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**Finance & Property Committee**

Tuesday 3 December 2024

Minute of the Finance & Property Committee meeting held on Tuesday 3 December 2024 at 18:15pm in Room K-TO-604 Kingsway Campus and via Microsoft Teams.

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| **PRESENT:** | Brian Lawrie | Laurie O’Donnell |
|  | Stephen Oakley | Simon Hewitt |
|  | Ged Bell | Derek Smith |
|  | Matthew Beattie |  |

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| **IN ATTENDANCE:** | Steve Taylor (Vice Principal Support Services and Operations) | |
|  | Julie Grace (Vice Principal Curriculum and Partnerships) | |
|  | Andy Ross (Director of Infrastructure) | Penny Muir (Board Administrator) |
|  | Nicky Anderson (Director of Finance) |  |
|  | Billy Grace (Head of Estates |  |

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|  | **WELCOME**  B Lawrie welcomed members to the Finance & Property Committee meeting. |
|  | **APOLOGIES**  Apologies were noted from R McLellan, C Cusick, D Mackenzie, D Rosie, and D Fordyce. |
|  | **DECLARATIONS OF INTEREST OR CONNECTION**  There were no declarations of interest or connection. |
|  | **MINUTES OF PREVIOUS MEETING**  The minute of the Finance and Property Committee meeting held on 10 September 2024 was approved as an accurate record. |
|  | **MATTERS ARISING**  B Lawrie confirmed that all outstanding Matters Arising were updated. |
|  | **FINANCE ITEMS**   * 1. **FINANCIAL SUSTAINABILITY**   S Hewitt provided a summary of financial sustainability actions, highlighting that the situation remained challenging with numerous risks around current and future funding levels.  Discussions are ongoing with the Scottish Government, with the draft budget expected on 4 December 2024. S Hewitt noted there is uncertainty around the Pension Funding and National Insurance, with clarity still awaited regarding the implications.  Despite these challenges, the priority remains focused on improving the financial position through increased income, further efficiencies, and operational improvements. S Hewitt reassured that the College is not yet at the stage of implementing a savings plan.  S Hewitt stated efforts are being made to identify additional income streams and explore savings in-year. The Senior Leadership Team (SLT) will continue to work on this to return the budget to as close to breakeven as possible.  The update was noted.   * 1. **2024/25 BUDGET UPDATE AND FORECAST OUTURN REPORT**   N Anderson provided an update on the 2024/25 Budget and Forecast Outturn report, highlighting a key risk currently facing the institution: the CDEL/RDEL issue. N Anderson emphasised that, if the College is unable to continue switching capital to revenue in 2024/25, it will result in an increase of £1 million to the projected deficit, along with a corresponding underspend on capital. The Finance Directors and the Tripartite Group are actively lobbying the government and SFC to resolve this issue, but time is limited, as the funding is tied to the financial year ending 31 March. Efforts are being made to capitalise as many projects as possible.  The current forecast remained at a deficit of c£1.3 million relative to the original budget deficit of £961k. As noted under the previous item, work was progressing to make in year savings and to plan for the 2025/26 budget. N Anderson reported that flat cash budgets are expected to continue for the foreseeable future.  B Lawrie stated the D&A Foundation had been very positive about the future infrastructure vision and had confirmed its support for the funding bid to help the College move forward. A productive discussion was held, and the Foundation expressed its continued support for the application and optimism about its progress.  The report was approved.   * 1. **DRAFT TUITION FEES 2025/26**   J Grace summarised the planned fees for 2025/26, noting that most were unchanged. However, an increase in international fees is being proposed to align with current staffing costs.  Following review, the Committee approved the fee proposals. |
|  | **ESTATES UPDATE**  B Grace provided a summary of the report, highlighting the significant range of work and projects undertaken in recent months. B Grace also noted the arrangements in place to manage risks associated with RAAC, which remain under control.  The College is participating in a baseline condition exercise with the Scottish Funding Council to assess its position and estimate the costs required to restore the College’s facilities to category B condition. A comprehensive condition survey has been completed to inform this work and its findings will inform the Estates Vision and guide future planned works.  B Grace highlighted some buildings are categorised as Condition D, including those with RAAC present, were noted as being almost inoperable. These findings underline the urgency of addressing issues within the Estates Vision.  B Grace noted the recent success at the Green Gown Awards, with Christine Calder, one of the sustainability champions, being recognised for her contributions. This marks the College’s third Green Gown Award, a significant achievement across UK and Ireland. The Committee expressed its congratulations on this phenomenal outcome and asked that their congratulations be passed on to Christine. **S Taylor to progress.**  In response to a query from B Lawrie, B Grace confirmed that the baseline condition exercise was unlikely to impact future capital maintenance funding but could support the case for major infrastructure investment.  L O'Donnell emphasised the importance of balancing the College's future vision with the need to continue to maintain the current estate and ensure ongoing health and safety compliance.  S Hewitt provided an update on feedback and work progressing on the wider infrastructure vision and noted that a more detailed update would be provided for the Board meeting.  Over the coming months, efforts will focus on development of the necessary business case and operating model while continuing engagement with the Scottish Government and private investors. Staff briefings have been well-received.  L O'Donnell enquired whether any staff members had raised concerns. S Hewitt stated that there had been some comment regarding a reduction in provision at Arbroath that had been directly addressed. S Taylor added that some staff had expressed concerns about the perceived reduction in size of the Arbroath campus in the images, but that this was not the case and the footprint was equivalent in size to the current campus. S Hewitt noted that while the designs might appear different, the overall size of the buildings for Arbroath and Dundee remained comparable.  The update was well-received, and the Committee extended its congratulations and thanks to the Senior Leadership Team (SLT) and others involved for their work.  The update was welcomed. |
|  | **GARDYNE THEATRE LIMITED UPDATE**  S Hewitt provided an update on the operation of GTL and it was agreed that a working group be established to consider the draft report and made recommendations to the next Board meeting. **S Taylor/N Anderson to progress.**  Given that the report included confidential individual information it was agreed that this should not be published.  The Committee agreed to the recommendations. |
|  | **PROCUREMENT**   * 1. **ANNUAL PROCUEMENT REPORT**   N Anderson introduced the annual report for noting and summarised key points.  B Lawrie noted comment on the procurement audit and suggested that it would be useful to have a separate report from the A&R audit to ensure the Committee is satisfied with the work around procurement. This was agreed, **N Anderson to progress.**  The annual report was noted.   * 1. **PROCUREMENT UPDATE**   N Anderson provided a summary of the procurement update.  The report covered awards and contract extensions over £100k, with the Committee noting the recently awarded contract to Xerox. There were no contract awards to be approved.  B Lawrie enquired whether the figures quoted excluded VAT and if this was recoverable or subject to partial exemption. N Anderson clarified that VAT is often included in quotes, but procurement generally quotes excluding VAT. The actual cost, however, will include VAT where appropriate.  The report was noted and approved.   * 1. **PROCUREMENT STRATEGY**   N Anderson summarised the document for approval.  The document was presented as a simplified framework for procurement, designed to support the college's strategic objectives and foster economic growth in the region. It was recognised that this was a far simpler read than the previous version.  B Lawrie noted some typographical errors in the strategy document and agreed to follow up with N Anderson to amend these.  The report was noted.  **9.4 PROCUREMENT AUTHORITY THRESHOLDS**  N Anderson highlighted this report for approval.  It was highlighted as part of the Creditors and Procurement audit report that the procurement support needs to be reviewed. This is the final phase of the work to ensure the authorisation thresholds align with the new structure and the new procurement support model.  B Lawrie acknowledged the proposals as good practice and welcomed the closer alignment with budget holders.  The changes in procurement thresholds were approved. |
|  | **STRATEGIC RISK REGISTER**  S Taylor confirmed that following discussions at the Audit & Risk Committee, there are no changes to the Strategic Risk Register at present. However, updates will be made in March 2025, following the work undertaken on the board risk appetite.  The report was approved. |
|  | **SUPPORT SERVICES REPORT**  N Anderson acknowledged the report for noting and highlighted the overall funding position for Colleges.  A typographical error was noted and would be corrected and the overall report was noted. |
|  | **DATE OF NEXT MEETING** – Tuesday 25 February 2025, 5.00pm K-TO-624, Kingsway Campus |

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| **Action Point Summary** |  |  |
| **Action** | **Responsibility** | **Date** |
| Congratulations to be passed on to Christine Calder on her Green Gown award | S Taylor | 13 December 2024 |
| GTL Working group to be established | S Taylor / N Anderson | 13 December 2024 |
| Update on work to enhance procurement to be provided | N Anderson | 25 February 2025 |