



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