# **logo_colourBOARD OF MANAGEMENT**

**Finance & Property Committee**

Tuesday 10 September 2024 at 5.00pm **Room K-TO-624, Kingsway Campus** (MS Teams option available)

## Minute of the Finance & Property Committee meeting held on Tuesday 10 September 2024 at 5.00pm, in Room K-TO-624, Kingsway Campus.

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| **PRESENT:** | Brian Lawrie | Ged Bell |
|  | Carri Cusick | Derek Smith |
|  | Stephen Oakley | Donald Mackenzie |
|  | Donna Fordyce | Laurie O’Donnell |
|  | Matthew Beattie |  |

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| **IN ATTENDANCE:** | Julie Grace (Vice Principal Curriculum and Partnerships) |
|  | Steven Taylor (Vice Principal Support Services & Operations) |
|  | Nicky Anderson (Director of Finance) |
|  | Andy Ross (Director of Infrastructure) |
|  | Penny Muir (Board Administrator) |
|  | Scott Anderson (Independent Observer for the Board) |

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|  | **WELCOME**  B Lawrie, acting chair, welcomed everyone to the Finance & Property Committee meeting. He welcomed Scott Anderson as an Independent Observer for the Board and Ged Bell as a new member of the Board. |
|  | **APOLOGIES**  Apologies were received from Simon Hewitt, Daniel Rosie, Roy McLellan, and Billy Grace. |
|  | **DECLARATIONS OF CONNECTION & INTEREST**  No declarations were noted. |
|  | **MINUTE OF THE PREVIOUS MEETING**  The minute of the Finance & Property Committee meeting held on the 28th of May 2024 was approved as an accurate record. |
|  | **MATTERS ARISING**  Matters arising around the Gardyne Theatre to be updated to include the date of review. |
|  | **FINANCE**   * 1. **Financial Sustainability**   S Taylor provided a verbal update noting that flat cash funding is expected to continue, with a small increase to support the academic pay deal. National discussions are ongoing, with the academic settlement likely to set a baseline platform with support unions, although this is unlikely to be funded. S Taylor highlighted that costs are expected to rise, and the College is actively working on identifying necessary savings and developing plans to address financial challenges in the foreseeable future.  S Taylor stressed the outlook for the foreseeable future remains tight. During the HR Committee discussion, it was emphasised that, based on current information from the UK and Scottish Governments, funding is unlikely to increase, presenting a very challenging environment.  B Lawrie enquired about the timing for discussions around the 2025/26 draft budget. S Taylor responded that these discussions typically begin in December, with an indicative funding allocation from the Scottish Funding Council expected in February 2025, and confirmation anticipated by May 2025.  S Taylor noted that the savings efforts over the past few years have made a positive difference. S Oakley asked about the likelihood of a further savings plans exercise to which S Taylor confirmed that ongoing savings are being sought as needed. He expressed hope, that with greater clarity from the academic side, the college can better plan its finances and avoid further extensive savings exercises.  L O' Donnell stressed that continued savings are necessary to innovate and meet the needs of students, partners, and businesses. He emphasised that savings should be viewed as part of the college’s sustainable management strategy.  B Lawrie remarked that while finances are often seen negatively, making savings can present opportunities for redevelopment and investment. He suggested that the focus should shift from reductions to how finance can create opportunities. S Oakley suggested reframing the conversation around savings to focus on efficiency instead.  S Taylor acknowledged the challenges of public sector funding but highlighted the ongoing work on project funds and the efforts to explore new opportunities. He stated the environment remains challenging, but the college is taking proactive steps.  S Oakley also noted that trade unions are focusing on funding and lobbying for education as a whole.  B Lawrie thanked S Taylor for the update.   * 1. **Forecast Outturn 2023/24**   N Anderson highlighted the Forecast Outturn 2023/24 report.  N Anderson highlighted that the report projects a current surplus of £1.3 million, representing a movement of £786k since the Quarter 3 report.  N Anderson stressed that the report comes with a health warning, as there is still significant work to be completed on the final accounts.  L O'Donnell asked if the projected surplus does not account for the loan at Gardyne. N Anderson confirmed this, adding that adjustments can be made going forward to improve reporting, separating operating, project, and capital costs.  D Fordyce found the spreadsheet helpful and inquired whether the surplus, if achieved, could be used for additional purposes. N Anderson explained that this is unlikely, as the loan remains to be paid off. She further noted that the loan can be repaid at any time, offering some flexibility if the situation improved.  The paper was noted.   * 1. **2024/25 Budget Setting, Monitoring & Reporting Update**   N Anderson noted that the budget was approved by the Board in June 2024 which reflected a deficit of £464,000, in addition to the loan of £457,000, resulting in a total budgeted deficit of £921,000 for 2024/25. N Anderson noted that the normal budget-setting process is being followed, with ongoing refinements aimed at presenting a more balanced budget to the Finance & Property Committee (F&PC) and the Board of Management in December 2024.  Currently, the budget shows an additional deficit of £437,000, increasing the overall deficit, including the loan, to £1.36 million.  N Anderson highlighted that discussions are ongoing with the Senior Leadership Team (SLT) to focus on bringing the budget back into a more balanced position before the December meeting.  D Fordyce noted the significant financial pressures, acknowledging the challenge of maintaining staff momentum while finding efficiencies. N Anderson responded positively, highlighting that the college has been effective in implementing efficiencies and has much of the necessary framework in place to achieve the required savings.  B Lawrie raised a concern about the additional pressure placed on finance staff, given the shift towards increased accountability of budget holders and changes in financial processes. He asked whether there were adequate resources within the finance team to manage this. N Anderson advised that resources are limited but confirmed they are still on track to meet targets, highlighting new opportunities within the Finance Department.  S Taylor added that regular catchups are being held to prioritise tasks and establish timelines. He noted that this year is a transitional period, with the current budget set similarly to previous years but now being reviewed with a fresh perspective. Over the next two years, the aim is to achieve closer alignment between budget planning and execution, enabling more effective in-year decisions; emphasising the importance of accurate financial planning to support curriculum and service developments and opportunities.  S Oakley questioned the flexibility of finances and asked what training resources would be provided to help budget holders support efficiency. N Anderson responded that September monitoring is underway, with October being the first opportunity to meet with individual budget holders. Following these meetings, training will be provided to budget holders, with the planned approach to work closely with individual managers through month-by-month training to support them over time. N Anderson emphasised that this process would take time and will not be a one-size-fits-all approach, with the focus on building trust with budget holders and to improve the accuracy of financial forecasts.  The current forecast and planned steps to improve the budget position and accuracy were noted.   * 1. **Financial Regulations Review**   N Anderson highlighted this paper for approval and noting.  N Anderson highlighted that the financial regulations have been updated to better align authority levels with responsibility under the new senior management structure. This includes adjustments to purchasing authority and asset disposal.  N Anderson highlighted that updated procurement thresholds will be submitted to the Committee for approval in December, once the new procurement service roles and responsibilities are finalised.  L O’Donnell mentioned a potential change to the papers in addressing ‘the Council’ as the ‘Scottish Funding Council’ (SFC).  The paper and changes in thresholds were approved. **N Anderson to progress.**   * 1. **Financial Forecast Return (FFR)**   N Anderson reminded the committee that the submission of the Financial Forecast Return (FFR) in June did not align with the committee’s meeting schedule for approval. As a result, the FFR was approved by L O'Donnell, as Board Chair, and B Lawrie, acting on behalf of the Finance & Property Committee Chair.  The content and approach adopted for completion of the FFR was noted and S Taylor expressed a desire to make better use of the FFR going forward as part of the Colleges financial strategy and planning.  It was noted that the FFR had been discussed with SFC who were content that the College understood the impact of potential flat cash funding and the possible need for savings to balance future budgets.  The retrospective approval of the paper was recorded. |
|  | **INFRASTRUCTURE**   * 1. **Future Infrastructure Vision**   S Taylor provided a short update on the 10-year vision, outlining the desired direction for future campus development / replacement. While there have been many conversations and significant interest, there is nothing tangible at this time., although positive feedback has been received and discussions were ongoing with SFC and the Scottish Government.  Work would progress on creating a strategic outline case. B Lawrie enquired whether Dundee Council was involved. It was confirmed that both Angus Council and Dundee Council are active in discussions.  The update was welcomed.   * 1. **Estates Update**   B Lawrie highlighted that the capital funding figure should be updated to £2.53 million. **B Grace to progress.**  S Taylor reported significant progress over the summer, including extensive developments in teaching spaces. Although there were some challenges and delays in delivery of carpets / furniture, these have been addressed, and noticeable improvements are evident at all campuses. He expressed appreciation for the hard work of B Grace and A Ross and their teams throughout the summer.  D Fordyce inquired about further developments concerning funding to replace RAAC from the Scottish Government. S Taylor responded that no additional funding is available, and that monitoring was continuing.  S Oakley questioned how to improve the estates project process to minimise its impact on students. He commended the efforts made and asked about the involvement of contractors.  A Ross explained that efforts are made to align with schedules and gain early access to specific areas as early as possible at the summer. Each year provides new lessons and improvements.  B Lawrie thanked everyone for their contributions, acknowledging the huge effort made on the range of projects in the short timeframe. |
|  | **GARDYNE THEATRE REVIEW**  N Anderson presented the current financial position of the Gardyne Theatre, noting a deterioration in the 2023/24 outturn.  A review of the cost versus income per show is underway, revealing that margins are minimal, with many shows having expenditures that exceed the income they generate. Further analysis is required. Efforts are being made to identify potential savings, review staffing levels, assess bar income and charges, and explore additional income opportunities. N Anderson noted that results from this review are expected by the end of October or early November 2024.  To support GTL's continued operation, the Board had been asked to approve a delay in collecting the £20,000 SLA recharge for the 2023/24 period by six months and to provide a maximum of £5,000 per month until December 31, 2024, to improve GTL's cash position. The Board agreed to support this.  B Lawrie inquired if GTL could operate at a loss, questioning whether it would pass the OSCR financial viability tests should there be a move to establish it as a charity. N Anderson acknowledged the need for substantial data and analysis to determine if the issue is purely cash flow-related.  S Taylor noted the need to stabilise the college's position and secure additional funding for GTL. G Bell asked about the college's influence over the GTL board. S Taylor explained that while the college owns GTL, it operates with its own board but maintains a close relationship. The theatre's financial stability is essential, given the pressure on public funding and the significant impact of grant cuts**.**  L O’Donnell emphasised the importance of the theatre as a community asset, stressing the need to consider its social and cultural impact alongside its financial performance and noted the need for the College to safeguard it for future generations.  D Smith asked about other commercial income opportunities and S Taylor mentioned that GTL is used for various commercial events but that options were limited by the nature of the facilities.  The Board approved the proposed measures and will review the situation at the December meeting. **N Anderson to progress**. |
|  | **PROCUREMENT UPDATE**  N Anderson presented a Procurement update for approval.  She highlighted that iTrent, the payroll system utilised by Dundee & Angus College, is due for renewal. N Anderson explained that the college is exploring the possibility of a contract extension to synchronise the HR/Payroll contract renewal dates with other financial system renewal dates, aiming to provide more flexibility.  C Cusick inquired about the nature of Associate Trainers and the purpose of this procurement. J Grace responded that the procurement team is in the process of renewing the contract and evaluating its use within the college. The proposed extension of two years would allow the procurement team to meet demand and ensure continuity for commercial training provision.  The committee approved the update and procurement requests. |
|  | **STRATEGIC RISK REGISTER**  S Taylor stated that there are no proposed changes at this time. This was approved. |
|  | **SUPPORT SERVICES REPORT**  N Anderson highlighted the report for noting.  B Lawrie expressed gratification regarding the increased demand for the Service Design Academy's services. He commended the positive improvements and extended his thanks to everyone involved in generating the report. |
|  | **DATE OF NEXT MEETING.** Tuesday 3 December 2024, 5.15pm Kingsway Campus (Joint meeting with the Audit & Risk Committee) |

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| **Action Point Summary** |  |  |
| **Action** | **Responsibility** | **Date** |
| Financial Regulations to be updated as per proposals | N Anderson | 30 October 2024 |
| Correct the capital funding figure to £2.53 million | B Grace | 3 December 2024 |
| Update on GTL | N Anderson | 3 December 2024 |