

BOARD OF MANAGEMENT

Finance & Property Committee



Monday 26 September 2022 at 5.00pm
Room Y150, Gardyne Campus

Draft confirmed by Chair

Minute of the Finance and Property Committee meeting held on Monday 26 September 2022 at 5.00pm, room Y150 Gardyne Campus and MS Teams

PRESENT:

G Robertson	S Stirling
L O'Donnell	B Lawrie
S Hewitt	R McLellan
B Carmichael	D Mackenzie

IN ATTENDANCE:

J Grace (Vice Principal)	M Sanderson (Executive Secretary)
J Carnegie (Vice Principal)	B Ferguson (Head of Finance)
S Taylor (Vice Principal)	A Ross (Head of IT)
B Grace (Head of Estates)	

1. WELCOME

G Robertson welcomed everyone to the meeting and welcomed L O'Donnell to his first Finance & Property meeting.

2. APOLOGIES

Apologies were received from D Fordyce, with G Robertson acting as Chair in her place.

3. DECLARATIONS OF INTEREST OR CONNECTION

G Robertson declared his membership on the Gardyne Theatre Limited, Board.

4. APPOINTMENT OF VICE CHAIR

Following receipt of one nomination, Roy McLellan was approved as Vice-Chair of the Finance and Property Committee.

5. MINUTES OF PREVIOUS MEETING

The minute of the Finance and Property Committee meeting held on 31 May 2022 was approved as an accurate record.

6. MATTERS ARISING

J Carnegie confirmed that all outstanding Matters Arising from 31 May were closed.

The SDA business plan action was still in progress. It was noted that the Infrastructure strategy would influence any 'shovel ready' projects although it was anticipated that additional funding for these was unlikely.

7. FINANCE

7.1 2021/22 Draft Outturn

J Carnegie summarised the paper. B Ferguson noted an underlying improvement in Colleges finances which had improved the forecast out-turn. It was noted that funding for an additional 439 ESF credits were received from SFC for session 2019/20, adding in c£140 additional funds. B Ferguson noted an underlying surplus of c 200K was achieved before recent VS costs.

Conversations are ongoing for the 2022/23 pay award, which looks challenging in the budget. 2021/22 pay awards were settled and benefited the budget.

S Hewitt noted the significant work undertaken by the whole team in getting the College to this position. B Lawrie noted he would usually be concerned at a deviation from forecast of the amount highlighted but could see that much of this was planned through the savings exercise. He noted it was a credit to have achieved what the team have managed.

The 2021/2022 Draft Outturn was noted, and G Robertson congratulated the Team on getting to this point.

7.2 2022/23 Draft Budget

J Carnegie summarised the paper and highlighted the College had made substantial movement from the interim budget and were close to the £500k position recommended at the May meeting, with the forecast cash position also improving.

J Carnegie noted that it was anticipated that the forecast budget deficit would improve because of the recent reversal of the National Insurance increase, but that there were also potential contra moves in respect of consumable and other costs.

B Ferguson noted the potential impact of a significant pay increase, with the 11.7% demand not being realistic. B Ferguson stated that the Scottish Government would have to step in with additional funds if a substantive pay increase was to be possible.

B Lawrie asked for more information on Dundee Football Club let at the Incubator in Gardyne Campus. J Carnegie confirmed the club are renting out the space and paying additional costs beyond a set level for gas and electricity bills. The club were also looking to invest c £1 million pounds into the football pitches, with the College also having access to these improved facilities. Dundee Football Club were also using the sports facilities including the gym and swimming pool and this was an additional benefit.

B Lawrie noted he liked the risk assessment element of the budget and noted that this helped provide a clear and helpful analysis of the risks faced.

The need for the College to produce a balanced budget was queried and J Carnegie noted it wasn't essential, however part of the FFR arrangements was to ensure a balance budget by the end of the planning period.

G Robertson noted the great effort from the team in terms of the savings outcome, which had supported the improvement in the budget position for 2022/23.

J Carnegie asked if the Committee were content to commend for approval at the Board of Management meeting. G Robertson and the Committee approved the paper to take to the Board of Management. **J Carnegie to progress.**

7.3 Financial Forecast Return (FFR)

J Carnegie noted the FFR and requested that this be restricted for publishing given that it included significant forecasts based around unknown information and scenarios. This was agreed.

The approach adopted in developing the FFR was discussed, and it was noted that almost all of the assumptions were given by the Scottish Funding Council (SFC). The key assumptions were discussed, and it was noted that under all of these it was clear that future financial forecasts were very challenging and that the sector as a whole was unsustainable without significant national policy or funding changes.

S Hewitt noted the College's strength was in finding solutions and outlined discussions taking place nationally and directly with SFC to look at potential opportunities and solutions.

Following further discussion some small changes were proposed to reflect the funds currently held within the D&A Foundation and to model the impact of 5% pay increases over the next two years. With these amendments the FFR was approved to be taken to the Board Meeting for full Board approval. **J Carnegie to progress.**

8. INFRASTRUCTURE

8.1 Infrastructure Update

J Carnegie summarised the paper noting that the previous document had been much lengthier and that this was a more streamlined and strategic document to guide future developments and plans.

A Ross highlighted, the strategy had been developed around the College's 2025 strategy, with road maps to deliver the key outcomes. A Ross noted that the strategy would also have annual operational plans to focus on planned activity in each year.

L O'Donnell noted an excellent paper and asked if the College needs a methodology to deliver this. A Ross confirmed this is in place.

G Robertson noted that he was aware that there was a lot of detailed work behind the strategy aims. S Hewitt noted the most important part of the paper is the road maps and brining this to operational level.

The Committee approved the Strategy.

8.2 Estates Update

B Grace summarised his paper, noting it had been an exceptionally busy summer for the Estates team. The range of projects undertaken was noted.

B Grace highlighted the role the College played in Operation Unicorn, noting the team had 48 hours to plan the operation, catering for almost 400 Police Scotland Staff on the day. A huge number of staff volunteered, over the course of the weekend with some starting at 3am on the Sunday morning. The Committee passed on their thanks to all the staff involved.

G Robertson noted his thanks and congratulated the team for all of their work.

9. PROCUREMENT

B Ferguson provided an update on procurement, noting the most important section within the paper is Section B, as this highlighted the contracts the Committee need to approve over 100K.

B Ferguson noted an error with the Azure Cloud Services contract noted, this will be 150K over 5 years, and not 3 as noted in the paper.

G Robertson asked if the report included any additional work at MSIP. J Grace confirmed that the engineering related procurement was for ESP.

Committee were happy to approve the Procurement report.

10. COVID-19 UPDATE ON ARRANGEMENTS

B Grace and A Ross updated the Committee on COVID-19 Arrangements. A Ross noted this didn't have a huge impact on infrastructure.

B Grace noted there was still signage up across all campuses in respect of good ventilation and noted that CO2 monitors have been installed in classrooms to alerts staff if air quality was low.

Enhanced cleaning was still in place and sanitisers still available, although this had been scaled back.

It was noted at the Committee, the Senior Leadership Team have the Cost-of-Living Crisis at the top of their Agenda, transitioning from COVID.

11. STRATEGIC RISK & COVID REGISTER

J Carnegie summarised her paper around the financial security risk, noting that this remained high. S Taylor noted the request to review this risk and proposed that this be undertaken outwith the meeting and any proposed changes to risks would be discussed through the next round of Committee meetings prior to approval by the Audit & Risk Committee. **S Taylor to progress.**

12. VP CORPORATE SERVICES REPORT

J Carnegie stated that her report was for noting but highlighted, the Service Design Academy update, noting that the Manger was due to retire in October and that there was a vacancy for a Consultant. Recruitment for these roles was in progress.

The Committee noted the report.

13. DATE OF NEXT MEETING – Tuesday 6 December 2022 at 5.00pm – MS Teams, Joint Audit and Risk.

Action Point Summary

Action	Responsibility	Date
Draft budget to be considered by the Board of Management	J Carnegie	27 September 2022
FFR to be considered by Board of Management and submitted to SFC (with amendment as noted)	J Carnegie	30 September 2022
Financial Sustainability Risk to be reviewed	S Taylor	6 December 2022