

MINUTES

Minutes of the Finance, Commercial and Estates Committee meeting held on Tuesday 19 March 2019 at 9.00am in the Carnegie Conference Centre, Dunfermline.

Present: Jim Trail (Chair), Shona Cochrane, Garry Dickson, Hugh Hall

Apologies: Joseph Harney, Carol Hunter, Jen Walls

In Attendance: Silvia Baduskova, Gail Dunn, Susan Dunsmuir, Kris Getchell, Colin Quinn, Sue Reekie, Marianne Philp

1 Welcome

The Chair welcomed those present to the meeting.

2 Minutes of the

2.1 Previous Meeting: 29 November 2018

**2.2 Joint Audit and Risk / Finance, Commercial and Estates Committee:
29 November 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.

4 Digital Services Update

The contents of the paper that had been circulated were outlined and noted. Updates were given on the two areas where the status had changed from amber to green since the last meeting. Members were pleased to note that the physical infrastructure projects were now nearing completion. The next steps as detailed within the paper that had been circulated were outlined. It was noted that further details on the approach to be taken would be presented at the next meeting.

It was confirmed that the next stage would be to look at systems and how we use these, and prioritise a series of projects that would directly improve the service offered to applicants and students. In addition, systems needed to be developed and improved in order to build staff capacity. A systematic review of projects was required in order to form priorities and to do things in a logical order.

Some good practice could also be seen in learning and teaching where staff were making good use of an increased range of products to deliver more effectively to learners.

It was noted that the Digital Strategy would be updated to reflect the progress made and to give more detail on the next stage of developments.

Decision: To give further details on the approach to be taken / next steps at the next meeting.
Responsibility: Kris Getchell **Deadline:** 6 June 2019

5 Estates Strategy Update

The contents of the paper that had been circulated were outlined and noted. Updates were given on findings 1, 5 and 12 which remained amber.

An update was given on recent discussions with Fife Council and the Scottish Futures Trust with regard to potential funding models for the new campus at Halbeath. Members queried whether this finding should in fact be red rather than amber due to the lack of progress which was outwith the control of the College.

The changes to finding 12 were noted. It was agreed that as this project was still scheduled to take place, it should be shown as green rather than amber.

Decision: To split finding 1 into two parts, noting the new build at Halbeath was at red, due to no fault on the part of the College, and to change finding 12 to green.
Responsibility: Colin Quinn **Deadline:** 6 June 2019

6 Financial Update (including Year End Projection – Risks and Opportunities 2018-19)

The contents of the papers that had been circulated were noted. It was highlighted that the College was £89k ahead of the year to date F1 position. Income was £45k behind and expenditure was £134k lower than F1.

It was confirmed that the liquidation of Carnegie Enterprise was going well, with clearance from HRMC the last outstanding issue. All of the Carnegie Enterprise activity had now been amalgamated into the College reports.

It was noted that the credit target was on schedule to be achieved by the year end. Commercial activity was currently behind mainly due to issues relating to funding for the Flexible Workforce Development Fund (FWDF). Discussions on the FWDF were ongoing with the Scottish Funding Council as failure to meet the needs of clients in this area may lead to loss of customer in other areas of commercial work.

It was noted that costs continue to be tightly controlled. Some of the underspend was due to timing. Staffing continues to be closely reviewed and further voluntary severance opportunities would become available, which would require additional funding. A discussion took place around ensuring that cost reduction should not be the only option considered as it may mean that opportunities to capture more business could be missed if we “cut” too deep.

The risks and opportunities to achieving the forecast position on page 28 of the Boardpack were reviewed. It was noted that the underlying surplus was projected to be £25k better than forecast, with the February position indicating further improvements.

It was noted that the FFR had been emailed to members separately to the papers. Attention was also drawn to the covering email which was asking the Scottish Funding Council to support some of the restructuring costs. The Principal confirmed his advice to work towards at



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least a breakeven budget rather than go into deficit, and members of the Committee agreed with this. It was noted that some other colleges were showing a deficit position.

7 Commercial Activity Update

The contents of the paper that had been circulated were noted. It was noted that the position was similar to this time last year. Issues relating to the FWDF and non managed service VQs were discussed. It was noted that steps were being taken by the Business Development Team to reduce any shortfalls in income.

It was confirmed that commercial activity remains challenging due to the current economic environment, with many companies choosing suppliers based on price. It was therefore important to continue to focus on growth areas within Fife, and to work with employers and schools to ensure local needs were met.

8 Indicative Funding 2019-20

The contents of the paper that had been circulated were noted. It was highlighted that the final allocations would be announced towards the end of May, but it was not anticipated there would be significant changes. It was confirmed that the indicative fundings were reflected in the College's financial planning. The overall position was an approximate £1.5m additional cost to the College for the year ahead, which was currently unfunded. Despite agreeing this was disappointing the Committee agreed that we should continue to work towards ensuring the College achieves, at least, a breakeven budget by continuing to identify efficiency improvements and looking to increase commercial activity.

9 Procurement Update

The contents of the paper that had been circulated were noted. As had been requested at the last meeting, a shortened version of the paper had been produced. Members approved the spend for projects over the OJEU levels and approved the Slavery and Human Trafficking Policy Statement. Members noted the update on Brexit and it was highlighted that Fife College was the only College in Scotland currently with a Brexit Plan.

Decision: To approve the Slavery and Human Trafficking Policy Statement for signature and roll out.

Responsibility: Susan Dunsmuir / Principal

Deadline: 31 March 2019

10 Update on Arm's Length Foundation (ALF)

The contents of the paper that had been circulated were noted. It was reported that the next meeting would take place in early May 2019.

11 Date of Next Meeting

Thursday 6 June 2019 at 9.30am in the Boardroom, Dunfermline