

References Board of Management

Meeting of the Finance & Physical Resources Committee

MINUTE OF 3rd MEETING HELD ON WEDNESDAY 26 FEBRUARY 2020 AT 1700 HRS
(FPRC3)

Present	
Karen Kelly (KK) (Convener)	Ronnie Quinn (RQ)
Paul Little (PL)	Lesley Woolfries (LW) (Teleconference)
Stuart Patrick (SP)	
In attendance	
Barry Ashcroft (BA) (1-3)	Douglas Morrison (DM) (Items 1-3 + 4.8 only)
Paul Clark (PC)	Alex Stewart (AS)
Roy Gardner (RG)	Stuart Thompson (ST)
Chris Lintern (CL) (Items 1-3 + 4.1 only)	
Sheila Lodge (SL)	Ann Butcher (Minute)
Apologies for absence	
Dylan Duff (DD)	Robyn Lambert (RL)

Chris Lintern, Ashton Resilience was welcomed to the meeting.

Item FPRC3-1	Apologies for Absence	
Paper No:	Lead: K Kelly	Action requested: Note
Decision/Noted	Apologies were received from DD and RL.	

Item FPRC3-2	Declarations of Interest	
Paper No:	Lead: K Kelly	Action requested: Note
Decision/Noted	There were no declarations of interest.	

Item FPRC3-3.1	Minute of Previous Meeting held on 2 October 2019	
Paper No: FPRC3-A	Lead: K Kelly	Action requested: Approve
Decision/Noted	That subject to one amendment, the minute of the meeting be approved. All actions were reviewed and updated as agreed.	

Item 4.1 was taken at this time.

Item FPRC3-4.1	Business Continuity	
Paper No: Verbal	Lead: P Clark/C Lintern	Action requested: Discuss
Discussion/ Matters Arising	Chris Lintern, Ashton Resilience attended the meeting to provide an update presentation following the Strategic Review of Business Continuity Management and the subsequent review of the College Business	

	<p>Recovery Plans (BRPs). In line with the key project report recommendations, a desktop scenario exercise, which will examine the effectiveness of the plans, has been developed and will be undertaken over the next 3-4 months. A report will be produced which will include an assessment of whether objectives were achieved along with observations and further recommendations to improve College resilience. A further unannounced exercise will be planned at a later stage.</p> <p>PC will provide scenario proposals to ELT for consideration.</p>
Decision/Noted	To note the update report.

CL left the meeting at this time. Item 4.8 was taken.

Item FPRC3-4.8 Charles Oakley Building (COB) – Draft Business Case	
Paper No: FPRC3-I	Lead: R Gardner/D Morrison Action requested: Discuss
Discussion/ Matters Arising	<p>RG provided members with a proposed direction of travel in relation to the redevelopment of the Charles Oakley Building. An overview summary of the business case for the short-term occupancy and the longer-term redevelopment was submitted and discussed. Three clusters for development have been identified and initial discussions with external businesses on cohabitation have been undertaken. It was further noted that GCRB recognise COB as a regional asset however have indicated to the SFC that they are broadly supportive of any plans for redevelopment.</p> <p>DM updated the Committee on the Scottish Government’s public sector development strategy recommendations to enhance, repurpose or maintain existing infrastructure. Anticipated investment plans were highlighted.</p> <p>Three distinct models for occupancy were explored and the proposal for short term occupancy followed by the redevelopment (through retrofitting) of the COB Campus, to meet longer term educational and economic demands, was agreed by SMT.</p> <p>Members were fully supportive to progress a Business Case for the preferred Option 2 however a full independent options appraisal (including potential funding), due diligence exercise and clear programme of delivery, including decision making/approval points would also be required.</p>
Decision/Noted	To progress a revised business case for COB.

DM left the meeting. Item 5.2 was taken.

Item FPRC3-5.2 ICT Progress Report	
Paper No: FPRC3-K	Lead: B Ashcroft Action requested: Note
Discussion/ Matters Arising	<p>The brief summary of the IT Team journey over the last 12 months was noted. BA provided the Committee with an overview of the IT journey aspirations over the next few years. A progress update on current key technology projects including the introduction of Microsoft Teams and Contact Management Customer Relationship Management was noted. An IT Customer Satisfaction Survey had been launched to better understand and remediate current IT issues.</p>

The Principal commended the progress made by the IT Director and his team within the last 12 month period.

A question was raised re Student Accommodation wifi access. BA/ST reported that this has been costed at a significant 6 figure sum, and now an analysis of Value for Money and Return on Investment is being undertaken. The Committee agreed that the quality of student experience should be a priority. BA indicated that alternative proposals will be investigated and evaluated.

Decision/Noted To note the update.

BA left the meeting.

Item FPRC3-3.2		College Student Accommodation Charges 2020-21	
Paper No: FPRC3-B	Lead: S Thompson	Action requested: Approve	
Discussion/ Matters Arising	The proposed charges and range of price increases for Thistle Street and St Luke's accommodation for 2020-21 were reviewed. ST added that, with the exception of twin rooms which are mainly booked by large groups and price per person was too low, the proposed increases are in line with inflation. A comparison of similar accommodation rental costs has been undertaken to ensure value for money.		
Decision/Noted	To approve the recommended charges for Student Accommodation.		

Item FPRC3-3.3		Committee Terms of Reference	
Paper No: FPRC3-C	Lead: P Clark	Action requested: Approve	
Discussion/ Matters Arising	<p>Members reviewed the Committee Terms of Reference. The following amendments were agreed:</p> <ul style="list-style-type: none"> • Point 6, To receive and approve funding applications to the College and sector Foundations. • Point 8, To receive and discuss health and safety reports of the College's operation and to report on these to the Board of Management. <p>The Committee discussed potential financial implications following the outcome report on the Fraud Investigation. Any actions and recommendations from the report will be reviewed by the Audit Committee and copy of the full Forensic report to be submitted to the full Board when finalised.</p>		
Decision/Noted	To endorse the revised Terms of Reference for approval by the full Board of Management.		

Item FPRC3-4.2		Strategic Risk Review	
Paper No: FPRC3-D	Lead: P Clark	Action requested: Discuss	

Discussion/ Matters Arising	<p>Discussion followed on the proposed increased score to Risk 15 – <i>Failure to achieve operating surplus via control of costs and achievement of income targets</i> – ST advised that due to increasing staff costs and under delivery of income, the current financial projection for 2019-20 shows an underlying operating deficit of £98k. This matter was fully discussed at the last meeting of the Audit Committee with the proposal to increase the Risk Score from 6 to 9 being agreed. ST added that this deficit would not affect the ongoing viability or sustainability of the College and SMT are continuing to investigate opportunities to recover this position.</p> <p>RQ considered that whilst the operating summary provided was useful an additional summary of income and expenditure showing variance of budget against forecast projections would be beneficial. This will be added to the risk MAP.</p> <p>The SFC requirement to achieve an operating surplus no matter how small was recognised and the adjustment to the risk score to 9, based on the current 2019-20 projections and associated financial risks, was agreed.</p>
Decision/Noted	<ul style="list-style-type: none"> • To approve the Risks as agreed. • To note the revised Risk Register as at 20 February 2020.

LW's teleconference connection was intermittent.

Item FPRC3-4.3		Health and Safety Report – Quarter 2
Paper No: FPRC3-E	Lead: S Lodge	Action requested: Discuss
Discussion/ Matters Arising	<p>SL provided a brief summary of the 1 November 2019 – 31 January 2020 Health and Safety Report.</p> <p>The Committee noted the increase in accidents in comparison with the same reporting period last year. SL advised that training provision on IOSH 'Managing Safely' is ongoing and will further enhance completion of risk assessments. It is anticipated that this will in turn improve the number of accidents and incidents within the College.</p>	
Decision/Noted	To note the update report.	

RQ left the meeting during the following discussion.

Item FPRC3-4.4		Long Term Financial Planning
Paper No: FPRC3-F	Lead: S Thompson	Action requested: Discuss
Discussion/ Matters Arising	<p>The updated 5 year Forecast Financial Plan (based on 3 sets of assumptions) was presented. ST advised that as SFC grant increases are likely to remain low for the next few years and ELT is aiming to increase non SFC income above inflation rates. Failure to achieve this growth will increase the pressure on controlling costs, in particular staff costs.</p> <p>The validity of the assumptions, in particular the small variance of 1% decrease for pessimistic and 1% increase for optimistic assumptions was discussed. ST advised that these assumptions would be used as an early</p>	

	warning of future financial challenges and would enable ELT to manage any potential financial risks by providing an early indication of potential savings that may be required. Should the situation become more volatile, the assumptions will be further reviewed. It was important to note that actions and initiatives were in place to address potential savings that may be required.
Decision/Noted	To note the Long Term Financial Planning scenarios and key financial assumptions.

Item FPRC3-4.5		Financial Plan 2019-20 Update	
Paper No: FPRC3-G	Lead: S Thompson/ A Stewart	Action requested: Discuss	
Discussion/ Matters Arising	<p>The financial budget from 1 August 2019 to 31 July 2020 was reviewed. As discussed earlier, the Committee noted that the income and expenditure account projects a £98k deficit for the 12 month period, with a strong cash balance of 6.6 m.</p> <p>This is mainly due to overseas and FT HN fees reduction with the current fee income forecast for 2019-20 decreasing by 2.9%. In addition, pay rises are forecast to be higher than SFC settlements. SMT are actively looking at opportunities to reduce the deficit by reducing overtime costs and delivering additional commercial, evening and weekend courses.</p>		
Decision/Noted	To note the update report.		

Item FPRC3-4.6		Non-Compliant Spend Report (Q1)	
Paper No: FPRC3-H	Lead: S Thompson	Action requested: Discuss	
Discussion/ Matters Arising	ST reported that the regulated non-compliant spend has drastically reduced with total regulated non-compliant spend for 2019-20 Quarter 1 at 0.6%.		
Decision/Noted	To note the update report.		

Item FPRC3-4.7		SFC Grant Announcements	
Paper No: Verbal	Lead: S Thompson	Action requested: Discuss	
Discussion/ Matters Arising	<p>ST advised that as part of a wider set of measures aimed at improving mental health and wellbeing for students, the Scottish Government has provided funding for the appointment of 2 new FT student counsellors. The purchase of a 24/7 online support platform is also being investigated.</p> <p>Additional credit activity has also been received from the SFC (via GCRB). The allocation of 250 credits for CoGC has been accepted.</p> <p>ST further informed on the potential clawback of historic ESF payments. Validity of the repayment is being challenged.</p>		
Decision/Noted	To note the update report.		

Item FPRC3-5.1	Facilities Management Report	
Paper No: FPRC3J	Lead: S Thompson	Action requested: Discuss
Decision/Noted	To note the update report.	

Item FPRC3-5.3	Credit Delivery Update	
Paper No: FPRC3-L	Lead: S Thompson	Action requested: Note
Decision/Noted	To note the update report.	

Item FPRC3-5.4	North Hanover Street Disposal Update	
Paper No: FPRC3-M	Lead: S Thompson	Action requested: Note
Decision/Noted	To note the report.	

Item FPRC3-6	Any Other Notified Business	
Paper No:	Lead: S Thompson	Action requested: Note
Decision/Noted	None.	

Item FRPC3-7	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 FPRC3-8	Date of Next Meeting	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	It was agreed that the next meeting of the Committee be rescheduled to 27 May at 1700 hours. SP agreed to Chair the meeting in KK absence.	

The meeting closed at 7.15 pm

ANNEX TO THE MINUTE

ACTION POINTS ARISING FROM THE MEETING

Item	Description	Owner	Target Date
FPRC3-4.8	Charles Oakley Building (COB) – Draft Business Case: To progress a revised business case for COB as agreed.	RG	ASAP

ACTION POINTS ARISING FROM THE MEETING

Item	Description	Owner	Target Date
FPRC2-3.2	Annual Report & Accounts: Amend as agreed and submit for approval to full Board.	ST/PC	BoM 04 12 19 Complete
FPRC2-3.4	Annual Procurement Report: Update as agreed and submit for approval to full Board.	ST	BoM 04 12 19 Complete
FPRC2-5.1	FM Report: Provide further refined reportage.	ST	26 02 20 Complete
FPRC2-5.5	FR Authorised Limits Report: Provide additional information the purpose of international travel.	PC for RG	ASAP Complete
FPRC2-6	Annual Climate Change Report Return: Link to gas and electricity usage within the FM report.	ST	26 02 20 Complete
FPRC1-3.6	1. Provide the Committee with the text on Fee Waiver Policy which will be presented to students 2. Remove reference to other non-relevant content (e.g. reference to Orkney & Shetland Colleges)	ST	Ongoing
FPRC1-3.7	1. Enhance the detail within the assumptions made in the FFR paper. 2. Provide appropriate guidance to student members regarding the significant aspects of financial planning/forecasts.	ST ST/PC	26 02 20 26 02 20
FPRC1-3.9	Provide further update on Fraud Prevention Policy to the Committee	ST	BoM Mtg 12 02 20 Complete