

Board of Management

Meeting of the Finance & Physical Resources Committee

MINUTE OF 3rd MEETING HELD ON WEDNESDAY 15 MARCH 2023 AT 1600 HRS (FPRC3)
AT CITY CAMPUS.

Present	
Paul Little (PL)	Ronnie Quinn (RQ) (Convener)
Megan McClellan (MMcC)	Lesley Woolfries (LW) (Remote)
In attendance	
Barry Ashcroft (BA) (Items 1-3.2, 4.1, 4.3, 4.7 + 5.2)	Drew McGowan (DM)
Mark Drummond (MD)	Stuart Thompson (ST)
Jill Loftus (JL) (Items 1-3.2 + 4.1)	Ann Butcher (Minute)
Apologies for absence	
J F Gribben (JFG)	Stuart Patrick (SP)

Item FPRC3-1	Apologies for Absence	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	Apologies were received from JFG and SP.	

Item FPRC3-2	Declarations of Interest	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	LW declared a connection under item 4.2 referencing her professional association with HubWest Scotland.	

Item FPRC3-3.1	Minute of Previous Meeting held on 7 December 2022	
Paper No: FPRC3-A	Lead: Convener	Action requested: Approve
Decision/Noted	That the minute be approved.	

Item FPRC3-3.2	Committee Terms of Reference Review	
Paper No: FPRC3-B	Lead: D McGowan	Action requested: Approve
Discussion Matters Arising	DM reminded members that it was standard practice for the Committee to conduct an annual review of Terms of Reference to ensure they were still fit for purpose and confirmed that any recommended changes were subject to full Board approval.	
Decision/Noted	That the current Terms of Reference be approved without change.	

Item 4.1 was taken at this time.

Item FPRC3-4.1		Health and Safety Quarterly Report	
Paper No: FPRC3-D	Lead: Jill Loftus	Action requested: Discuss	
Discussion Matters Arising	<p>JL provided a brief overview of the monthly H&S activity covering November, December 2022 and January 2023. The following matters were specifically highlighted:</p> <p>Dangerous Substances & Explosive Atmospheres Regulations (DSEAR) In January, a review on the use of Oxyacetylene on Riverside Campus was conducted. Overall the visit was highly positive, with storage facilities found to be particularly commendable. All necessary actions have been disseminated.</p> <p>Scottish Fire and Rescue (SFR) Audit A planned SFR audit on City Campus scheduled on 16 01 23 has now been completed. SFR Officers expressed their satisfaction with College fire-related Policies and Procedures. During the hazard identification exercise, a few recommendations mainly related to behaviour, were raised and actions are currently being identified.</p> <p>Cease of Prohibition (STOP) Notice The STOP notice placed on the Rigid Inflatable Boat has now been lifted and all actions within the report are now complete.</p> <p>Bakery Fire Incident All actions relating to the investigation report in the bakery area have now been closed. The H&S team will continue to monitor the area with assistance from the Faculty.</p> <p>Hand Sanitisers JL reported on recent fire incidents through the use of hand sanitisers. Due to the expiration of some hand sanitisers and their potential as ignition sources, the College has decided to remove them from Campuses. The incidents are currently under investigation and awareness-raising communications to prevent similar incidents may be considered in future.</p> <p>Members expressed that receiving quarterly reports was not inconvenient and appreciated being able to track progress over the course of several months.</p> <p>First Aid Campaign information cards were provided at the meeting.</p>		
Decision/Noted	To note the update report.		

JL left the meeting. Item 4.3, 4.7 and 5.2 were taken.

Item FPRC3-4.3	Digital Strategy Update		
Item FPRC3-4.7	Laptop Return Update		
Item FPRC3-5.2	IT Progress Report		
Paper No: FPRC3-F	Lead: B Ashcroft	Action requested: Discuss	

FPRC3-J	
Discussion Matters Arising	<p>BA reported that good progress is being made on the 6 Digital Strategic Aims and provided a detailed update on the Strategy's outcomes. BA also highlighted that cyber security issues are becoming increasingly time and resource intensive. Members further noted that a significant financial investment will be required to replace the ageing IT infrastructure, including WiFi and network cabling by 2024. Creative and cost-effective solutions are being explored.</p> <p>BA provided an update on the return of student laptops from 2020-21 and 2021-22. A total of 453 laptops have still to be returned despite contact from the Student Services team and, invoices and final letters being sent (short of debt collection). Requests for the current (2022-23) cohort of laptops will be sent after Easter and similar return rates are anticipated. It was noted that the pool of laptops is now diminishing.</p> <p>The Committee recognised that the administrative burden created by tracking the return of devices and the affordability of future investments would be challenging. Several solutions were suggested, including a review of the qualifying criteria and loan terms, and the potential implementation of a deposit scheme. While acknowledging the impact on students unable to access remote learning services without devices, members recognised the importance of a sustainable scheme. It was agreed that an options proposal would be submitted by BA at the next meeting for the Committee's consideration.</p>
Decision/Noted	<ul style="list-style-type: none"> • To note the Digital Strategy Update. • To submit a laptop return options proposal at the next meeting. • To note the IT Progress Update report.

BA left the meeting. Item 3.3 was taken.

Item FPRC3-3.3	Fee Waiver Policy	
Paper No: FPRC3-C	Lead: S Thomson	Action requested: Approve
Discussion Matters Arising	<p>ST reported that the Fee Waiver Policy has been developed and updated within the context of the national Fee Waiver Policy issued by the Scottish Funding Council (SFC). Minor tracked changes were reviewed. ST clarified that eligibility for credit bearing part time courses remains unchanged. RQ suggested minor amendments, which were agreed by the Committee.</p>	
Decision/Noted	Subject to agreed amendments, the Fee Waiver Policy was approved.	

Item FPRC3-4.2	Charles Oakley Building Update	
Paper No: FPRC3-E	Lead: S Thompson	Action requested: Discuss
Discussion Matters Arising	<p>ST provided an interim update on the progress in developing a full commercial partnership model to develop the Charles Oakley Building (COB).</p> <p>The College, members were informed, continues to collaborate with Ryden and HubWest to explore potential partnerships and opportunities to build</p>	

student residences – and an encouraging number of expressions of interest had been received to date. Several options for building purpose-built student accommodation, while the College retains ownership of the land, are being discussed. Members considered the potential need for seeking independent financial advice to assess the feasibility of the proposed models. In addition, the importance of information concerning ongoing cost liabilities, a clear exit plan and a defined timeline was highlighted.

ST confirmed that workshops will be held with interested parties to examine all models and financials, with all options being assessed before being recommended to the Committee and Board for approval before being submitted to the Regional Board and SFC. The Committee noted this and agreed that a full options appraisal would be tabled at the next meeting for consideration and decision. Members agreed to be engaged between meetings to progress this project due to the time sensitivities. At the request of PL, it was agreed that ST would submit a request to the SFC to retain the overage payment from the sale of North Hanover Street.

Decision/Noted

- To submit full options appraisal for the next meeting of the Committee.
- Seek to retain overage payment from the SFC.

Item FPRC3-4.4	Financial Plan 2022-23 Update	
Item FPRC3-4.5	SFC Grant Announcements 2023-24	
Paper No: FPRC3-G	Lead: M Drummond	Action requested: Discuss
Discussion/ Matters Arising	<p>MD provided an overview of the main material movements and updates since the previous meeting. Members noted that the current forecast is c£2.2m adverse to budget with an increased underlying operating deficit of just over £5.6m. Additionally, the reduced projected underlying year-end cash balance is below £2m.</p> <p>The main reasons for this mid-year adverse position were noted, including the revised funding of YPG, College funded investment in Voluntary Severance (VS) and the anticipated reduction of in-year budget improvements which was mainly due to the delay in launch and implementation of the VS scheme. The main favourable movements across categories were also noted including cost savings made from a more efficient operating model including recruitment of business-critical roles only. The Committee also observed the uncertainties and sensitivities within the forecast assumption set that could further adversely impact the current year's financial position.</p> <p>MD further highlighted the financial projections into 2022-23 which have remained relatively static for the past 6 months and reminded that £12m of budget improvements are still required to be implemented against the base forecast of income and costs. Phase 2 of the transformational cost savings will be further discussed following the SFC indicative funding announcement for 2023-24 (anticipated on 23 March) however further levels of savings will be required in to reach a breakeven position by 2024-25.</p>	
Decision/Noted	To note the update report.	

Item FPRC3-4.6		Strategic Risk Reviews	
Paper No: FPRC3-H	Lead: D McGowan	Action requested: Discuss	
Discussion/ Matters Arising	<p>DM informed that the Risk Management Policy and Procedures are scheduled for review in April and June, respectively. As part of this review, the scoring process, definitions and criteria (including a 'Black' Risk Score) will also be reviewed for ELT/SMT's consideration and further approval by the Audit and Assurance Committee and full Board. The format of Risk MAPs and Risk register will also be revised in preparation of next academic year.</p> <p>The Committee's high scoring risk MAPs (15 and 16) and updated Risk 22 were noted. No changes to Risk Scores were proposed.</p>		
Decision/Noted	<ul style="list-style-type: none"> To note the FPRC Risks and attached MAPs. To approve the Strategic Risk Register as at 24 January 2023. 		

Item FPRC3-5.1		2022-23 Q1 Non-Compliant Spend Report	
Paper No: FPRC3-I	Lead: S Thompson	Action requested: Note	
	<p>The Committee noted that in Q2, 0.5% of non-compliant spend (regulated or non-regulated) had been identified. The Procurement team continue to work with individual departments/Faculties where non-compliance has been identified to reduce any further non-compliant spend.</p>		
Decision/Noted	To note the update report.		

Item FPRC3-5.3		Facilities Management Report	
Paper No: FPRC3-K	Lead: S Thompson	Action requested: Note	
Decision/Noted	To note the update on College Estate and Facilities Management.		

Item FPRC3-5.4		Credit Delivery Update	
Paper No: FPRC3-L	Lead: S Thompson	Action requested: Note	
Decision/Noted	To note the planned Credits delivery for 2022-23.		

Item FPRC3-6		Any Other Notified Business	
Paper No: Verbal	Lead: Convener	Action requested: Note	
Decision/Noted	<p>Financial Memorandum</p> <p>PL advised the Committee of a recent correspondence from the SFC regarding a breach of the Financial Memorandum resulting from non-competitive procurement action. The letter has been shared with the conveners of the Audit & Assurance and Finance & Physical Resources committees. An Internal Audit will be conducted to investigate the matter and any recommendations resulting from the audit will be actioned to prevent similar incidents in future.</p>		



Vice Principal, Corporate Services

RQ acknowledged Stuart Thompson’s departure from the College and noted that this would be his final attendance at Finance & Physical Resources Committee meetings. On behalf of the Committee, RQ expresses his gratitude to Stuart for his contributions and guidance. He specifically commended his integrity and clear communication style which he personally valued and trusted. The Committee wished Stuart all the very best in his new role.

Item FRPC3-7 Disclosability of Papers

Paper No: Verbal	Lead: D McGowan	Action requested: Note
Decision/Noted	That the disclosability status of papers as described on respective cover sheets be retained.	

Item FPRC3-8 Date of Next Meeting

Paper No: Verbal	Lead: Convener	Action requested: Note
Decision/Noted	Wednesday 31 May 2023	

The meeting closed at 1810 hours.

ANNEX TO THE MINUTE

ACTION POINTS ARISING FROM THE MEETING

Item	Description	Owner	Target Date
FPRC3-4.7 15 03 23	Laptop Return Update: To submit laptop return options proposal at the next meeting.	BA	31 05 23
FPRC3-4.2 15 03 23	COB Update: To submit full options appraisal for the next meeting of the Committee.	ST	31 05 23
FPRC3-4.2 15 03 23	COB Update: Seek to retain overage payment from the SFC.	ST	ASAP

ACTION POINTS ARISING FROM THE MEETING

Item	Description	Owner	Target Date
FPRC2-3.1 07 12 22	Strategic Risk Review: Provide update on review of strategic risk reporting.	DM	15 03 23 Complete
FPRC2-3.3 07 12 22	Charles Oakley Building: Ensure ownership of COB and land to rear be retained by the College.	ST	ASAP Complete
FPRC2-3.3 07 12 22	Charles Oakley Building: Provide update on recommended outcomes from second workshop.	ST	FPRC Mtg 15 03 23 Complete
FPRC2-4.1 07 12 22	H&S Quarterly Report: Submit individual monthly reports at future meetings.	SL	Ongoing Complete
FPRC2-4.3 07 12 22	Financial Challenges and Solutions (Mitigations & Interventions): Provide early warning notification of mitigations that are not on track and hold extraordinary meeting if required.	SL	Prior to next meeting. Complete
FPRC2-5.1 07 12 22	IT Progress Report: Provide draft laptop return policy.	ST/BA	15 03 23 Complete