**BOARD OF MANAGEMENT**

**Finance & Property Committee**

Tuesday 5 September 2023 at 5.00pm in Room A625 Kingsway

Campus and on Microsoft Teams

***Draft***

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| **PRESENT:** | D Fordyce (Chair) | S Hewitt |
|  | L O’Donnell | S Stirling |
|  | B Lawrie | D Smith |
|  | D Rosie | C Cusick |
|  | D Mackenzie |  |

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| **IN ATTENDANCE:** | J Grace (Vice Principal) | A Ross (Head of IT) |
|  | S Taylor (Vice Principal) | B Ferguson (Head of Finance) |
|  | P Muir (Board Administrator) |  |

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|  | **WELCOME**  D Fordyce welcomed everyone to the meeting. |
|  | **APOLOGIES**  Apologies were received from R McLellan, J Carnegie, and B Grace. |
|  | **DECLARATIONS OF INTEREST OR CONNECTION**  No declarations were noted. |
|  | **MINUTES OF PREVIOUS MEETING**  The minute of the Finance and Property Committee meeting held on 30 May 2023 was approved as an accurate record. |
|  | **MATTERS ARISING**  S Taylor confirmed that all matters arising had been progressed and closed. |
|  | **FINANCE**   * 1. **Financial Sustainability**   S Hewitt summarised progress in respect of the financial sustainability papers, with the College proactively managing the financial situation to seek to provide financial stability and sustainability going forward. S Hewitt stated it remained a challenging time for the College, however it is in a better financial position than before with a solid foundation to work from.  S Hewitt highlighted that work and discussions had progressed significantly in terms of the savings needed, with the total savings achieved sitting at £2.7 million relative to the £2.5 million target through a combination of savings and additional income.  This represented a c10% savings taken out over the two years, without any compulsory redundancies being required.  S Hewitt noted that engagement with Trade Unions remains positive, with good working relationships to support staff through a difficult and challenging situation.  S Hewitt noted the financial challenges still being faced with no pay awards settled resulting in strike action taking place. In addition, some national funding pots had not yet been agreed, with HN discretionary funds still needing to be allocated. This had the potential to impact significantly on those most in need.  S Hewitt noted that national discussions are on-going, with negotiations taking place with the Scottish Funding Council (SFC) to minimise the risk of financial clawback if credit targets are not met. S Hewitt reassured Board members that they are working proactively with the SFC and Scottish Government to minimise any potential risks and to look for solutions as a sector.  D Mackenzie praised the challenging work of the College community- the communication around this and acknowledging the work needing to be recognised.   S Hewitt noted the recognition of staff members picking up new and existing work, engaging, and working together as a team was important and noted that staff remained concerned about this year’s budget and the need for future savings.  B Lawrie highlighted a concern regarding the government stepping in to help those colleges that hadn’t been proactive around savings. S Hewitt recognised this risk but noted the significant benefit of being in control of our own destiny, being consistent and managing our way out of this.  D Fordyce stated we should benefit from this in the long term, with C Cusick acknowledging the hard work of everyone involved. |
| * 1. **Management Accounts & Forecast Outturn**   B Ferguson summarised the papers stated that the underlying forecast position remains the same with no underlying changes to the figures produced. B Ferguson reiterated that risk remains from both potential clawback of teaching grant and higher pay settlements, with the latter also threatening to have a consequential and adverse impact upon future years.  B Ferguson acknowledged that despite certain adverse movements, the outturn represents a significant improvement, amounting to circa £0.9M despite increasing provisions for both  pay award and voluntary severance (VS) costs.  B Ferguson highlighted the pay award for 2022/23 is still unresolved. The provision of the college has increased by £100K for this outturn only to match the cost of the current offer of a flat £2,000 + £1500 which has been rejected by unions.  B Ferguson noted the Voluntary Severance (VS) costs were not completely finalised (and may be impacted by the final pay settlement), with payments spilling over into the current year and decisions still pending on a few applications.  B Ferguson stated the cash position was better than anticipated.  B Lawrie queried when the audit is due for the College, with B Ferguson stating the audit will commence on 25th of September 2023.  The improvement in outturn and details of the report were welcomed. |
|  | * 1. **Financial Forecast Return**   B Ferguson noted the Scottish Funding Council required all colleges to complete a medium-term financial forecast return (FFR) for the period of 2022-23 to 2025-26. This is an established requirement of the SFC’s financial planning of institutions. B Ferguson highlighted that this form was completed in July 2023, with approval by the Chair and Chair of Finance & Property through delegated authority from the Board.  B Ferguson noted the budget for 2023/24 forecast a consolidated cash deficit of (£-15K). This deficit is revised within the FFR to reduce the pay award to 3.5%, in accordance with the suggested assumption to be used post 22/23, and to allow for VS costs necessary to secure any additional staff reductions for future years.  B Lawrie questioned the element of the Tay City Deal projects and if this was a successful net contributor to the College, or a strain on the resources. B Ferguson noted this was a positive contributor with the College being the lead partner of a small number of projects.  B Ferguson stated that the College will update its Financial Strategy and plans and will continue to model outcomes based upon different scenarios. It should be acknowledged however that the tools available to manage these results are both limited and, in the case of some scenarios, inadequate without additional funding.  The update and paper was welcomed by the Board. |
|  | **INFRASTRUCTURE**   * 1. **Estates Update**   S Taylor highlighted the paper was for information only and noted that it had been an extremely busy summer period for the Estates Team and a considerable number of projects had been completed across all 3 campuses with some work still in progress.  S Taylor highlighted the Scottish Funding Council (SFC) recently contacted the University and College sector in Scotland to raise awareness around the presence of RAAC (Reinforced Autoclave Aerated Concrete) in estate buildings. This was present in the roof structures of the Kingsway construction and Engineering buildings, but had been assessed and was in good condition. A further inspection would be carried out to inform on-going monitoring and maintenance needs and further update provided to the Committee.  S Taylor highlighted that staff and students had been made aware of the presence of RAAC areas within Campus - although not specific areas mentioned to minimise any potential scare or concern. S Taylor noted that there had been some interest within the media, however, this was minimal compared to some other universities and colleges.  S Taylor highlighted the LED lighting replacement project for Gardyne is  now progressing with an estimated installation start date of 25th September.  Additional funds of up to £250K had been sought through a SFC fund to support the upgrade of fire alarm systems within the College. S Taylor stated discussions are still ongoing for this matter.  D Mackenzie praised the challenging work from the Estates team during the summer.  D Fordyce highlighted her concern regarding the RAAC and questioned if this should be highlighted on the Risk Register S Taylor reassured the board, this matter was being dealt with as part of the maintenance and backlog maintenance arrangements and would not be considered as a strategic risk.  B Lawrie highlighted the Isla building window price differ within the report and that noted within the procurement paper. B Ferguson stated that this was likely to be a difference from estimated cost to the actual tender price. S Taylor will investigate this and confirm with the board. **S Taylor to progress**  D Fordyce noted that it would be beneficial to see the Estates list in order of what work has been completed, and what is still to be finished/in progress. This change would be made. **B Grace to progress.** |
|  | **PROCUREMENT**  B Ferguson provided an update on procurement, confirming recent awards made and highlighting awards requiring Committee approval.Approval is needed for 8 contracts exceeding £100k. This was welcomed from the committee and the awards approved.  B Ferguson discussed changing the reporting date on on-going awards to align with the annual procurement report and the Committee noted that they were happy with this approach. |
|  | **STRATEGIC RISK REGISTER**  S Taylor summarised the risk register for consideration. The wider Risk Register was noted, with this being discussed at the next Audit & Risk Committee meeting.  The paper was approved. |
|  | **CORPORATE SERVICES REPORT**  S Taylor summarised for information only and key developments since last meeting.  Recruitment continues to be the focus, with all areas actively recruiting candidates- over 90% of full-time students completed registration. Although recruitment has been initially challenging, the student numbers have steadily increased.  S Taylor highlighted and updated the Service Design Academy, various progress has been made with the secondment of additional staffing to support their work.  S Taylor highlighted the decision to continue with the Audit of GTL. He noted the Theatres hire fees had been raised to match the rise in Real Living Wage for casual staff- this was met with no resistance from regular or new clients.  The Corporate Services report was noted. |
|  | **DATE OF NEXT MEETING** – Tuesday 12 December 2023 at 5.00pm – Room A605 Kingsway Campus plus hybrid on Teams |

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| **Action Point Summary** |  |  |
| **Action** | **Responsibility** | **Date** |
| Update Committee members on difference in price between Estates and Procurement reports | S Taylor | 22 September 2023 |