

## MINUTES

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Minutes of the Finance, Commercial and Estates Committee meeting held on Tuesday 12 June 2018 at 9.30am in the Boardroom, Halbeath Campus, Dunfermline.

**Present:** Jim Trail (Chair), Jen Anderson, Edward Blades, Shona Cochrane, Garry Dickson, Hugh Hall (Principal), Jen Walls

**In Attendance:** Gail Dunn, Susan Dunsmuir, Kris Getchell, Marianne Philp

### 1 Welcome

The Chair welcomed those present to the meeting. It was noted that Tom Gorman had sent apologies for the meeting.

### 2 Minutes of the Previous Meeting: 13 March 2018

The minutes of the previous meetings were approved as an accurate record.

### 3 Matters Arising / Actions Outstanding

The contents of the paper that had been circulated were noted.

**Action 3:** An update was given on the action agreed at the last meeting with regard to performance at Stenton campus. It was reported that some of the income had been deferred into the next financial year. In addition some activity planned for Stenton had moved to Halbeath due to demand.

Members advised that they had concerns about the performance of Stenton more generally and whether there were wider issues that required to be addressed, in relation to performance and/or morale. The concern was that perhaps the Financial Performance was a result of some issues within the campus rather than being the cause. The Principal agreed to look into this as a management issue and report on it separately as it was not an issue that fell within the remit of this Committee.

### 4 Financial Update

#### 4.1 Management Accounts to 30 April 2018

The contents of the papers that had been circulated were noted. The main highlights and issues were outlined and discussed.

One area of concern raised was regarding the forecast figures for the Staffing, Other Direct Expense and College Overheads on page 13 of the Boardpack as the year end forecast meant that the current actual "run rates" would have to be increased or decreased significantly to achieve the year end numbers of the forecast. It was noted that as well as the current run rate a provision had also been made for the academic

staff pay increase for 2017-18 which had not yet been made. Other items had been included but there was no full back up presented at the meeting.

**Decision:** To look into the variance in figures for staff costs, Other Direct Expenditure and College Overheads and give further information on the reasons for this. By way of further reassurance, to give trend information on last year's position for the same period. Information to be emailed to Committee members.

**Responsibility:** Susan Dunsmuir

**Deadline:** 27 June 2018

## 4.2 Year End Projection – Risks and Opportunities 2017-18

The contents of the papers that had been circulated were noted. Members were advised that 97% of the credit target had now been met and that academic staff were confident that this would be met by the year end. Commercial income was behind target by around £191k due to the downturn in Engineering and Construction. Work was ongoing in all Faculties to close the gaps. It was noted that Carnegie Enterprise was projecting a breakeven position or small surplus by the year-end.

**Decision:** To add percentages to show variances to future papers.

**Responsibility:** Susan Dunsmuir

**Deadline:** 18 September 2018

## 4.3 Capital Spend

The contents of the paper that had been circulated were noted.

## 4.4 Treasury Management Update

The contents of the paper that had been circulated were noted. It was highlighted that, since the last meeting, the proceeds from the sale of Robert Purvis House and the annual gift aid payment from Lauder Learning Ltd had been received. It was noted that the option to purchase MediaSpace had not been exercised as funding had not been available from the Scottish Funding Council for this.

## 4.5 Procurement Update and Recent and Forthcoming Tender Activity

The contents of the paper that had been circulated were noted. An update was given on the forthcoming Digital projects. Members approved any anticipated spend for contracts over £181k.

## 4.6 Accounting Policies

The contents of the paper that had been circulated were noted, with no significant changes having been made to last year.

**Decision:** To approve the accounting policies for 2017-18.

**Responsibility:** Susan Dunsmuir

**Deadline:** 31 July 2018



# Fife College

## 4.7 Comparison of Key Ratios with other FE Colleges

The contents of the papers that were circulated were noted and members of the Committee were complimentary of the package which had been put together. Members noted that Fife College staff costs as a percentage of total income was high when compared to most other Colleges that had been selected. It was noted that there were a variety of reasons for this, including having an extensive range of courses, historical staffing levels and class sizes being small. A Workforce Plan had been drafted and would help to address this. It was noted that the Workforce Plan had been considered by the Health and Safety and Human Resources meeting at its last meeting and progress made would be monitored at future meetings.

It was suggested that the Academic Quality Committee could look at staffing in relation to the curriculum plan, considering class sizes and recruitment.

There was a discussion about national bargaining and likely funding that would be available to Colleges in the future.

It was suggested that the next stage of development of the report might be to use percentile ranks and medians and thereafter set targets and objectives to achieve these. It was noted that there could be good practice in other colleges that could be learned from.

**Decision:** To ask the Academic Quality Committee to consider whether or not it would be useful to look at staffing in relation to the curriculum plan, considering class sizes and recruitment.

**Responsibility:** Shona Cochrane

**Deadline:** 13 June 2018

## 5 Draft Budget 2018-19

### 5.1 Fife College Draft Budget 2018-19

The contents of the paper that had been circulated were noted. It was confirmed that the offer of grant had now been received from the Scottish Funding Council and that an allocation had been made for national bargaining costs.

It was confirmed that achievement of the full credit target was assumed.

Concern was noted that the commercial training income was overall decreasing, when the College strategy was to grow this. It was noted that there were several factors affecting this, and confirmation was given that a strategy was in place to ensure the Business Development and Marketing teams were focused on the right things. Currently a major focus was to grow HE activity. It was confirmed that the position would be monitored and steps taken to bring income into line. A discussion was held around if the situation did not improve whether the strategy should be amended but members of the Committee felt it was far too early to discuss this as other alternatives would have to be considered well before that was an option.

It was noted that Appendix 1 of the paper included risks and opportunities, and a prudent view had been taken based on current assumptions.

It was noted that the budget allocated for Digital for 2018-19 was consistent with the original budget set for 2017-18. During 2017-18 the budget had been reduced and replaced by funding from the ALF.

**Decision:** To recommend to the Board of Governors the approval of the budget for 2018-19.

**Responsibility:** Susan Dunsmuir

**Deadline:** 27 June 2018

## 5.2 Fife College 5 Year Financial Projection

The contents of the paper that had been circulated were outlined and noted. It was highlighted that assumptions from SFC had not yet been received and the paper would be updated again once these were received. This would come to the next meeting for consideration.

**Decision:** To email any comments or questions on the current draft 5 year financial projection to the Director: Governance and Compliance.

**Responsibility:** Committee Members

**Deadline:** 27 June 2018

## 6 Strategies

### 6.1 Finance

### 6.2 Commercial

The contents of the papers that had been circulated were noted. It was noted that these strategies would help to deliver the overall Strategic Plan.

**Decision:** To email comments on the draft strategies to the Director: Governance and Compliance.

**Responsibility:** Committee Members

**Deadline:** 27 June 2018

## 7 Update on Commercial Activity

The contents of the paper that had been circulated were noted. It was confirmed that the current gap in commercial income was £248k, which was £40k better than at this point last year. It was anticipated that this would reduce as income continued to be targeted.

It was noted that tenders were only one way that business was generated. It was suggested that a running total of business won and a column indicating what was new and what was repeat business. There was also a discussion around how the actual had been achieved in comparison to the original budget so there would be a better understanding on the performance of the Sales Team.

### Decisions:

- To provide a breakdown of actual business won, as a percentage of new and repeat business.
- To provide a comparison of actual order intake against original budget to enable members of the Committee to understand how well the Sales Team are performing against commitment.

**Responsibility:** Susan Dunsmuir

**Deadline:** 18 September 2018

## 8 Update on Arm's Length Foundation (ALF)

The contents of the paper that had been circulated were noted. It was noted that the application from the Faculty of Engineering, Energy and Mathematics had been submitted to the ALF for approval.

## 9 Digital Services Update

The contents of the paper that had been circulated were outlined and noted. Members of the Committee were complimentary of the new format of the report. An update was given on those actions with an amber status.

**Decision:** It was agreed for future reports that a one line explanation would be given for amber and a short paragraph for red status actions.

**Responsibility:** Kris Getchell

**Deadline:** 18 September 2018

## 10 Minutes of Carnegie Enterprise Board of Directors Meeting

The contents of the minutes that had been circulated by email were noted.

## 11 Review of Remit and Self-Evaluation

The following changes to the remit were suggested:

- "ICT" to be changed to "Digital" to reflect the College structure.
- To change the "in attendance" membership to reflect flexibility over attendance rather than this being essential

It was agreed that the timing and format of meetings was acceptable to members and no further changes were proposed.

**Decision:** To recommend the proposed changes to the remit to the Board of Governors for approval.

**Responsibility:** Marianne Philp

**Deadline:** 27 June 2018

## 12 Date of Next Meeting

Tuesday 18 September 2018 at 9.30am, Room ES02, Stenton Campus, Glenrothes.