

Board of Management

Meeting of the Finance Committee

MINUTE OF 4th MEETING HELD ON WEDNESDAY 12 JUNE 2024 AT 1600 HRS (FC4) Via Teams

| Present | |
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| Ronnie Quinn (Convener) | Stuart Patrick |
| Paul Little (Remote) | Leo Subido |
| In attendance | |
| Andrew Dickson | Alex Stewart |
| Drew McGowan | Josh Taylor |
| Laura Shields | |
| Apologies for absence | |
| Douglas Baillie | Ann Butcher |

| Item FC4-1 | Apologies for Absence | |
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| Paper No: Verbal | Lead: Convener | Action requested: Note |
| Decision/Noted | Apologies were received from D Baillie and A Butcher. | |

| Item FC4-2 | Declarations of Interest | |
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| Paper No: Verbal | Lead: Convener | Action requested: Note |
| Decision/Noted | No declarations were made by members. | |

| Item FC4-3.1 | Minute of Previous Meeting held on 6 March 2024 | |
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| Paper No: FC4-A | Lead: Convener | Action requested: Approve |
| Decision/Noted | The Committee approved the minute. Members noted that all actions were completed ahead of the meeting or on the agenda for discussion. | |

| Item FC4-3.8 | Investment in Additional Simulator Provision | |
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| Paper No: FC4-H | Lead: C Keenan | Action requested: Approve |
| Discussion Matters Arising | The Committee agreed to take this item earlier in the meeting. C Keenan emphasised the necessity of investing in additional simulator provision at the College to increase our capacity, grow our commercial opportunities and improve the student experience. Members discussed the rationale for the requested investment and the 5-year projections for both scenarios: one with an increase in simulator provision and one without. L Subido requested that costs and income be reported back to the Committee. A Dickson confirmed it would be reported on a project basis. | |

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| Decision/Noted | To approve the investment of £1.8 million in additional simulator provision and the requested staff resource. |
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| Item F42-3.2 | Committee Schedule of Business 2024-25 | |
| Paper No: FC4-B | Lead: D McGowan | Action requested: Approve |
| Discussion Matters Arising | D McGowan tabled the Committee's schedule of business for the forthcoming academic year. He highlighted the joint meeting of the Audit & Assurance Committee and Finance Committee to consider the Annual Report and Accounts together. Members were content to approve. | |
| Decision/Noted | To approve the Committee's Schedule of Business for 2024-25. | |

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| Item FC2-3.3 | Draft College Budget 2024-25 | |
| Paper No: FC4-C | Lead: A Dickson L Shields | Action requested: Approve |
| Discussion Matters Arising | A Dickson tabled the draft budget for the Committee's review. He highlighted that the College had a projected deficit of £1.8 million and this is now projected to be £0.5 million for 2024-25. Members welcomed the recent progress that has been made in improving the College's financial position and discussed the key assumptions and dependencies. P Little paid tribute to A Dickson, L Shields and their team for their work on the College's finances. | |
| Decision/Noted | To agree to recommend the budget for final approval by the Board. | |

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| Item FC4-3.4 | Capital Expenditure Draft Budget 2024-25 | |
| Paper No: FC4-D | Lead: A Dickson L Shields | Action requested: Approve |
| Discussion Matters Arising | L Shields highlighted to members that an updated capital expenditure draft budget has been tabled for the Committee's consideration. She advised members that the proposed capital expenditure is planned and prioritised with faculties and directorates and phased over 4 years. P Little said that the need for capital expenditure within faculties is greater now that our campuses have been in use for a decade and this new approach with faculties and investment is strategic. | |
| Decision/Noted | To approve the capital expenditure budget for 2024-25. To note that capital expenditure will be reviewed annually over the period to 2027-28. | |

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| Item FC4-3.5 | Reduction in Managed Assets | |
| Paper No: FC4-E | Lead: A Dickson L Shields | Action requested: Approve |
| Discussion Matters Arising | A Dickson recommended that the Committee approve an increase in the threshold to £500 for new assets being added to the College's asset register and, in addition, approve the removal of entries for items less than £500. He said this change would support the streamlining of the College's process. | |

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| | Members noted that devices such as mobiles and laptops under the new threshold would still be tracked. |
| Decision/Noted | To approve the amended thresholds and authorised the removal of assets under £500 from the asset register. |

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| Item FC4-3.6 | College Course Fees 2024-25 | |
| Paper No: FC4-F | Lead: A Dickson L Shields | Action requested: Approve |
| Discussion Matters Arising | A Dickson recommended that the Committee approve setting the minimum course fees for EU students in 2024-25 to match those of overseas students. The Committee were content to approve the change and requested that A Dickson provide clarification on post-Brexit changes to student funding and support by correspondence for members' information. | |
| Decision/Noted | To approve the proposed course fees for 2024-25. To request that A Dickson provide a clarification by correspondence. | |

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| Item FC4-3.7 | Treasury Management Policy | |
| Paper No: FC4-G | Lead: A Dickson L Shields | Action requested: Approve |
| Discussion Matters Arising | Noting that A Dickson and L Shields will undertake a wider review of the Treasury Management Policy which will be brought back to the Committee at a future date, members were content to approve the proposed changes. | |
| Decision/Noted | To approve the proposed changes to the Treasury Management Policy. | |

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| Item FC4-4.1 | Committee Terms of Reference Review | |
| Paper No: FC4-I | Lead: D McGowan | Action requested: Discuss |
| Discussion Matters Arising | D McGowan invited members to review the Committee's Terms of Reference to ensure that they remain fit-for-purpose and advised that any changes will be recommended to the Board for final approval. Members said they were content with the Terms of Reference as tabled, noting that the membership of the Committee will be amended in due course. | |
| Decision/Noted | To note that members were content with the Terms of Reference. | |

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| Item FC4-4.2 | Q3 Year End Financial Position | |
| Paper No: FC4-J | Lead: A Dickson L Shields | Action requested: Discuss |
| Discussion Matters Arising | A Dickson tabled a quarterly financial update for the Committee's consideration. He highlighted that national bargaining for support staff had now concluded since papers were circulated, while lecturing staff negotiations remain ongoing. Members again welcomed the recent progress that has been made in improving the College's financial position and thanked staff for their work. | |
| Decision/Noted | To discuss the report. | |

| Item FC4-4.3 | | Financial Projections: 5 Year View | |
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| Paper No: FC4-K | Lead: A Dickson L Shields | Action requested: Discuss | |
| Discussion Matters Arising | The Committee reviewed the updated 5-year financial projection tabled by A Dickson. He highlighted that the projection shows the College returning to an underlying operating surplus in 2025-26. | | |
| Decision/Noted | To discuss the report. | | |

| Item FC4-4.4 | | NPD Covenant Update | |
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| Paper No: Verbal | Lead: A Dickson /L Shields | Action requested: Discuss | |
| Discussion Matters Arising | R Quinn reminded members that D Baillie had raised a query about the covenant and the Non-Profit Distributing (NPD) contract. After reviewing the NPD contract, L Shields confirmed to members that there is no covenant in the contract. The Committee agreed that an update would be provided by correspondence given that D Baillie was unable to attend the meeting. | | |
| Decision/Noted | To note the update and agree that it also be shared via correspondence. | | |

| Item FC4-4.5 | | College IT Network Refresh Business Case Update | |
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| Paper No: FC4-L | Lead: S Renton | Action requested: Discuss | |
| Discussion Matters Arising | R Quinn welcomed S Renton to the meeting to present the IT network refresh project update. S Renton confirmed to the Committee that significant savings had been achieved against the original project cost through the migration to Teams telephony. He is currently exploring options to accelerate Wi-Fi updates earlier than phase 4 to improve the experience of students and staff. | | |
| Decision/Noted | To discuss the report. | | |

| Item FC4-6 | | Strategic Risk Review | |
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| Paper No: FC4-M | Lead: D McGowan | Action requested: Discuss | |
| Discussion Matters Arising | D McGowan tabled the outcome of the most recent quarterly review of the Strategic Risk Register and Management Action Plans (MAPs) reported to the Committee for discussion. He confirmed that no changes to risk scores were proposed at this time; however, he highlighted that a rewording of SR21, as requested, was tabled for approval. The Committee were content with the changes. | | |
| Decision/Noted | To approve the amendment to SR21 and agree to recommend to the Board for final approval. | | |

| Item FC4-5.1 | | SFC Grant Announcements | |
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| Paper No: Verbal | Lead: A Dickson L Shields | Action requested: Note | |
| | A Dickson provided a verbal update on the Scottish Funding Council's (SFC) grant announcements. He confirmed that the final allocation was the same | | |

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| | as the indicative allocations published in December 2023, and highlighted that there was a 0.7% reduction in student support funding and a 2.2% reduction in capital funding. |
| Decision/Noted | To note the report. |

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| Item FC4-5.2 | 2023-24 Q3 Non-Compliant Spend Report | |
| Paper No: FC4-N | Lead: D Fagan | Action requested: Note |
| | The Committee noted that 0.3% of non-compliant spend occurred in quarter 3 and corrective action had been taken. | |
| Decision/Noted | To note the report. | |

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| Item FC4-5.3 | Credit Delivery Update | |
| Paper No: FC4-O | Lead: A Dickson M Green | Action requested: Note |
| | The Committee noted that the College was on track to meet the SFC's credit target for 2023-24. | |
| Decision/Noted | To note the report. | |

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| Item FC4-6 | Any other Notified Business | |
| Paper No: Verbal | Lead: Convenor | Action requested: Note |
| | D McGowan confirmed there was no notified business. R Quinn recognised this was the last meeting of the Committee before S Patrick and L Subido stood down from the Board and thanked them both for their contribution to the Committee and service to the Board. | |

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| Item FC4-7 | Disclosability of Papers | |
| Paper No: Verbal | Lead: D McGowan | Action requested: Note |
| Decision/Noted | That the disclosability status of papers be retained as tabled. | |

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| Item FC4-8 | Date of Next Meeting | |
| Paper No: Verbal | Lead: Convenor | Action requested: Note |
| Decision/Noted | The next meeting will be held on Tuesday 11 September 2024. | |

The meeting closed at 1730 hours.

ANNEX TO THE MINUTE

ACTION POINTS ARISING FROM THE MEETING

| Item | Description | Owner | Target Date |
|---------------------|--|-------|-------------|
| FC4-3.6 12.0624 | A Dickson to provide clarification on post-Brexit changes to student funding and support by correspondence for members' information. | AD | ASAP |
| FC4-4.4 12.06.24 | L Shields to share an update on NPD covenant by correspondence. | LS | ASAP |

ACTION POINTS ARISING FROM THE PREVIOUS MEETING

| Item | Description | Owner | Target Date |
|---------------------|---|-------|---|
| FC3-4.1 06 03 24 | Financial Forecast Updates: Provide key defining acronyms. | AD/AS | Ongoing |
| FC3-4.2 06 03 24 | SFC Report on Financial Sustainability of Colleges: Submit for noting at the full Board meeting. | AD | BoM Mtg 27 03 24 Complete |
| FC3-4.3 06 03 24 | Strategic Risk Review: Reword SR21. | AD/DM | FC Mtg 05 06 24 Complete |
| FC3-5.3 06 03 24 | Network Refresh Business Case: Include decision gates. | SR/AD | Ongoing |
| FC3-5.3 06 03 24 | Network Refresh Business Case: S Renton to provide update at next meeting. | SR/AD | FC Mtg 05 06 24 Complete |
| FC3-6 06 03 24 | AONB NPD Covenant: Provide update paper at next meeting. | AD | FC Mtg 05 06 24 Superseded FC4-4.4 |