

BOARD OF MANAGEMENT

Finance and Property Committee Meeting

Tuesday 26 November 2019



Draft confirmed by Chair

Minute of the Finance and Property Committee meeting held on Tuesday 26 November 2019 at 6.00pm in Y150, Gardyne Campus.

PRESENT:

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

IN ATTENDANCE:

J Carnegie (Vice Principal)	T D'All (Principal's/Board Chair PA)
S Taylor (Vice Principal)	C Watson (ESRC Research Project)
S Hewitt (Vice Principal)	A Ireland (ESRC Research Project)
B Ferguson (Head of Finance)	

1. WELCOME

S Mill welcomed members to the meeting.

2. APOLOGIES

Apologies were received from N Lowden, B Grace and S Stirling

3. DECLARATIONS OF INTEREST

No declarations of interest.

4. MINUTES OF FINANCE AND PROPERTY COMMITTEE MEETING 10 SEPTEMBER 2019

The minute of the Finance and Property Committee meeting held on 10 September 2019 was approved as an accurate record.

5. MATTERS ARISING

S Mill thanked J Carnegie for the new look reporting of Matters Arising.

J Carnegie gave a brief explanation of the new reporting process developed to update the Committee on Matters Arising and how this will be reported at each meeting. It was hoped that this type of reporting would give the Committee the opportunity to see how the College is progressing and provide reassurance.

6. BUDGET MONITORING REPORT

6.1 Management Accounts and Revised 2019/20 Budget

S Mill highlighted the projected £604k surplus revised from £637k from the original budget approved at the May FPC meeting.

J Carnegie recognised the new academic leadership team for their assistance in the development of the new budget. The exercise was a learning experience for all involved and a really good process to go through. J Carnegie noted that it was a reassuring outcome with a lot of movement identified, but a similar final picture.

J Carnegie summarised the key changes influencing the revised budget, including grant elements that were now confirmed, such as the College's success in securing a £1.3m contract from SDS for Foundation Apprenticeships. The range of items covered under non-SFC grants/contracts were discussed.

Factors affecting the changes to salary budgets were noted, and J Carnegie confirmed that the outcomes from National Bargaining on pay and conditions had not been known fully when the budget was first set. It was noted that the 'end loading' of the award had increased these costs by c£96k per annum. Other changes in respect of restructure, and initial additional costs of new roles during their induction stage were noted.

Differences between the estimated and actual outcomes of the Voluntary Severance (VS) scheme were discussed. J Carnegie advised that a request to continue to progress with VS would be considered at the December board meeting.

S Mill asked about the reduction in the College cashflow and B Ferguson confirmed that this related almost wholly to the timing of the drawdown of capital funds.

The Committee approved the report and revised budget.

6.2 Good to Great Monitoring Schedule

S Mill highlighted that the G2G project was coming to an end with a Celebration Event for stakeholders on 10 December 2019.

J Carnegie stated that the project was on track to spend all the monies allocated by the D & A Foundation Trust. J Carnegie confirmed that £2k of this would be ring-fence to allow for formal 'one year on' evaluation of the project.

7. ESTATES UPDATE

J Carnegie advised there had been good progress in the backlog maintenance programme. It was noted that a review of potential claims in respect of the re-cladding work required in Arbroath had confirmed that no claim was possible.

Although the timeline was challenging, J Carnegie confirmed that work was in progress on the Outline Business Case for the Kingsway STEM centre and that design work was progressing for the Kingsway Tower project. S Hewitt also noted that the focus on the project was the curriculum and to get the design right and this would involve including students and staff in the exercise.

Potential for the Michelin site was discussed with G Ritchie confirming that a number of conversations had taken place around the Michelin Scotland Innovation Parc (MSIP) and confirmed there should be an announcement soon on this renewable-focused innovation space.

G Ritchie confirmed an invitation would be extended to John Reid, Michelin Factory Manager, to give a presentation to the Board on the MSIP vision and plans. The importance of ensuring that there was not duplication between the MSIP and STEM plans was recognised.

S Mill noted that the short deadlines given by SFC for the submission of the OBC for the STEM Centre made it important for the Board to get detailed information about the SFC's new funding model Mutual Investment Model (MIM). This was recognised, and information would be sought for the January meeting. **J Carnegie to progress.**

The complexity of the different projects was noted and it was confirmed that alongside Kingsway, the Michelin developments would be included as a standard element of estates updates going forward. **G Ritchie/J Carnegie to progress.**

8. 2020/21 FEES POLICY

J Carnegie explained the background to the Fees Policy and noted that the majority of College's Fee are fixed. The overall strategy to increase fees where possible by 5% PA, in line with the Financial Forecast Return, was agreed.

J Carnegie noted that there would be no specific blanket increase on fees for Commercial Programmes but that these would be considered relative to levels of demand and other competition to achieve the best pricing possible.

S Hewitt noted that the recent appointment of Sector Development Leads alongside the Head of Sector and the Head of Curriculum & Quality would be reviewing the portfolio opportunities for non-credit funded delivery.

The Committee approved the 2020/21 Fees.

9. PROCUREMENT REPORT

J Carnegie noted that the Finance & Property Committee had received a number of reports and updates around Procurement, and stated that these were summarised and pulled together through the annual report.

J Carnegie stated that she reviewed the Procurement Strategy on a regular basis and that a full review would be brought to the Committee as planned in 2020.

The annual report was welcomed, and approved for publishing.

10. STRATEGIC RISK REGISTER

S Mill noted the allocation of Risks for each Board Committee and highlighted the five Risks for discussion by the Finance & Property Committee suggesting that the Risks were spread out on the basis of one for discussion at each meeting.

A McCusker highlighted a potential need to include a risk around the operation and funding of the Energy Skills Partnership (ESP). G Ritchie gave the Committee a brief background on the work of ESP, noting that this had grown significantly from the original project into a major sector support organisation. G Ritchie stated that ESP now had a number of staff, with it also having a high profile and success in securing money other than that from SFC. It was noted that, as the host College, all monies for the ESP project come via Dundee & Angus College, and the College employed all staff involved.

G Ritchie suggest to the Committee that the ESP be invited to present to the Board at some stage. This was welcomed. G Ritchie to progress.

The Committee discussed the College's exposure to Risk e.g. reputation, money, with both G Ritchie and B Ferguson confirming that the ESP has a great record of accomplishment for delivery and cash flow was positive. The need to separate the College's risk around ESP from the ESP's own risk register was noted. It was agreed that this would be considered for discussion at the next Audit and Risk meeting. **S Taylor to progress.**

The scores and mitigating actions or those allocated to the Finance & Property Committee were considered and no changes made.

S Mill noted that he and J Carnegie would discuss the general approach to the allocated risks. **J Carnegie to progress.**

11. VP CORPORATE SERVICES REPORT

J Carnegie summarised her report, highlighting the following in her report:

- **Supporting Our Leaners** – as part of the focus on retention the Help Points had assisted 90% of students who did not return to study after the October break back in to the classroom.
- **Child Poverty Fund** – received less than welcome news as the SFC has asked the College to re-bid for funding for year 2 and 3
- **Procurement** – delighted to confirm that the team has been successful in securing the Silver performance band which is an excellent outcome.
- **Service Design Academy** – Kate Murrie has received accreditation as a Master Trainer while Chris Muir as an Accredited Trainer. Making sure that we take full advantage of these accreditations to increase SDA profile and maximise future opportunities.

A McCusker enquired about the Flexible Workforce Development Fund (FWDF) Year 3 at £473k. J Carnegie confirmed that this amount was up slightly due to redistribution of funds and College performance.

G Bisset enquired about the number of Award submissions and Ceremonies attended by College staff and ask if there was a record of the amount of money spent on awards each year relative to the benefit of these. Discussion around this noted that, while there was not an exact figure, it would be around £5k per year. S Taylor noted that all the award submissions were written in house (usually by Zoe Bing and himself) with a number of these coming from the good practice blog and sharing of practice that was already taking place. It was noted that often submissions were submitted to several different awards

It was noted that the publicity coverage, positive impact, profile raising and recognition for the staff involved was of great benefit to the College. A McCusker stated that winning national awards was a massive benefit to the students also via the College's good reputation. S Mill acknowledge that this was an operational matter.

12. DATE OF NEXT MEETING

Tuesday 21 January 2020 in Y150, Gardyne Campus.

Action Point Summary

Action	Responsibility	Date
Information on MIM capital funding model to be identified for discussion	J Carnegie	21 January 2020
Michelin developments to be included in future estates updates	G Ritchie/ J Carnegie	11 December 2019
Strategic Risks relative to the operation of ESP to be considered for Audit & Risk Committee	S Taylor	3 March 2020
Discussion on consideration of F&P allocated risks	J Carnegie/S Mill	21 January 2020