

Board of Management

Meeting of the Finance & Physical Resources Committee

MINUTE OF 4th MEETING HELD ON WEDNESDAY 9 MARCH 2022 AT 1600 HRS (FPRC4)

Present	
Karen Kelly (KK) (Convener)	Ronnie Quinn (RQ)
Paul Little (PL)	Bernie Savage (BS)
Stuart Patrick (SP)	Lesley Woolfries (LW)
In attendance	
Barry Ashcroft (BA)	John Gribben (JFG) (Item 4.1 only)
Nicola Cameron (NC) (From Item 4.3)	Jill Loftus (JL) (Item 4.1 only)
Paul Clark (PC)	Stuart Thompson (ST)
Mark Drummond (MD)	Ann Butcher (Minute)
Apologies for absence	
None	

Item FPRC4-1	Apologies for Absence	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	There were no apologies.	

Item FPRC4-2	Declarations of Interest	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	SP declared an interest under Item 6, AONB – North Hanover Street overage discussion.	

Item FPRC4-3.1	Minute of Previous Meeting held on 1 December 2021	
Paper No: FPRC4-A	Lead: Convener	Action requested: Approve
Decision/No4ed	That the minute be approved.	

Item FPRC4-3.2	Minute of Previous Meeting held on 27 January 2022	
Paper No: FPRC4-B	Lead: Convener	Action requested: Approve
Decision/No4ed	That the minute be approved.	

Item FPRC4-3.3	Committee Terms of Reference Review	
Paper No: FPRC4-C	Lead: P Clark	Action requested: Approve

Discussion/ Matters Arising	The Committee Terms of Reference were reviewed. Members agreed that explicit reference to the College Group be made and should be further considered for inclusion under all Board Committee ToRs.
Decision/Noted	Update ToRs as discussed.

Item FPRC4-3.4	College Student Accommodation charges 2022-23	
Paper No: FPRC4-D	Lead: P Clark	Action requested: Approve
Decision/Noted	To approve the recommended 2022-23 charges for the College Student Accommodation.	

Item 4.9 was taken.

Item FPRC4-4.9	IT Progress Report	
Paper No: FPRC4-J	Lead: B Ashcroft	Action requested: Discuss
Discussion/ Matters Arising	<p>BA provided an update report on the steps taken to recover the 2020-21 Student Loan Laptops. Despite multiple requests and invoices dispatched, 248 laptops (cost £125,056) have not been returned. Further options ie pass to a debt collection agency or agree debt as unrecoverable for 'write-off' within the College accounts were proposed. It was acknowledged that the asset cost would depreciate however it was noted that the devices were within their useful lifespan.</p> <p>The merits of the proposed options were discussed at length and members expressed the need to demonstrate all measures taken to recover the devices as any decision to 'write off' the debt as unrecoverable would need adequate rationale prior to escalation to the Glasgow Colleges Regional Board (GCRB) and the Scottish Funding Council (SFC).</p> <p>The Committee considered that as the device loan scheme was a new initiative, debt 'write off' would set a precedence for future year. Given the College's responsibility as custodian of public funds, College assets must be safeguarded and failure to return devices was not acceptable. Members agreed that every effort should be made to recover the debt.</p> <p>It was further agreed that a direct approach be taken to instruct the College solicitor to produce a legal letter (to be issued to students as appropriate) explaining the next steps in the process ie return the device/repay the money owed, prior to escalation.</p> <p>PL advised on earlier SMT discussion and requested that a balanced position between compassion and stewardship of government funds be further considered and suggested that soundings from GCRB, SFC and Scottish government be obtained to further inform any approach.</p> <p>The Committee recognised the detrimental impact that this may have on students and agreed to receive further soundings in conjunction with preparation of a legal letter in advance of passing on the debt to a recovery agency.</p>	

	BA will further discuss laptop loan permission status (including early requests for return) and remote access issues for students serving at sea with BS.
Decision/Noted	To provide an update report at the next meeting.

Item FPRC4-4.1		Health and Safety Quarterly Report	
Paper No: FPRC4-E	Lead: J Gribben/J Loftus	Action requested: Discuss	
Discussion/ Matters Arising	<p>JFG updated the Committee on Health and Safety matters for the period 01 11 21 - 31 01 22 and advised that the new Health and Safety Manager has commenced post. Members particularly noted the up to date Covid-19 absence data recordings (from Sept 20 – Jan 22). Given the ongoing increase of staff and student numbers on site, PL requested that a Covid graph be added to future reports. The following issues were also highlighted:</p> <ul style="list-style-type: none"> • 17 accidents/incidents (including 4 RIDDOR) were recorded. No lifechanging incidents were reported. • Provision of online training (ie DSE, Fire Safety and Evacuation, and Introduction to Health and Safety at Work) is ongoing and will continue as staff migrate back on campus and hybrid working arrangements remain. • The fire evacuation drill scheduled for 17 01 22 was positive however a small number of lessons learned were noted for action. • Uptake on staff flu vaccinations was well received. • Disappointment was noted following cancellation of the November H&S Committee meeting. This was due to late apologies received from TU representatives. <p>LW referred to the significant level of staff absences and highlighted the ongoing financial impact particularly given current economic challenges. The requirement to mitigate and reduce absenteeism was raised and JFG confirmed that additional resources (focussing on staff wellbeing programmes and additional support for return to work) have been approved to help prevent absenteeism and reduce absence rates to more manageable levels. Further information will be provided in due course.</p>		
Decision/Noted	To provide a Covid graph in future reports.		

Item FPRC4-4.2		Financial Plan 2021-22 Update	
Paper No: FPRC4-F	Lead: M Drummond	Action requested: Discuss	
Discussion/ Matters Arising	<p>MD presented the Financial Plan 21-22 update and reminded the budget had been set with an underlying operating deficit of £740k. The revised forecast shows an increased year end deficit of £2.0m. The College continues to operate within a challenging economic environment including lower than budgeted fundable student recruitment and retention and increased staffing costs. Whilst delivery of additional NTTFF/YPG credits was achieved, the overall position remains adverse.</p>		

	<p>Movements within the income and expenditure budget including additional pay factors and increased NI contributions were reviewed. Six cost saving initiatives have been agreed by ELT and are being progressed. PL confirmed that the proposed VS Scheme will be submitted to GCRB prior to formal approval by the College Board.</p> <p>Members commended SMT for the efforts made to reduce the deficit including roll out of additional efficiency and increased income initiatives; however, members requested a more detailed timeline which tracks the scheduling and ongoing delivery of the cost saving initiatives and the continuing effect on the forecast deficit.</p>
Decision/Noted	<ul style="list-style-type: none"> To provide additional information as requested in future reports. To submit the VS Scheme for approval by the full Board.

NC entered the meeting during the following discussion.

Item FPRC4-4.3		Early View Budget 2022-23	
Paper No: FPRC4-G	Lead: M Drummond	Action requested: Discuss	
Discussion/ Matters Arising	<p>MD provided an early view draft budget for 2022-23 ahead of the SFC funding announcement expected at the end of March. The current budget projection was informed by extensive sector and stakeholder engagement.</p> <p>Given the current College financial performance and long-standing financial pressures within the sector including externally driven factors ie reduction in SFC funding, continued increase in staffing costs, ongoing restrictions (negatively impacting student recruitment) and uncertainty within the operating environment, a similar level of current deficit (£2.5m) is anticipated. This incorporates corrective actions (c£4m) including growth in income streams and staffing efficiencies.</p> <p>PL updated members on College engagement with the SFC. It was highlighted that the College's unique position of high volume, non SFC income has been significantly impacted by the pandemic. As all income sources have yet to recover, removal of additional funding support has significantly weakened the College's financial position and is limiting progress towards achieving a breakeven position.</p>		
Decision/Noted	The final budget and long-term projection paper will be presented at the next meeting.		

Item FPRC4-4.4		Estates Development Strategy Update	
Paper No: FPRC4-H	Lead: S Thompson	Action requested: Discuss	
Discussion/ Matters Arising	<p>Following the recommendations made at the special meeting of the Committee held on 27 01 22, an updated Estates Development Strategy was submitted for further review. Members were made aware that LW, RQ and NC were provided with advanced sight of the paper for feedback. Due to time constraints, not all comments and previous recommendations had been incorporated.</p>		

	<p>Whilst significant improvements had been made, members considered the document was still a position statement of current estates. Future plans and more clear strategic direction were still required prior to final approval by the full Board. It was agreed that a long-term vision and wider ambition statement be provided along with additional supplemental evidence and options appraisal information. Addition of a short, medium and long-term roadmap with key delivery timelines was also requested.</p> <p>ST will meet with LW, RQ and NC to discuss further development of document.</p>
Decision/Noted	To provide an update paper at the next meeting.

Item FPRC4-4.5	Non Compliant Spend Report	
Paper No: FPRC4-I	Lead: Stuart Thompson	Action requested: Discuss
Decision/Noted	The non-compliant spend within Quarters 1 and 2 was noted as 2.5%. Members welcomed the updated reporting format which now included regulated and non-regulated activity.	

Item FPRC4-4.6	Capital Expenditure	
Paper No: Verbal	Lead: Stuart Thompson	Action requested: Discuss
Decision/Noted	ST provided an update on the application to the College Foundation for capital funding. Final confirmation is expected by the end of this week. Subject to approval, IT equipment will be ordered before the end of this session and will be deployed next Academic Year.	

Item FPRC4-4.7	Treasury Management Policy Update	
Paper No: Verbal	Lead: Mark Drummond	Action requested: Discuss
Decision/Noted	An update will be submitted at the next meeting.	

Item FPRC4-4.8	Accounting Policy Update	
Paper No: Verbal	Lead: Mark Drummond	Action requested: Discuss
Decision/Noted	An update will be submitted at the next meeting.	

Item AAC4-4.10	Strategic Risk Review	
Paper No: FPRC4-K	Lead: P Clark	Action requested: Discuss
Discussion	PC provided an update on changes to relevant risks and informed that two new risks have been added ie Risk 28, linked to the new College Company risk register, and Risk 29 relating to duties under Environmental, Social and Governance duties. The following risk matters relating to the Committee's remit were discussed:	

	<p>Risk 15 - <i>Failure to achieve operating surplus via control of costs and achievement of income targets.</i> Due to poor financial performance which is currently projecting a loss of £2m, members were advised that the AAC agreed the Risk Score be changed to 5 (likelihood) x 4 (impact) = 20 (RED).</p> <p>Risk 27 – <i>Failure to manage acute threats relating to coronavirus outbreak.</i> PL informed that whilst the UK is moving towards reduced Covid restrictions, the College remains cautious to any potential new variant and further disruption. The Committee noted that the pandemic has not yet ended and the after effects are still being managed. The Risk Score 12 (AMBER) was noted.</p>
Decision/Noted	To note the Risk Register and Risk Scores as at 3 March 2022.

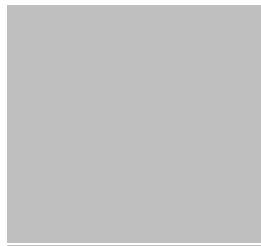
Item FPRC4-5.1	Facilities Management Report	
Paper No: FPRC4-L	Lead: S Thompson	Action requested: Note
Decision/Noted	To note the report.	

Item FPRC4-5.2	Impact of Brexit	
Paper No: Verbal	Lead: S Thompson	Action requested: Note
Discussion	ST reported that the current Covid crisis has reduced the focus on the impact of the UK leaving the EU and any negative impact on staff shortages, supply chain delays and price increases has been difficult to measure. Whilst key risks still exist, these are captured within other Risk areas and removal of Risk 22 will be considered.	
Decision/Noted	To consider removal of Risk 22 at the next meeting. Action: ST	

Item FPRC4-5.3	Credit Delivery Update	
Paper No: FPRC4-M	Lead: S Thompson	Action requested: Note
Decision/Noted	To note the report.	

Item FPRC4-5.4	Procurement Climate Change Action Plan	
Paper No: FPRC4-N	Lead: S Thompson	Action requested: Note
Decision/Noted	To note the implementation of the Procurement Climate Action Plan to assist the College in meeting its Scottish Procurement obligations.	

Item FPRC4-6	Any Other Notified Business	
Paper No: Verbal	Lead: Convener	Action requested: Note
Discussion	<p>North Hanover Street (NHS)</p> <p>ST updated members on the ongoing overage agreement included within the sale contract of NHS which remains active until April 2024. Current owners (Osborne) are negotiating potential sale of the building and site.</p>	



An option and decision paper will be submitted to the Board once the sale and legal position has been agreed and disclosed.

Paul Clark, College Secretary

KK thanked PC for the excellent service and consistent advice he had provided to the Committee and wished him well in his retirement.

Decision

To note the update and submit a decision paper to the Board.

Item FRPC4-7		Disclosability of Papers	
Paper No:	Lead: P Clark	Action requested: Verbal	
Decision/Noted	That the disclosability status of papers as described on respective cover sheets be retained.		

Item FPRC4-8		Date of Next Meeting	
Paper No:	Lead: Convener	Action requested: Note	
Decision/Noted	Wednesday 1 June 2022		

The meeting closed at 1835 hours.

ANNEX TO THE MINUTE

ACTION POINTS ARISING FROM THE MEETING

Item	Description	Owner	Target Date
FPRC4-3.3	Committee ToRs: Update as agreed.	PC	ASAP
FPRC4-4.9 09 03 22	IT Progress Report: Provide update on recovery of student devices.	BA	01 06 22
FPRC4-4.1 09 03 22	H&S Report: Provide Covid graph.	JFG/JL	01 06 22
FPRC4-4.2 09 03 22	Financial Plan 21-22: Provide additional information as requested.	ST/MD	01 06 22
FPRC4-4.2 09 03 22	Financial Plan 21-22: Submit agreed VS Scheme for approval at full Board.	ST/MD	01 06 22
FPRC4-4.3 09 03 22	Early View Budget 22-23: Submit final budget and long-term projection.	ST/MD	01 06 22
FPRC4-4.4 09 03 22	Estates Development Strategy: Provide update at next meeting.	ST	01 06 22
FPRC4-4.7 09 03 22	Treasury Management Policy: Provide update.	MD	01 06 22
FPRC4-4.8 09 03 22	Accounting Policy: Provide update.	MD	01 06 22
FPRC4-5.2 09 03 22	Impact of Brexit: Consider removal of Risk 22.	ST	ASAP
FPRC4-6 09 03 22	NHS Overage Agreement: Provide update paper to the Board.	ST	ASAP

ACTION POINTS ARISING FROM THE MEETING

Item	Description	Owner	Target Date
FPRC2-3.1 01 12 21	MA, Forecast Financial Plan: RAG rate initiatives.	ST/MD	09 03 22
FPRC2-3.2 01 12 21	Annual Report & Accounts 20-21: Submit EA Letter of Representation at next Board meeting.	ST	15 12 21 Complete
FPRC2-3.5 01 12 21	Capital Planning: Capital Expenditure be a standing item at all future meetings.	ST/MD/PC	Ongoing Complete
FPRC2-4.4 01 12 21	Estates Masterplan Update: Schedule an Extraordinary meeting of FPRC.	PC	Jan 2022 Complete
FPRC2-4.5 01 12 21	IT Progress Report: Consider alternative options prior to passing to debt recovery agency.	BA	Ongoing Superseded FPRC4-4.9
FPRC2-4.5 01 12 21	IT Progress Report: Arrange communication advice as required.	BA	Ongoing Superseded FPRC4-4.9
FPRC1-4.3 29 09 21	Forecast Financial Plan 2021-22: To provide a progress report on additional initiatives.	ST/MD	09 03 22 Superseded FPRC4-4.2
FPRC4-3.3 02 06 21	My Development: Update Business Case as agreed.	JFG	ASAP