

BOARD OF MANAGEMENT

Finance and Property Committee Meeting

Monday 20 September 2021

Draft confirmed by Chair



Minute of the Finance and Property Committee meeting held on Monday 20 September 2021 at 5.00pm in Teams.

PRESENT:

S Mill (Chair)	A McCusker
N Lowden	B Carmichael
D Fordyce	S Hewitt
S Stirling	K Ditcham

IN ATTENDANCE:

J Carnegie (Vice Principal)	J Grace (Vice Principal)
S Taylor (Vice Principal and Secretary to the Board)	
B Ferguson (Head of Finance)	A Ross (Head of ICT)
T D'All, Principal's Secretary	

1. WELCOME

S Mill welcomed members to the meeting.

2. APOLOGIES

Apologies were received from D Mackenzie and B Grace.

3. DECLARATIONS OF INTEREST

There were no declarations of interest

4. MINUTES OF FINANCE AND PROPERTY COMMITTEE MEETING 25 May 2021

The minute of the Finance and Property Committee meeting held on 25 May 2021 was approved as an accurate record.

5. MATTERS ARISING

All Matters Arising were closed off except:

- D&A College and MSIP Skills Academy Launch Event is to be postponed until January 2022.
- Financial Strategy will be delayed, due to competing priorities (including SFCs FFR), until December 2021 (update) and March 2022 document presentation to the Finance & Property Committee.

- STEM Centre OBC Developments have stalled due to other priorities and a lack of a funding route. This will be progressed alongside the development of the Estates Strategy.

A McCusker requested a timeline for the Financial Strategy. This was confirmed as March 2022.

The Finance & Property Committee noted the Matters Arising.

6. FINANCE

6.1 (July) Financial Forecast Return (FFR)

S Mill presented the paper for discussion with J Carnegie providing a brief of the narrative and the format followed, although it was noted that the financial assumptions used would not necessarily reflect the picture now.

B Ferguson noted that the 'FFR Version 2' to be submitted in October 2021 was a complete re-start document.

S Mill noted that the Finance & Property Committee members were asked to retrospectively recommend approval to the Board of the Financial Forecast Return that was submitted to the Scottish Funding Council in July 2021.

The committee gave approval for the paper to be presented for approval to the Board of Management.

A McCusker noted the October deadline for the next FFR and requested a short meeting of the Finance & Property Committee meeting in October 2021 to approve the final version, or that approval was sought via email in advance of submission. This was agreed. **S Taylor to progress.**

6.2 2020/2021 Draft Outturn

B Ferguson noted that the College had continued to perform well. Securing YPG/NTTF funding; an increased outturn and commercial and apprenticeships and a reduction in the utilisation of the staffing contingency; no need for a pay contingency.

B Ferguson did note the inability to spend as much as the College would have liked due to delays in delivery pushing purchases beyond the end of the financial year. B Ferguson noted that spend of circa £400,000 had been achieved but that it was not possible to spend more on ICT due to scheduled deliveries that were out of the College's control. B Ferguson intimated that he was confident that the accounts would stand up to audit and that there were no further significant variations to be considered.

The current positive cash position was noted by the Committee. B Ferguson confirmed that SFC were aware of the cash position and delivery problems experienced – this was a similar picture for other Colleges.

D Fordyce enquired about Student Debt being a major issue and B Ferguson confirmed that the Senior Leadership Team had adopted a more supportive approach to student debt especially around individual student's family circumstances where furlough, redundancy etc had played a part in delay of paying fees during the COVID pandemic. B Ferguson did however note an increasing issue where the students would not engage with the Finance Team to allow them to give advice and help. B Ferguson noted that debt warnings had been issued to those not coming back to College.

S Hewitt noted the good financial position but that the Senior Leadership Team also did not want to repeat this year on year. S Hewitt intimated that he would prefer to utilise any surplus on enhancing the student experience and facilities. S Hewitt confirmed that the Senior Leadership Team were looking to enhance elements of resource planning and spending, but that the level of volatility made this challenging, especially alongside procurement requirements.

J Carnegie noted the need to encourage SFC around the longer term funding piece. A McCusker noted the national discussions taking place on a request to change to a 3 year funding model.

The positive financial outturn was welcomed.

6.3 Revised Financial Regulations

S Mill noted the document with minimal tracked changes.

J Carnegie noted the rationale for changes to approval limits at different levels within the College. These were discussed and the proposed amendments approved.

J Carnegie noted an omission on asset disposals within the draft which would be updated in line with other delegated limits.

The revised Financial Regulations were approved.

6.4 Outline Financial Strategy

J Carnegie summarised the work and research carried out over the summer period looking at various financial strategies to provide a helpful outline for discussion.

J Carnegie summarised the paper with the key discussion around "where would we like to be?"

J Carnegie highlight the opportunity to bring to a future Finance & Property Committee a pipeline of "shovel ready" project for approval by the Committee but to be progressed only where funding was available. These projects would have the pricing frameworks and supplier ready but no committed to spend. This was agreed. **J Carnegie to progress.**

S Mill asked about the target date for the Financial Strategy along with a swot or PESTLE analysis to give some structure around the Opportunities and Risks anticipated. J Carnegie stated that she would know more information for the FPC Meeting in December, with the draft Strategy ready for the March 2022 meeting.

A McCusker complimented the document structure noting that it was a good start.

K Ditcham enquired about the maintenance and fixed assets under the “how do we get there” heading. J Carnegie confirmed that these were a combination of capital and revenue funding.

A McCusker asked if it was possible to have an update on progress and income/contribution in respect of the Service Design Academy (SDA). J Carnegie confirmed that this could be made available. **J Carnegie to progress.**

7. ESTATES

7.1 Kingsway Tower Redevelopment

S Mill noted the request for approval to approach Dundee & Angus Foundation to seek to draw down £136K of the £250K contribution approved by the Board in December 2020.

J Carnegie summarised the progress of the project and the impact of changes in prices for construction materials.

S Mill asked if J Carnegie was confident of the project contingencies remaining in the budget and asked what the alternative would be if the Committee did not approve the approach for additional funding from the Dundee & Angus Foundation?

J Carnegie confirm that the project contingencies were reducing as the project progressed, but that the College had a Quantity Surveyor (QS) to verify the costing work undertaken by Robertson Construction’s QS. Whilst the current pressures on construction materials costs were unpredictable, the projected costs and contingency were felt to be appropriate. J Carnegie noted confidence that the figure will see the project to its end in April 2022.

J Carnegie noted that a lot of “kit” had also been purchased up front, helping to mitigate the risk of further price increases.

J Carnegie confirmed that if approval was not given by the FPC then the College would have to look towards its own funds and reallocate non-capital elements of budget to cover parts of the project and discussion took place around this.

S Mill recommended that the Committee gave approval for the drawn down from the Dundee & Angus Foundation but this to only be progressed after all other avenues had been explored. This was approved. **J Carnegie to progress.**

7.2 Estates Update

J Carnegie summarised the work being undertaken and noted how great it was to see the progress in the work undertaken at Kingsway Campus.

J Carnegie summarised the Catering Review that had taken place and the brilliant work taken place with the Students' Association. The students on campus would now have their own kitchen allowing them to prepare simple food free of charge.

S Mill noted that it would be a great if the other members of the Committee could see the new spaces and A McCusker confirmed that this might take place during the Christmas Lunch proposed to take place in the new Training Restaurant in December.

It was agreed that images of the updated spaces would be shared with Board members. **T D'All to progress.**

8. PROCUREMENT UPDATE

S Mill confirmed that, in line with protocols agreed at the Finance & Property Committee in November 2018, the information included in this paper detailed the expected and recurring new contracts and contract renewals which exceed or were very close to the delegated authority limits.

J Carnegie noted one non-competitive action for the purchase of Campus Furniture. The APUC framework with supplier Azzurro advised of challenges around availability and delivery. A high-level price comparison with a local supplier, Sharp Interiors, who is on the Scotland Excel framework, quoted more competitive rates and were deemed better Value for Money and provided more reassurances around delivery timescales. S Mill sought reassurance that the NCA would be published by way of a VEAT notice if appropriate. **B Ferguson to progress.**

J Carnegie noted the planned procurement arrangements for the Tay Cities Deal TCEP (Advanced Engineering & Manufacturing) project and the need to progress some elements of spend in advance of approval of the final business case for the project. J Carnegie noted that assurance had been received in terms of the availability of funding.

S Mill confirmed a similar situation for Angus Council – money needs to be spent at risk to progress the projects. B Ferguson noted that the risk was likely very low.

J Carnegie recommended to the Committee Option 2 (Open Tender via Public Contracts Scotland Portal (PCS)) but noted that this would take longer. This was agreed.

The Committee approved the Procurement as detailed above.

9. COVID-19 UPDATE ON ARRANGEMENTS

9.1 Estates & Infrastructure

J Carnegie noted the more staff and students were now on campus and highlighting the fluid guidance from Scottish Government around face coverings (this had changed 3 times in 3 weeks) which was very frustrating. J Carnegie also noted there was a regular challenge to get school pupils to comply with wearing face coverings.

J Carnegie informed the Committee that pop-up vaccinations centres had been arranged for Arbroath, Kingsway and Gardyne Campus offering vaccinations to both staff and students. Initial turnout to these centres had been good.

S Hewitt stated that the number of COVID-19 positive cases had increased, which had brought additional challenges. S Hewitt did however note the good relationship with the unions and highlighted the recent joint SLT / Students' Association and union statement to staff along with a video update with the Students' Association for staff and students.

9.2 Finance & Governance

B Ferguson confirmed that, whilst it had been complex at times (claiming for part-time furlough), the drawdown from the Furlough Scheme was circa £1.9m and had been very beneficial to the College.

B Ferguson noted that the digitisation of finance forms had been delayed but was now up and running and making good progress.

10. STRATEGIC RISK & COVID REGISTER

S Mill noted the 6 risks for consideration by the Finance & Property Committee 4 of which are green and 2 amber. The Committee specifically looked at:

- 4.2 Failure to achieve ambitions of Digital strategy; strategy and development is ineffective
- 2.6 Demands of capital developments / maintenance impacts on financial sustainability or delivery of learning and/or services

A Ross provided background to the Digital Strategy highlighting the change of pace was breath-taking e.g., remote/hybrid delivery. A considerable re-write had taken place over the summer and a revised "road map" was being reviewed every quarter.

A Ross noted access to College systems for staff going abroad was now only available on a case-by-case basis with special arrangements with the ICT Team.

A Ross highlighted managing the ICT risk was constantly being reviewed and CPD offered to staff and students where needed.

S Stirling told the Committee that all students had been given the opportunity to get help with using MS Teams.

S Mill noted the assurance given and proposed that there should be no change to Risk 4.2 – the group agreed.

S Mill highlighted the inflationary spend in respect of risk 2.6 and the action taken regard to funding for the Kingsway Project and the previous agreed action to look at financing via the College’s surplus or approaching Dundee & Angus Foundation.

After some discussion it was agreed that risk 2.6 is not changed at this time.

11. VP CORPORATE SERVICES REPORT

S Mill noted J Carnegie’s paper highlighting the good support provided by the various teams.

S Mill requested that if all possible, and if the information is easily accessed, that a metrics for the Service Design Academy be provided for the next Finance & Property Committee.

S Mill welcomed the shortlist places in the sustainability categories the Green Gowan Awards and the College Development Networks Awards.

A McCusker asked about the Flexible Workforce Development Fund (FWDF) and the likelihood that all funding could be claimed? J Carnegie confirmed that the College was currently prioritising work on funds from last year but noted that she was confident the College would deliver on what was planned and meet the expected contribution. J Carnegie noted that work was also currently underway to sign up companies for the 21/22 FWDF.

S Hewitt noted that this was a similar picture across the sector.

12. DATE OF NEXT MEETING

Tuesday 7 December 2021 as part of the Joint Audit & Risk and Finance & Property Committee

Action Point Summary

Action	Responsibility	Date
Update on progress of Financial Strategy	J Carnegie	7 December 2021
Final draft Financial Strategy	J Carnegie	1 March 2022
Short FPC meeting or email approval to arranged for final approval of FFR	S Taylor	October 2021
Programme of proposed “shovel ready” projects for consideration by FPC	J Carnegie	7 December 2021
Explore and confirm ability to use College funds to support Kingsway project prior to any application to the D&A Foundation.	J Carnegie	31 October 2021

Approval to approach D&A Foundation draw down to fund Kingsway Campus project contingency	J Carnegie	31 October 2021
Publish the Furniture NCA award	B Ferguson	31 October 2021
Update on Services Design Academy activity, income, and contribution	J Carnegie	7 December 2021
Circulate images of Kingsway campus developments to Board	T D'All	31 October 2021