.

Discussion took place in relation to various options considered previously, including a STEM facility at Kingsway Campus and potential opportunities at the Michelin site in Dundee. G Bisset noted possible options developing for the Michelin site with a variety of funding streams emerging and G Ritchie confirmed that these would be discussed further to inform potential STEM centre developments.

The impact of these developments on the overall Kingsway campus and tower developments was discussed in detail and it was agreed that a Business Case for development of the Tower building be progressed at the same time as progressing discussions around the STEM centre options and consideration of future bids to the D&A foundation and SFC. It was agreed that this business case would detail its alignment with future curriculum requirements. **B Grace & G Ritchie to progress.**

12. BUSINESS CASE – Wi-Fi ENHANCEMENT

S Mill explained that the ICT Resource Plan noted that a number of issues had been identified with the College Wi-Fi.

A Ross gave a brief background to the current Wi-Fi available in College with older access points that perform poorly by modern standards, and were a limiting factor in respect of digital strategy developments for students.

A Ross summarised the three options appraised and noted that the preferred option was to migrate towards a cloud managed solution. A Ross explained there were 3 potential providers of a cloud solution. It was noted that this approach was consistent with the overall ICT resource plan and strategic direction towards cloud hosting.

It was noted that the project could not be funded from the current ICT infrastructure budget, and a discussion took place around the best option to fund the Wi-Fi Enhancement Project.

The Committee approved the business case and agreed that the Executive Leadership Team determine the best way to fund the work. **A Ross & J Carnegie to progress**

13. VP CORPORATE SERVICES REPORT

J Carnegie informed the Committee that she was now in the middle of her 3rd week in post and was getting to meet the Teams she will be working with. J Carnegie noted the importance of the Colleges Financial Sustainability, commercialisation and the Estates Strategy.

14. DATE OF NEXT MEETING

Tuesday 10 September 2019, 5.00pm, Room Y150, Gardyne Campus

Action Point Summary

Action	Responsibility	Date
Review cash holding and bring paper on proposals for Gardyne Loan repayment as required	J Carnegie	11 June 2019
High-level Financial forecast review of the Financial Strategy (bottom-line cash position) to be undertaken	J Carnegie & B Ferguson	11 June 2019
Draft budget to be finalised for Board approval	J Carnegie	11 June 2019
Chairs Committee to consider D&A Foundation engagement strategy	A McCusker	10 September 2019
Business Case for the Tower Building to be progressed	G Ritchie & B Grace	10 September 2019
Wi-Fi Enhancement Project (and funding options) to be progressed	A Ross & J Carnegie	10 September 2019