

MINUTES

Minutes of the Finance, Commercial and Estates Committee meeting held on Thursday 6 June 2019 at 9.30am in the Boardroom, Fife College, Dunfermline.

Present: Jim Trail (Chair), Shona Cochrane, Garry Dickson, Hugh Hall, Joseph Harney, Jen Walls, David C Watt (ex officio)

Apologies: Carol Hunter

In Attendance: Wendy Brymer, Gail Dunn, Susan Dunsmuir, Colin Quinn, Sue Reekie, Marianne Philp

1 **Welcome**

The Chair welcomed those present to the meeting.

2 **Minutes of the Previous Meeting: 19 March 2019**

The minutes of the previous meeting 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. It was noted that two priorities were highlighted in red and the Committee discussed both of these in detail.

It was noted that the timescales for the IT Infrastructure Rationalisation had been delayed so that works could coincide with other works at Glenrothes to avoid roads having to be dug up twice, so this was overall more efficient. There was little risk attached to the delay as the current network would remain in place. The project would improve things moving forward in that if a link goes down, it would not affect all campuses. Members considered that, as there would be no financial or performance risk, this should probably not be highlighted as red.

With regard to the Cyber Resilience Catalyst status, Committee members were surprised that this had changed from green to red within a three week period. Members queried why the issues with the Staff Gateway being at end of life were not previously known and highlighted as a risk. It was noted that the My Fife system would replace the staff Gateway. The Principal suggested that this should not be classified as red, as work is ongoing on My Fife, and the risk to the College of a delay to Cyber Essentials Plus certificate was not a risk to the College, especially in light of all the other Digital Services work that was ongoing. It was noted that a process was in place for approval and prioritisation of projects to ensure those that impacted on the customer were given a higher priority. Again, Members considered that, as there would be no financial or performance risk, this should probably not be highlighted as red.



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It was noted that the Edge Network Refresh had been approved previously, but had been delayed until priorities had been identified and agreed. The spend was now requested before the end of this financial year. It was noted that My Fife would be a front facing interface for students, and REMs would remain the core student records system. Committee members endorsed the decision previously taken.

Members queried the need for the Executive Team papers to be included as the Committee were confused as to whether they were also required to approve these. It was confirmed that they were for noting, just by way of additional information.

Views were expressed that the project documentation was too bureaucratic and may not be used for all projects. It was explained that the purpose of the paperwork was to ensure consistency in managing projects across the college, and ensuring connectivity between smaller projects. The paperwork could be streamlined to suit the specifics of the project. It was noted that rapid improvement events would be used to empower people to make changes and staff at all levels would be involved in these. Members reemphasised their view that the document should be simple to encourage everyone with ideas to come forward and not feel overwhelmed by paperwork.

Decisions

- In future papers, where the status is red, to ensure that the impact is quantified in terms of finance, risk and customers to aid understanding.
- To bring an overview of priorities moving forward and the status of current projects, including My Fife, to the next meeting.
- To ensure that any papers included for information are clearly marked as such or are hyperlinked as additional documents for optional background reading in future papers.

Responsibility: Kris Getchell

Deadline: 17 September 2019

5 Estates Strategy Update

The contents of the paper that had been circulated were outlined and noted. Updates were given in finding number 1 in relation to the new Dunfermline Campus. It was noted that discussions with Fife Council, Scottish Funding Council and Scottish Futures Trust were continuing and funding models continued to be explored. Options for involving other partners to make the project more innovative and therefore attractive were also being explored. The Principal advised that he would continue to give updates to Committee members and the Board of Governors on developments.

Brief updates on findings 1a and 5 (which were amber) were given. Committee members were advised that a programme of Summer works were planned and on target for completion.

Decision: To update the Estates Strategy document to ensure that it remains current and aligned with College strategy, and to adapt the format of the update report to fit with that.

Responsibility: Chief Operating Officer/Director: Estates **Deadline:** 21 November 2019

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

The contents of the paper that had been circulated were noted. It was highlighted that the College was £225k ahead of the year to date F1 position. Income was £9k behind and expenditure was £233k lower than F1.



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It was confirmed that, on page 49 of the Boardpack, the current assets were lower than current liabilities due to the provision made for the purchase of land. This will remain on the balance sheet until after building works start. This makes the current ratio look low, however it was not concerning due to this provision.

Members noted that the current projection was for a modest underlying surplus at the financial year end.

It was noted that provision for the ESF potential clawback from 2015-16 continued to be made and it was unknown when this would be finalized. Members were reminded that steps had been taken to address this to avoid risk of clawback in future years. The Audit and Risk Committee had monitored internal audit actions until these had been confirmed as closed off.

It was confirmed that a provision of £1m had been made for restructuring costs and that it was anticipated that most changes would be made before the financial year end. A smaller provision had also been included in the budget for 2019-20.

Members commended the format of the report which gave information in a clear and succinct manner.

7 Commercial Activity Update

The contents of the paper that had been circulated were noted. It was highlighted that, overall, the total non-SFC income target was projected to be £68k over. The SDS Modern Apprenticeships were behind due to profiling of year 4 students. The MA additional billing was also behind due to a change in funding models, as had been reported at previous meetings.

It was noted that Engineering and Built Environment had been brought together earlier in the year and that this Faculty had the biggest target for commercial income. The new structure had included additional promoted Curriculum Managers in recognition of the requirement for commercial growth.

It was confirmed that, moving forward, allowing Faculties to reinvest some of their commercial income to develop new opportunities would be explored.

8 Draft Budget 2019-20

The contents of the paper that had been circulated were noted. The assumptions made in drafting the budget were outlined, as were the actions being taken to grow commercial income. The risks and mitigating actions were also discussed. It was noted that the draft budget would have to be revisited once the funding assumptions from SFC had been received.

Decision: To rename the CEL income line to Venue, and to thereafter recommend the approval of the draft budget to the Board of Governors.

Responsibility: Chief Financial Officer

Deadline: 26 June 2019

9 Five-Year Financial Forecast

The contents of the paper that had been circulated were noted. It was noted that the SFC funding assumptions would impact on the paper, and that the position would only get worse



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overall. Scenario 3 had been included to take a balanced view. Committee members noted that as the reliance on commercial income grows, this gives a more volatile situation for the College in the event a big contract is lost. It was also noted that Colleges were receiving less funding than other sectors, eg in NHS the full pension cost increases were being funded by the Scottish Government.

Decision: To review the paper once the SFC funding assumptions were known.

Responsibility: Susan Dunsmuir

Deadline: 17 September 2019

10 Accounting Policies

The contents of the papers that had been circulated were noted. It was confirmed that there were no recommended updates to the policies.

Decision: To approve the accounting policies.

Responsibility: Susan Dunsmuir

Deadline: 31 July 2019

11 Procurement Update

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

12 Update on Arm's Length Foundation (ALF)

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

13 Self-Evaluation

The contents of the papers that were circulated were noted. Members confirmed that the changes made to the financial and commercial reports were excellent and ensured that the Committee focused on the information that it needed.

Members queried if meeting more frequently would help with the heavy schedule of business. It was confirmed that the current arrangements fitted with the way internal meetings were structured and how work progressed, and that quarterly was therefore most suitable.

It was noted that the changes proposed to the Digital Services and Estates Update reports would be progressed.

No changes to the remit were proposed.

Members commented that streamlining papers more, and using arrows or the RAG system rather than lots of text were preferred where this was practicable.

14 Date of Next Meeting

Tuesday 17 September 2019 at 9.30am in the Boardroom, Dunfermline