**BOARD OF MANAGEMENT**

# Finance & Property Committee

Tuesday 5 December 2023

Minute of the Finance & Property Committee meeting held on Tuesday 5 December 2023 at 4.30pm in Room A605 Kingsway Campus and via Microsoft Teams

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| **PRESENT:** | D Fordyce | L O’Donnell |
|  | B Lawrie | S Hewitt |
|  | C Cusick | D Smith |
|  | M Beattie |  |
| **IN ATTENDANCE:** | S Taylor (Vice Principal) | Penny Muir (Board Administrator) |
|  | J Grace (Vice Principal) | B Ferguson (Vice Principal) |
|  | A Ross (Director of Infrastructure) | B Grace (Head of Estates) |
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 | **WELCOME**D Fordyce welcomed members to the Finance & Property Committee meeting.  |
|  | **APOLOGIES**Apologies were noted from R McLellan, D Rosie, and D Mackenzie  |
|  | **DECLARATIONS OF INTEREST OR CONNECTION**There were no declarations.  |
|  | **MINUTES OF PREVIOUS MEETING – 5 September 2023**The minute of the Finance and Property Committee meeting held on 5 September 2023 was approved as an accurate record. |
|  | **MATTERS ARISING**D Fordyce confirmed that all outstanding Matters Arising were updated. |
|  | **FINANCE ITEMS*** 1. **2023/24 Management Accounts and Forecast Outturn**

B Ferguson summarised the management accounts, highlighting that there were no changes to the budget set in May 2023, and a decision was still to be made regarding the allocation for FWDF for 2023/24.With further ‘flat cash’ settlements predicted for the next two years, in keeping with Scottish Government’s spending review and as directed by SFC for the Financial Forecast Return submitted in July, it is deemed prudent to introduce a voluntary severance contingency into this forecast to enable future cost reductions to be made. The adequacy of this provision will continue to be reviewed. 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 stated that other SFC grants have increased, for example- Capital & Maintenance Funding by £150k brought forward from SFC’s FY23-24 allocation along with an additional allocation of £300K following a successful bid to fund an Automatic Fire Alarm Systems Upgrade project, although these were matched with equivalent expenditure. B Lawrie questioned if there are any savings made to the college for the Fire Alarm Systems. B Ferguson noted that this funding would allow other capital priorities to be progressed and meant that the limited capital budget could be stretched further.B Ferguson noted increases in income and highlighted the potential increase in employer’s pension contributions for the Teachers’ scheme by 3% to 26% from April 2024, adding approximately £450K per annum to teaching pay. Conversely, it has been advised that a reduction in LGPS contribution rates, arising from the triennial Tayside Pension Scheme as of 31 March 2023, was likely. This would offset that increase to an extent and any change will be reflected in the half-yearly forecast.The positive variance was welcomed and the management accounts and forecast were noted.* 1. **Draft Tuition Fees 2024/25**

J Grace highlighted the document and noted that the tuition fees will remain the same for the following academic year 2024/25, however there will be an increase to the commercial hourly rate in-line with current staffing costs from £75 to £80 and greater emphasis placed on setting fees relative to market demand to ensure that the contribution achieved was maximised. The proposed fees were approved. |
|  | **Estates Update** B Grace summarised this report highlighting that the Estates Project team has completed the vast majority of planned projects across all 3 campuses over what has been an extremely busy year. B Grace highlighted The Isla Building Window replacement project has been deferred until next year, to allow the college to submit a funding application for the project via the Green Public Sector Estates Decarbonisation Scheme. B Grace highlighted that all the RAAC panels within the Kingsway Construction and Engineering areas should be replaced within a 3–5-year period. A Quantity Surveyor provided the project estimate of replacing RAAC panels to be in excess of £7.2m. The RAAC survey reports and project estimate to replace the RAAC panels have been shared with the Scottish Funding Council, with a future SFC meeting arranged to discuss this. B Grace highlighted that work on the Gardyne LED Lighting Project has progressed well with over 1000+ light fittings already replaced. This project will have a significant impact on our electrical energy consumption with a projected reduction of 260,000kwhrs/year, a carbon reduction of 155tC02/year and a financial saving of £60k/year.B Grace noted that the Fire alarm project is progressing well with new Fire alarm ‘heads’ to be installed in March 2024. The update was welcomed. |
|  | **GARDYNE THEATRE LIMITED UPDATE** S Hewitt provided an update on the operation of GTL, stating that discussions have been continuing around the financial sustainability of the theatre. Conversations were had regarding the investment needs, understanding the underlying costs and how to make it more financially sustainable to meet the needs of the college. S Hewitt highlighted that this has progressed slowly, however it is being reviewed and a consistent approach to costing College input to Theatre activities was being worked on and would be implemented as part of the service level agreement for GTL and other College hosted activities. S Hewitt confirmed that a more detailed paper on income, expenditures and options would be presented at the next Finance & Property committee meeting. **S Hewitt to progress.** |
|  | **PROCUREMENT*** 1. **Annual Procurement Report**

B Ferguson introduced the annual report highlighting that this was predominantly a legislative requirement confirming adherence to the required procurement practices.The College approach to invoice payment and any impact of costs associated with late payments was discussed and B Ferguson noted that invoices were paid as soon as possible (usually within 7 days) and that late payments only arose where there was a query around the invoice or good received. It was noted that late payment fees were very minimal.B Lawrie queried the list of Regulated Procurements report page 272 and questioned if this was in the correct order (award date then start date) B Ferguson noted that he would investigate this with APUC and report back by email. **B Ferguson/S Taylor to progress.**The annual report was approved. * 1. **Procurement Update**

B Ferguson summarised the update, highlighting the contracts awarded since the previous meeting in line with agreed procedures. B Ferguson noted that there was approval needed from the committee for various estates work contracts in collaboration with Abertay University.This procurement was discussed, and approval granted by the Committee.* 1. **Procurement Strategy**

B Ferguson summarised the document noting that this was a minor technical update to the strategy that was produced and published annually.The strategy was approved for publication. **B Ferguson to progress.** |
|  | **STRATEGIC RISK REGISTER (F&PC EXTRACT ONLY)** S Taylor noted that the focus remained on the financial sustainability risk, with no change suggested at this point in time. S Taylor confirmed that following discussion at the Audit & Risk Committee the Strategic Risk Register was being reviewed covering the institutional sustainability risk.  |
|  | **CORPORATE SERVICES REPORT** S Taylor acknowledged the report for noting but highlighted that the Angus Shared Apprenticeship Scheme in partnership with Angus Council has struggled financially since the COVID-19 pandemic and the SAL board has decided to wind up the company over the coming months. Recruitment of new apprentices has stopped, and the final remaining apprentices will be retained until their apprenticeships are completed (around April 2024). Whilst the winding up of SAL is regrettable, there is no financial risk to the College in respect of this.The report was noted. |
|  | **DATE OF NEXT MEETING** – Tuesday 27 February 2024, 5.00pm A625, Kingsway Campus |

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| **Action Point Summary** |  |  |
| **Action** | **Responsibility** | **Date** |
| Update on GTL Operations and finances to be presented to F&P | S Hewitt | 27 February 2024 |
| Clarification of procurement contract award/start dates to be provided | B Ferguson | 22 December 2023 |
| Procurement Strategy to be published | B Ferguson | 22 December 2023 |