# logo_colourBOARD OF MANAGEMENT

**Finance & Property Committee**

Tuesday 27 February 2024 at 5.00pm Room A625, Kingsway Campus and via MS Teams

Minute of the Finance & Property Committee meeting held on Tuesday 27 February 2024 at 5.00pm in Room A625 Kingsway Campus and via Microsoft Teams

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| **PRESENT:** | D Fordyce | L O’Donnell |
|  | B Lawrie | S Hewitt |
|  | C Cusick | D Rosie |
|  | M Beattie | R McLellan |

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| **IN ATTENDANCE:** | S Taylor (Vice Principal Support Services and Operations) | |
|  | J Grace (Vice Principal Curriculum and Partnerships) | |
|  | A Ross (Director of Infrastructure) | B Grace (Head of Estates) |
|  | N Anderson (Director of Finance) | B Ferguson (Head of Finance) |
|  | P Muir (Board Administrator) |  |

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|  | **WELCOME**  D Fordyce welcomed everyone to the meeting and welcomed N Anderson as the new Director of Finance. |
|  | **APOLOGIES**  Apologies were received from D Smith. |
|  | **DECLARATIONS OF CONNECTION & INTEREST**  No declarations were noted. |
|  | **MINUTE OF THE PREVIOUS MEETING** – 5 December 2023  The minute of the Finance & Property Committee meeting held on 5 of December 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 updates since the previous meeting and noted that the overall Scottish budget showed an 8.4% reduction in sector funding compared with the previous year. This had, however, to be adjusted for the removal of the £26 million never received and resulted in a c4.7% overall reduction.  S Hewitt stated that allowing for changes in student support funds and the removal of the Flexible Workforce Development Fund (FWDF) it was anticipated that the funding available for main teaching grant would be flat cash for 2024/25.  In respect of the FWDF, J Grace highlighted that the college is working with the Tay City Deals SME project to seek to mitigate some of the funding lost to companies. Other discussions were progressing with both local Economic Development teams to seek support for company training that was already committed or planned.  D Fordyce asked if the loss of the Flexible Workforce Development Fund would impact on the College staffing involved in managing this. J Grace informed the Committee that the withdrawal of the fund had resulted in the removal of a current vacancy, but that employer engagement work would progress using College advisors and through the advisors employed as part of the Tay Cities project.  D Rosie asked if there was a difference in funding between the Flexible Workforce Development Fund and the Tay Cities Deal funds. J Grace clarified that the contribution from both funds was the same and stated that there was a change request in process for the Tay Cities Deal project to help to better support companies given the loss of the Flexible Workforce Development Fund.  S Hewitt acknowledged that the upcoming academic year 2024/25 is expected to be financially challenging, but that – whilst still looking at opportunities to make savings - the College was in a good position.  S Hewitt highlighted that the Voluntary Severance (VS) scheme was open, operating under an enabling framework. It was noted that the VS scheme has yielded some savings, consequently improving the colleges financial standing.  R McLellan asked about any progress on pay negotiations. S Taylor stated there had been no progress so far but that conversations are ongoing with trade unions, emphasising that an agreement must be reached by all parties.  D Fordyce thanked S Hewitt and others for the update.   * 1. **Management Accounts & Forecast Outturn**   B Ferguson provided a summary of the Management Accounts & Forecast Outturn. It was highlighted that the Scottish Funding Council (SFC) confirmed there would be no further funding for the Flexible Workforce Development for both 2023/24 and 2024/25.  B Ferguson confirmed that the Scottish Funding Council (SFC) will not initiate a clawback of grant funding for the previous year. Consequently, the provision of £320K allocated in July 2023 is deemed unnecessary, thus, will result in a non-recurrent boost to the operating position for this year, bringing the forecast up to a surplus of £538k.  B Ferguson highlighted the unresolved pay awards for both academic and support staff with industrial action imminent from the academic union, EIS/FELA. Dundee & Angus college intends to provide for an award in line with the current, and final, offer extending three years from September 2022 through to August 2025. It was noted that the Voluntary Scheme (VS) provision remains unchanged at £300K.  B Ferguson stated the Scottish Funding Council (SFC) will provide funding allocations towards the end of March 2024, and then the full extent of required savings will be determined.  B Ferguson highlighted to the Committee of a potential threat which has emerged regarding the allocation of Capital Maintenance funding received from the Scottish Funding Council (SFC) who have said that they are under pressure from the Scottish Government to utilise the entire sector allocation of £31m as capital expenditure (CDEL) rather than a combination of capital and revenue (RDEL). Discussions are ongoing with SFC assuring colleges of engagement with the Government to secure necessary flexibility around this matter. B Ferguson highlighted this risk is a sector wide concern impacting all colleges to varying extents. The removal of this flexibility could, however, be significant in respect of the future funding of maintenance and improvement works. Efforts are underway which are led by College Scotland to address this through intense lobbying.  B Ferguson noted that an error had been identified within the Management accounts paper and he will update the document and reissue. **B Ferguson to progress.**  S. Hewitt expressed appreciation and recognition for the dedication and hard work exhibited by the team and staff across the college in maintaining its financial sustainability.  D Fordyce praised the report and the improved forecast. |
|  | **INFRASTRUCTURE**   * 1. **Future Infrastructure Vision**   S Hewitt highlighted his paper giving an outline of work currently progressing to inform and create a long term infrastructure vision for the College and emphasised that the infrastructure plan aims to not only meet the aspirations of Dundee & Angus College students / staff but also to align with local, regional, and national priorities.  S Hewitt stated that in December 2023, the SFC introduced the College Infrastructure Strategy Delivery Plan and noted that the work progressing would also align with this national strategy.  S Hewitt highlighted the importance of a Future Infrastructure Vision and tackling the immediate challenges within our current infrastructure as well as creating a vision and plan to move forward with should substantial capital funds become accessible.    The report was welcomed by the Committee.   * 1. **Estates Update**   B Grace summarised this report highlighting that the Estates Project team has now completed almost all of the planned projects across all 3 campuses over what has been an extremely busy year.  B Grace highlighted a comprehensive survey of the RAAC which was conducted by the college appointed Structural Engineer- Christie Gillespie. Their final report submitted to the college illustrated the RAAC survey now includes recommendations for Stage 5- Management and Remediation Strategy.  D Fordyce asked if there was a sector assessment of issues and costs associated with the RAAC issue. In response, B Grace clarified that this information was starting to become available on the [Scottish Funding Council website](https://www.sfc.ac.uk/estates-infrastructure/reinforced-autoclaved-aerated-concrete-raac/).  B Grace highlighted the progress on the Gardyne LED Lighting Project, which is nearing completion, with more than 3000 out of the 3500 fittings already replaced.  This project is poised to make a substantial difference in the electrical energy consumption of Dundee & Angus College, with an estimated reduction of 260,000 kWh/year. Furthermore, it is expected to result in a carbon reduction of approximately 155 tons of CO2 per year and generate a financial saving of £60,000 annually.  L O'Donnell commended the Estates Team for their dedication and hard work.   * 1. **Post Project Evaluation – Kingsway Development**   A Ross provided a positive update on the Hair & Beauty Project, highlighting the provision of state-of-the-art facilities aimed at enhancing student’s real-life working experiences as part of their learning. The project was successfully completed within the revised budget and timeline back in April 2022.  A Ross also shared the outcomes of the Student Satisfaction Survey finalised in November 2023. Hair & Beauty rated their overall satisfaction at 4.5 out of 5 marking it as the second-highest rating in the college. This represents an improvement from the previous survey in November 2019.  Although A Ross acknowledged the financial challenges encountered during the refurbishment of the project, he reassured the Committee that these challenges were effectively managed and kept within the allocated revised budget. D Fordyce commended the Estates Team for their efforts in overcoming the numerous challenges within the project.    D Rosie asked how the new facility and the opportunities it offered were being marketed. J Grace highlighted that student recruitment in the area was very buoyant and that the focus on marketing and promotional activity was focused more on the utilisation of the Hair & Beauty Salon from industry and its status as a facility for hire.  S Hewitt noted that there was on-going employer stakeholder engagement in all areas of the curriculum.  The Committee welcomed this paper and the approach to post project evaluation that it covered. |
|  | **GARDYNE THEATRE REVIEW**  S Hewitt presented the paper to the Committee for noting. He provided an update on the operation of Gardyne Theatre Limited (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.  N Anderson summaries the financial position and what future steps would be taken to support a more sustainable operating position. Further information on future options would be brought to the May meeting. **N Anderson to progress.**  The paper was noted by the Committee and it was agreed that this was not for publication given the commercial details included in it. |
|  | **PROCUREMENT UPDATE**  N Anderson provided an update on procurement, confirming recent awards made and highlighting awards requiring Committee approval.  The Committee confirmed their approval for the relevant items.  The improved score for the College in the recent Procurement and Commercial Improvement Programme (PCIP) assessment was noted. |
|  | **STRATEGIC RISK REGISTER**  S Taylor summarised the Risk Register paper for approval, highlighting amendment to the risk associated with credit activity and the additional risks that have been added to the Strategic Risk Register as per the recommendations from the Audit & Risk Committee and recent risk management audit.  The amendments were approved for final consideration by the Audit & Risk Committee. |
|  | **CORPORATE SERVICES REPORT**  N Anderson provided a summary of the report, acknowledging the excellent work being carried out by various teams across the College. She informed the Committee that work has commenced on the draft budget for academic year 2024/25, accompanied by a draft timetable and budget guidance.  The aim of this budgeting process is to incrementally build the budget to identify baseline costs and assess the cost implications of delivering operational plans. This approach will enable the Senior Leadership Team to better prioritise initiatives and identify any necessary cost-saving measures to ensure a balanced budget for 2024/25.  N Anderson stated that it would be useful to get feedback from the Committee on developments and proposals and it was agreed that a short session be organised before the next meeting to engage Committee members in the proposed changes.  **N Anderson to progress.**  The committee noted the paper. |
|  | **DATE OF THE NEXT MEETING**  Tuesday 28 May 2024 at 5.00pm in Room A625, Kingsway campus. |

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| **Action Point Summary** |  |  |
| **Action** | **Responsibility** | **Date** |
| Correction to minor error in management accounts to be made and paper reissued. | B Ferguson | 22 March 2024 |
| Options paper on GTL to be discussed | N Anderson | 28 May 2024 |
| Discussion session on revised budget process to be arranged | N Anderson | 28 May 2024 |