

AGENDA

	Polite Reminder
	Please take a 10 minute break every hour of meeting

Meeting: Finance, Commercial and Estates Committee

Date: Wednesday 28 February 2024 at 8.30am

Location: Microsoft Teams

Papers highlighted in purple font have not been published with the agenda as they are either due for future publication or are not in the public domain.

No	Item	Action	Lead	Pages
1	Welcome, Apologies and Declarations of Interests	Note	SM	N/A
2	Minutes of the:			
	2.1 Previous Meeting: 16 November 2023	Approve	SM	
	2.2 Joint Audit and Risk / Finance, Commercial and Estates Committee Meeting: 16 November 2023	Approve	SM	
3	Matters Arising / Actions Outstanding	Note	SM	2-3
4	Strategic Update Reports:			
	4.1 Digital Services	Note	IH	
	4.2 Commercial Activity	Note	IH	
	4.3 Finance	Approve	JT	4-13
	4.4 Procurement and Recent and Forthcoming Tender Activity	Approve	JT	
	4.4.1 Social Media Advertising	Approve	JT	
	4.4.2 STEM Outreach Services	Approve	JT	
	4.4.3 Deaf Support Services	Approve	JT	
5	SFC Funded Capital Expenditure	Approve	JT	
6	Indicative Funding (<i>Verbal Update</i>)	Note	JT	N/A
7	Update and Summary of Current Position of Dunfermline Learning Campus	Note	JT	
8	Review of Meeting	Discuss	All	N/A
9	Date of Next Meeting Wednesday 5 June 2024 at 3.30pm	Note	SM	N/A

Key:	
	Outstanding and deadline passed
	Progressing and on target
	Complete

Board of Governors: Finance, Commercial and Estates Committee

Actions Outstanding / Progress Made

	Date of Meeting	Action	Responsibility	Deadline	Comments
1	12.09.23	To consider areas of high risk in relation to Cyber Security and undertake a deep dive into these, presenting to the Committee in due course, after the internal audit on Cyber Security report has been received.	Vice Principal	TBC	Agree date after internal audit report complete
2	16.11.23 (Joint)	To recommend the approval of the draft Annual Accounts 2022-23 to the Board of Governors, subject to the figures on page 12 being added.	Deputy Principal	07.12.23	Complete
3	16.11.23 (Joint)	To finalise the External Audit Annual Report for presentation at the Board of Governors meeting, subject to resolving the inconsistency in wording as agreed.	Mazars	07.12.23	Complete
4	16.11.23 (Joint)	To finalise the draft letter of representations for signature at the Board of Governors meeting.	Deputy Principal	07.12.23	Complete

	Date of Meeting	Action	Responsibility	Deadline	Comments								
5	16.11.23 (Joint)	To circulate details of the costs of administering the fund to members of the Committees subject to the ALF Trustees agreeing to this.	Director: Finance	31.12.23	Complete. For 2023-24 the annual fees that would remain payable once the ALF is in an inactive state were: <table border="1" data-bbox="1503 300 2016 571"> <tr> <td>Trustees Indemnity Insurance</td> <td>£444.12</td> </tr> <tr> <td>Production of the Annual Accounts</td> <td>£960.00</td> </tr> <tr> <td>Submission of Accounts to OSCR & Companies House</td> <td>£295.00</td> </tr> <tr> <td>Total</td> <td>£1,699.12</td> </tr> </table>	Trustees Indemnity Insurance	£444.12	Production of the Annual Accounts	£960.00	Submission of Accounts to OSCR & Companies House	£295.00	Total	£1,699.12
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Production of the Annual Accounts	£960.00												
Submission of Accounts to OSCR & Companies House	£295.00												
Total	£1,699.12												
6	16.11.23	To approve the Digital spending plans as outlined in the paper.	Vice Principal	28.02.24	Complete								
7	16.11.23	To brief members on what we mean by “agile working” by email or in the papers for the next meeting.	Vice Principal	28.02.24	Complete. We have until recently used the terms “agile” and “smarter” working interchangeably and around the time of the Committee meeting agreed that the term “Smarter Working” should be used. The College has a Smarter Working Group in place, and they agreed the definition of smarter working as outlined in this document .								
8	16.11.23	To approve the procurement spend for the Asbestos Removal and Remedial Works project as detailed within the paper.	Deputy Principal	30.11.23	Complete								
9	16.11.23	To recommend the approval of the Procurement Annual Report to the Board of Governors, subject to the suggested amendments being considered and included as appropriate.	Deputy Principal	7 Dec 2023	Complete								
10	16.11.23	To approve the Slavery and Human Trafficking Policy and Procedure, subject to the suggested change being made.	Deputy Principal	Dec 2023	Complete								
11	16.11.23	To approve the academic fees for 2024-25.	Deputy Principal	Dec 2023	Complete								



COVER SHEET FOR PAPERS TO BE CONSIDERED BY THE BOARD

Strategic Update: Finance	
Date of Meeting:	28 February 2024
Purpose:	This paper sets out the Fife College financial position as at period 3 of the current financial year 1 August 2023 to 31 July 2024
Intended Outcome:	To provide Committee members with an update on the year to date financial performance at period 2 against the 2023/24 budget position
Paper Submitted by:	James Thomson, Deputy Principal
Prior Committee Approvals:	N/A
Board Impact from Decision:	To provide assurance to the Board that the College financial position is being appropriately managed in line with relevant guidance and best practice
Financial Health Implications:	As per paper
Learner Implications:	N/A
Equality and Diversity Implications:	N/A
Strategic Risk(s):	(2) Failure to achieve annual financial targets in line with the five year financial forecast plan
Publicly Available:	Yes
Author Contact Details:	Gail Dunn (gaildunn@fife.ac.uk) 0344 248 0115 ext. 5485
Date of Production:	22 February 2024

Executive Summary - Finance

The Finance update information is focusing on the January 2024 year to date position in comparison to the year to date budget.

Overall, based on the January year to date accounts, the College is currently £0.213m ahead of the year to date budget position. The main variances are as follows:

- o Overhead costs are £0.201m better than budget mainly due to higher than projected interest received.
- o Revaluation reserve is £0.229mk better than budget as a result of the 2022/23 year end land and buildings revaluation.
- o Income is £0.203m lower than budgeted primarily due to lower academic fees as a result of HE recruitment.

The adjusted operating position for the year to date is showing a surplus of £1.918m which is £0.057m higher than the year to date budget position of £1.861m.

Flags/Indicators

Financial Data

-  Where a reported figure is greater than or equal to (\geq) budget/forecast this is flagged green.
-  Where a reported figure is less than ($<$) budget/forecast by $<5\%$ this is flagged amber.
-  Where a reported figure is less than ($<$) budget/forecast by $>5\%$ this is flagged red.

FIFE COLLEGE

Finance - Summary and Forecast

2021/22 Actual £'000	2022/23 Actual £'000	Income and Expenditure	2023/24 FY Budget £'000	2023/24 January Budget YTD £'000	2023/24 January Actual YTD £'000	Variance to YTD Budget £'000	Variance to YTD Budget %	Status
56,710	53,343	Income	51,328	25,827	25,624	(203)	(0.8%)	
(28,703)	(29,680)	Direct Staffing Costs	(27,977)	(13,022)	(13,081)	(59)	(0.5%)	
(2,363)	(2,744)	Operating Expenditure	(2,715)	(1,450)	(1,404)	45	3.1%	
25,644	20,919	Contribution	20,636	11,355	11,138	(217)	(1.9%)	
(11,589)	(12,790)	Overheads - Staff	(12,512)	(5,340)	(5,296)	44	0.8%	
(8,719)	(8,655)	Overheads - Non-Staff	(10,213)	(5,204)	(5,047)	157	3.0%	
(6,098)	(835)	Pension Adjustments	0	0	0	0		
(763)	(1,362)	Surplus/(Deficit) for year	(2,089)	811	795	(16)	2.0%	
(378)	(765)	Restructuring	(428)	0	0	0	0.0%	
159	0	Profit/(Loss) on Disposal	0	0	0	0		
(430)	1,565	Revaluation Reserve	1,934	826	1,056	229	27.7%	
(1,411)	(562)	Historic Cost Surplus/(Deficit)	(582)	1,638	1,851	213	13.0%	
430	(1,565)	Revaluation Reserve	(1,934)	(826)	(1,056)	(229)	(27.7%)	
1,736	2,117	Depreciation (Net of Deferred Capital Grant Release)	2,641	1,328	1,401	73	5.5%	
(159)	0	Profit/(Loss) on Disposal	0	0	0	0		
6,098	835	Non-Cash Pension Adjustments	0	0	0	0		
(4,561)	0	Release of Land Grant	0	0	0	0		
(487)	(340)	Revenue Funding Allocated to Loan Repayments	(335)	(168)	(168)	0	0.0%	
(220)	(201)	Revenue Funding Allocated to Unfunded Pensions	(222)	(111)	(111)	0	0.0%	
1,425	284	Adjusted Operating Surplus/(Deficit)	(432)	1,861	1,918	57	3.1%	

FIFE COLLEGE

Indicator	2021/22 Actual £'000	2022/23 Actual £'000	2023/24 FY Budget £'000	2023/24 January Budget YTD £'000	2023/24 January Actual YTD £'000	Variance to YTD Budget £'000	Variance to YTD Budget %	Status
SFC Grants	43,975	39,824	37,920	19,061	19,060	(1)	(0.0%)	
Academic Fees	2,797	2,550	2,786	1,493	1,327	(166)	(11.1%)	
Other Income	779	825	551	304	328	25	8.1%	
Bursary Income	397	521	551	0	0	0	0.0%	
Commercial Training	1,657	2,150	1,828	917	890	(28)	(3.0%)	
Development Projects	0	0	0	0	2	2	0.0%	
SDS Modern Apprentices	1,192	1,435	1,591	944	944	0	0.0%	
SDS Foundation Apprenticeships	400	0	0	0	0	0		
Non-Managed Service VQs	507	523	636	318	278	(40)	(12.6%)	
Scottish Prison Service	4,687	4,883	4,900	2,450	2,448	(2)	(0.1%)	
Conference Centre - Venue	318	633	565	338	347	9	2.6%	
Total Income	56,710	53,343	51,328	25,825	25,624	(201)	(0.8%)	

FIFE COLLEGE

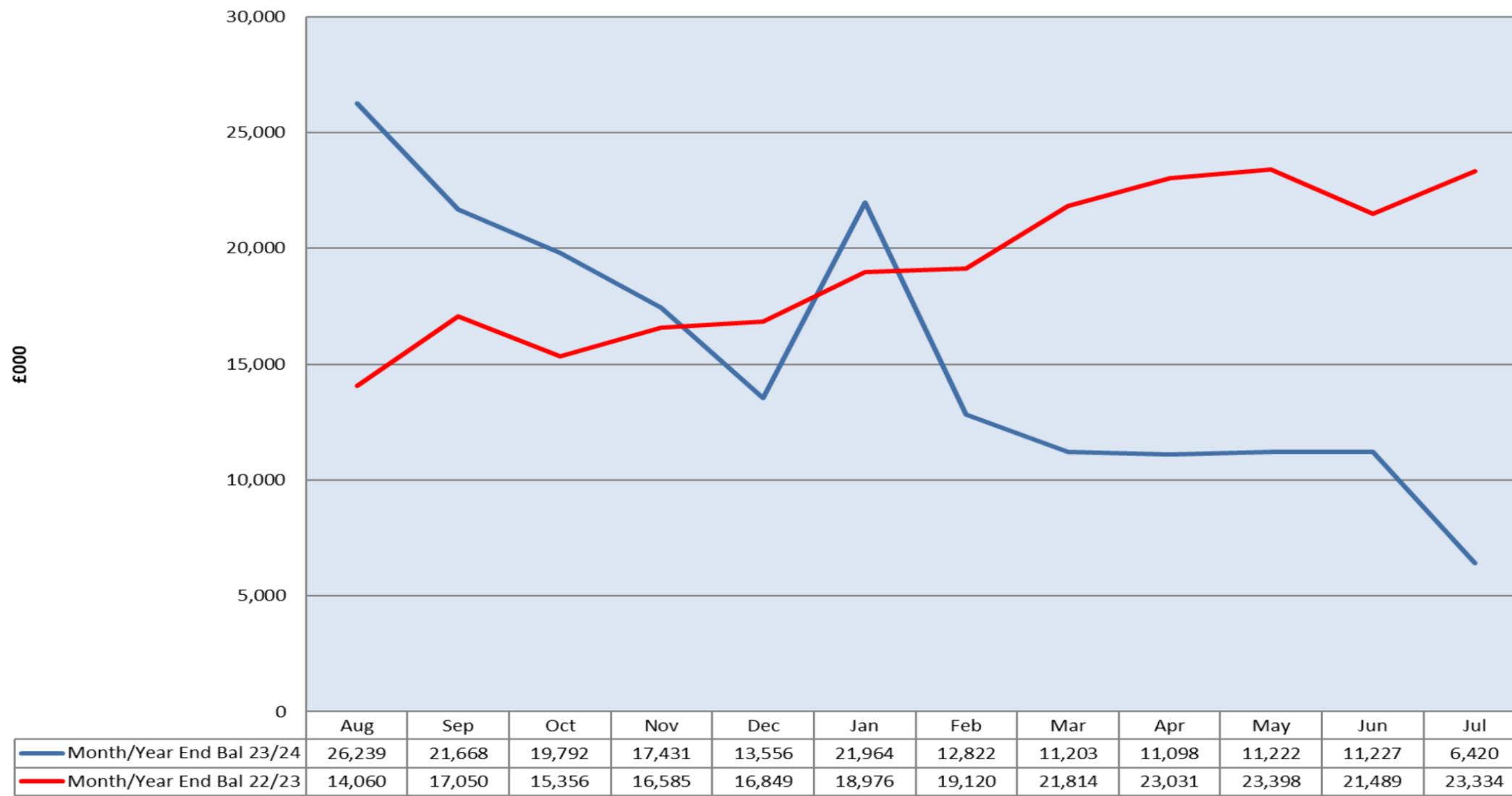
Indicator	2021/22 Actual £'000	2022/23 Actual £'000	2023/24 FY Budget £'000	2023/24 January Budget YTD £'000	2023/24 January Actual YTD £'000	Variance to YTD Budget £'000	Variance to YTD Budget %	Status
Direct Staff Costs	28,703	29,680	27,977	13,022	13,081	(59)	(0.5%)	
Direct Non-Staff Costs	2,363	2,744	2,715	1,450	1,404	45	3.1%	
Support Staff Costs	11,589	12,790	12,512	5,340	5,296	44	0.8%	
Support Non-Staff Costs Exc. Pension Adj	8,719	8,655	10,213	5,204	5,047	157	3.0%	
Total Expenditure	51,374	53,870	53,417	25,016	24,829	187	0.7%	

FIFE COLLEGE

Balance Sheet	2021/22 Actual	2022/23 Actual	2023/24 Jan YTD Actual
	£M	£M	£M
Fixed Assets	90.3	111.4	109.7
Current Assets	22.0	29.9	28.3
Total Current Liabilities	21.0	27.1	23.3
Total Creditors Due > 1 year	32.8	51.1	50.7
Total Provisions	2.6	4.1	3.9
Total Assets	55.9	59.1	60.1
Total Reserves	55.9	59.1	60.1

FIFE COLLEGE

Cash Balance August 2023 - July 2024



FIFE COLLEGE CONSOLIDATED

KEY RATIOS	Jan 24 YTD Actual	Jan 24 YTD Budget	Annual Budget 23/24	Notes
Adjusted Operating Position				
Adjusted Operating Margin	7.5%	7.2%	(0.8%)	This is the adjusted operating position as a percentage of turnover. Small changes can indicate issues within the business, costs could be increasing and therefore sales prices should be increased accordingly.
Income ratios				
Total Income	25,624	25,827	51,328	
Total Funding Council Grant as % of Total Income	74%	74%	74%	
Total Other Income as % of Total Income	26%	26%	26%	
Expenditure ratios				
Total Expenditure	24,829	25,016	53,417	
Total Staff Costs as % of Total Income	72%	71%	79%	
Property Costs as % of Total Income	23%	23%	17%	Staff and non-staff property costs
Direct Staff Costs as % of Total Income	51%	50%	55%	This percentage shows the total staff costs as a percentage of total income generated within the schools in total.
Overhead Staff Costs as % of Total Income	21%	21%	24%	This percentage is the total support staff costs as a percentage of total income generated. i.e. for every £1 of income support payroll costs are 21p.
Balance sheet strength				
Current Ratio	1.21		1.11	This ratio looks at the relationship between current assets and current liabilities.
Overdrafts, Loans, Finance Leases	3,068		2,903	Santander loan for Future Skills building.
Working Capital				
Cash and Current Asset Investments	21,964		6,212	See Cash report for breakdown of provisions.
Days Ratio of Cash to Total Expenditure	174		42	
Underlying Cash Balance	6,420		6,212	The cash balance when provisions are removed.
Days Ratio of Cash to Total Expenditure	51		42	

Appendix 5 - Fife College 23/24 Year End Projection

Income	Total Budget £'000	Variance £'000	Year End Projection £'000
SFC Grants	37,920	453	38,373
Academic Fees	2,786	(185)	2,601
Other Income	551	183	734
Bursary Income	551	0	551
Commercial Training	1,828	(202)	1,627
Development Projects	0	189	189
SDS Modern Apprentices	1,591	0	1,591
Non-Managed Service VQs	636	(44)	592
Scottish Prison Service	4,900	(1)	4,899
Conference Centre - Venue	565	0	565
Total Income	51,328	394	51,722
Direct Costs			
Staff	27,977	111	27,866
Non Staff	2,715	(529)	3,244
Total Direct Costs	30,692	(418)	31,110
Contribution	20,636	(24)	20,612
	40%		40%
Overhead			
Staff	12,512	19	12,493
Non Staff	10,213	50	10,163
Total Overhead Cost	22,725	69	22,656
Surplus	(2,089)	45	(2,044)
Restructuring	(428)	(200)	(628)
Revaluation Reserve	1,934	337	2,271
Historic Cost Surplus	(582)	182	(400)

ADJUSTED OPERATING POSITION	Total Budget £'000	Variance £'000	Year End Projection £'000
Historic Surplus/(Deficit)	(582)	182	(400)
Revaluation Reserve	(1,934)	(337)	(2,271)
Net Depreciation	2,641	145	2,786
Loan capital	(335)	0	(335)
Unfunded Pension Costs	(222)	0	(222)
Adjusted Operating Surplus/(Deficit)	(432)	(10)	(442)