

## Board of Management

### Meeting of the Finance Committee

MINUTE OF THE 1<sup>st</sup> MEETING HELD ON WEDNESDAY 11 SEPTEMBER 2024 AT 1600 HRS  
(FC1) ON CITY CAMPUS, ROOM C.06.106

Present	
Ronnie Quinn (Convener)	Polly Vaker
Laura Heggie	
In attendance	
Ciara McCarthy	Drew McGowan
Andrew Dickson	Laura Shields
Deborah Fagan (Items 1-3.3 only)	Abbie Todd (Interpreter)
Nathan Imeson (Interpreter)	Ann Butcher (Minute)
Apologies for absence	
Douglas Baillie	Paul Little

Item FC1-1	Apologies for Absence	
Paper No: Verbal	Lead: Convener	Action requested: Note
Decision/Noted	Apologies were received from D Baillie and P Little.	

Item FC1-2	Declarations of Interest	
Paper No: Verbal	Lead: Convener	Action requested: Note
Decision/Noted	P Vaker declared a connection under item 3.4, College Course Fees 2025-26; however, as she will not be studying at the College next year, it does not amount to a declarable interest.	

Item FC1-3.1	Minute of Previous Meeting held on 12 June 2024	
Paper No: FC1-A	Lead: Convener	Action requested: Approve
Decision/Noted	The Committee approved the minute. Members noted that all actions were completed ahead of the meeting.	

Item FC1-3.2	Committee Annual Report 2023-24	
Paper No: FC1-B	Lead: D McGowan	Action requested: Approve
Discussion Matters Arising	D McGowan provided an overview of the Committee's high-level review and record of discussions and decision-making during academic year 2023-24. R Quinn noted the slight decrease in attendance last year, explaining that it was primarily due to one member being on leave of absence.	

	L Heggie welcomed the retrospective activity review, noting it was helpful and enquired about the plans for the review of performance and effectiveness of the Committee. D McGowan confirmed that Board self-evaluation is conducted annually, and an External Effectiveness Review was commissioned by the Board in early 2024. He added that the Committee also reviews its Terms of Reference annually, providing an opportunity to reflect on its contributions, work and remit.
<b>Decision/Noted</b>	To approve the Committee's Annual Report for 2023-24.

<b>Item FC1-3.3</b>	<b>Asset Disposal and Write Off</b>	
<b>Paper No: FC4-B</b>	Lead: D Fagan	Action requested: Approve
<b>Discussion Matters Arising</b>	<p>D Fagan provided an overview of the proposal to 'write off' IT assets from the College accounts that require disposal due to end of life or are damaged and assets (laptops) allocated to students during the pandemic. Recalculated values were provided at the meeting.</p> <p>L Heggie raised the issue of non-compliant and damaged assets and suggested providing a proportional figure relative to the total number of devices within the College estate for comparison. D Fagan confirmed that this information would be provided by correspondence.</p>	
<b>Decision/Noted</b>	To approve the Asset Disposal and Write-off as presented.	

*D Fagan left the meeting.*

<b>Item FC1-3.4</b>	<b>College Course Fees 2025-26</b>	
<b>Paper No: FC4-B</b>	Lead: A Dickson/L Shields	Action requested: Approve
<b>Discussion Matters Arising</b>	<p>A Dickson gave a summary of the proposed course fee increase for most part-time fees of approximately 3% on the 2024-25 level, noting that it reflects the current economic climate and is similar to the rate of inflation.</p> <p>Members noted that the Scottish Parliament has abolished course fees for FE courses and students are supported by the Students' Award Agency for Scotland (SAAS) for HE courses (set nationally by the Scottish Funding Council (SFC). Additional support funding will be available from the SFC however this amount won't be determined until after the draft budget is finalised in December. The SFC also funds the national fee waiver policy for a wide range of disadvantaged people who are exempt from paying part-time course fees, including ESOL students.</p> <p>L Heggie enquired whether there is any evidence that the level of course fees impact a students' decision when selecting an institution. A Dickson confirmed that fees increased by 6% in 2024-25 and by approximately 10% in 2023-24, with no negative effect on attendance, with the number of enrolments often oversubscribed. It was agreed that benchmark figures from comparable institutions (ie Glasgow and Edinburgh colleges) would be provided if available.</p>	
<b>Decision/Noted</b>	To approve the proposed course fee rate for 2025-26. To provide benchmark figures from comparable institutions as agreed.	

Item FC1-4.1		Q4 Year End Financial Position	
Paper No: FC1-E	Lead: A Dickson	Action requested: Discuss	
Discussion Matters Arising	<p>A Dickson submitted an update on the current projected year-end position highlighting a surplus of £0.1m, compared to a budgeted deficit position of £2.0m, however this may be subject to change as the year-end accounts are still to be audited and finalised. The net favourable movements against the Q3 forecast were noted.</p> <p>A Dickson highlighted that one sensitivity still exists on the assumption that the Scottish government will fund the increase in the Scottish Teachers Superannuation Scheme (STSS). A decision is expected soon. Further clarity was provided on the bad debt provision.</p> <p>R Quinn paid tribute to the Senior Management Team for achieving a remarkable turnaround in college finances, a testament to the difficult decisions and choices made over the last 24 months. While the impact of some of these decisions should not be underestimated, members were pleased to note the positive outturn to the year-end.</p>		
Decision/Noted	To note the Q4 year-end financial forecast.		

Item FC1-4.2		Strategic Risk Review	
Paper No: FC1-F	Lead: D McGowan	Action requested: Discuss	
Discussion Matters Arising	<p>D McGowan submitted the outcome of the quarterly review of the Strategic Risk Register and Management Action Plans (MAPs) reported to the Committee. Given the latest financial forecast at the end of Q4 in 2023-24, which shows an improved position, a reduction in the risk score for SR19, failure to achieve operating surplus, was proposed. Members agreed a reduction in the probability to 3, providing a new risk score of 15 (4 x 3).</p> <p>D McGowan reported on last week's AAC meeting where the potential introduction of a new risk related to asset management was discussed. This risk would fall under the remit of the Finance Committee and would provide assurance on management and disposal of assets, as well as highlighting the mitigations in place. Members were supportive of this approach, recognising the need to distinguish between high-level strategic assets and lower-value operational assets. It was agreed that separating these risks would be beneficial, with high level assets remaining under the Development Committee's remit.</p> <p>L Heggie acknowledged the retrospective information provided in the Risk MAPs however noted that it should also be more forward focussed. She suggested including additional information on the next planned steps to initiate interventions and actions needed to meet the target risk scores. D McGowan welcomed this feedback and agreed to work with risk owners to emphasise future work and actions in the next review.</p>		
Decision/Noted	<p>To approve the amendment to SR9 risk score.</p> <p>To provide proposed new asset management risks for consideration.</p>		

<b>Item FC1-5.1</b>	<b>2023-24 Q4 Non-Compliant Spend Report</b>	
Paper No: FC1-G	Lead: A Dickson/D Fagan	Action requested: Note
	The Committee noted that all Q4 spend was compliant. Members thanked D Fagan and the procurement team for the positive report.	
Decision/Noted	To note the report.	

<b>Item FC1-5.2</b>	<b>Credit Delivery Update</b>	
Paper No: FC1-H	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. Additional clarity on the increased credit target for 2024-25 was provided.	
Decision/Noted	To note the report.	

<b>Item FC1-5.3</b>	<b>SFC Financial Forecast Return</b>	
Paper No: FC1-I	Lead: A Dickson/M Green	Action requested: Note
	The Committee noted the Financial Forecast Return (FFR) submitted to the SFC. For further information, R Quinn recommended new members read the SFC Financial Sustainability of Colleges Report submitted at the Finance Committee meeting held on 6 March 2024.	
Decision/Noted	To note the report.	

<b>Item FC1-6</b>	<b>Any other Notified Business</b>	
Paper No: Verbal	Lead: Convenor	Action requested: Note
	D McGowan confirmed there was no notified business.	

<b>Item FC1-7</b>	<b>Review of Meeting</b>	
Paper No: Verbal	Lead: D McGowan	Action requested: Note
Decision/Noted	R Quinn thanked members for their attendance and contributions. The Committee agreed to highlight the impact financial position in the Q4 year-end financial forecast to the Board's attention in the Governance Report.	

<b>Item FC1-8</b>	<b>Disclosability of Papers</b>	
Paper No: Verbal	Lead: D McGowan	Action requested: Note
Decision/Noted	That the disclosability status of papers be retained.	

<b>Item FC1-9</b>	<b>Date of Next Meeting</b>	
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Paper No:  
Verbal

Lead: Convenor

Action requested: Note

Decision/Noted

The next meeting will be held on Wednesday 27 November 2024

*The meeting closed at 1700 hours.*

## ANNEX TO THE MINUTE

### ACTION POINTS ARISING FROM THE MEETING

Item	Description	Owner	Target Date
FC1-3.4 11 09 24	<b>College Course Fees 25-26:</b> Provide benchmark figures from comparable institutions as agreed.	AD/LS	FC 27 11 24
FC1-4.2 11 09 24	<b>Strategic Risk Review:</b> Provide new asset management risks.	AD/DM	DC 24 10 25 FC 27 11 24
FC1-4.2 11 09 24	<b>Strategic Risk Review:</b> Provide additional forward focussed information in the Risk MAPs	DM	FC 27 11 24

### ACTION POINTS ARISING FROM THE PREVIOUS MEETING

Item	Description	Owner	Target Date
FC4-3.6 12.06.24	A Dickson to provide clarification on post-Brexit changes to student funding and support by correspondence for members' information.	AD	ASAP <b>Complete</b>
FC4-4.4 12.06.24	L Shields to share an update on NPD covenant by correspondence.	LS	ASAP <b>Complete</b>
FC3-4.1 06 03 24	<b>Financial Forecast Updates:</b> Provide key defining acronyms.	AD/AS	Ongoing
FC3-5.3 06 03 24	<b>Network Refresh Business Case:</b> Include decision gates.	SR/AD	Ongoing