

MINUTES

Meeting: Finance, Commercial and Estates Committee

Date: Tuesday 7 June 2022 at 9.30am

Location: Microsoft Teams

Present: Jim Trail OBE (Chair), Hugh Hall, Gordon Mole, Phillip Thompson, Emma Wallace

Apologies: Drew Connelly

In Attendance: Gail Dunn, Susan Dunsmuir, Kris Getchell, Iain Hawker, John Lewthwaite, Marianne Philp

1 Welcome

The Chair welcomed those present to the meeting.

2 Minutes of the Previous Meeting: 8 March 2022

It was noted that the figure within the Commercial Update section of the minutes should be £0.5m. Subject to this change being made, 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 Overview of Estates Issues and Priorities

John Lewthwaite gave an overview of estates issues and priorities. A copy of the slides used is available on Microsoft Teams. The update included:

- Strategic Priorities
- Estate Wide Priorities
- New Dunfermline Learning Campus
- Glenrothes, Kirkcaldy and Levenmouth Campuses
- Existing Dunfermline Campus and Rosyth
- Potential issues

Further details were requested on the dilapidations negotiations with Babcock. It was noted that the College had made a provision for the total cost Babcock was looking for, but in reality it was anticipated that settlement would be at a lower level. It was likely that a professional company would be brought in to support the College, and that works could be done internally prior to the lease end date. Whilst Babcock was seeking a cash settlement, doing some of the works should lower the amount due to be paid. It was confirmed that the provision made had come from College resources and had not been funded by the Scottish

Funding Council. It was suggested that any further discussion or advice on this matter could be taken offline.

4.1 Strategic Update: Estates

The contents of the report that had been circulated were noted. Two projects were flagged as amber, and two as green. Updates on these were covered in items 4 and 4.2 on the agenda.

4.2 New Build Project Board Minutes

Links to the minutes of meeting held since the Committee last met were included on the agenda. The Principal gave an update on current progress, noting that prices were due to be returned this week for the DP4 to be finalised. The New Build Project Board would meet to discuss this, and it was due to be presented at the June 2022 Board meeting for approval. It was noted that timescales remained tight for the Summer 2024 opening date to be met.

5 Strategic Update: Digital

The contents of the paper that had been circulated were outlined and noted. It was noted that the Digital Strategy work was on target and that an update would be included at the June 2022 Board meeting.

It was noted that steps were being taken to remove reliance on single suppliers due to the delays being experienced as a result of the impact of Covid-19. AV equipment had arrived ahead of schedule, which was confirmed as the reason for this project being completed ahead of schedule.

It was confirmed that student feedback is gathered in various ways, using the Fife College Students' Association (FCSA), class representatives and faculty involvement in projects.

The Chair thanked the Chief Information Officer and his team for keeping projects on track and for making good progress since the last meeting.

6 Strategic Update: Financial

The contents of the paper that had been circulated were noted. It was highlighted that the college was £101k behind the year to date F1 position, and main variances were briefly outlined.

Attention was drawn to the cash position (page 23 of the Boardpack) which showed a projected £5.3m year-end position.

A year-end surplus of £242k was projected and the assumptions made were briefly outlined.

7 Commercial Activity Update

The contents of the paper that had been circulated were noted. It was highlighted that commercial income was on target to exceed the commercial income target with a positive variance of £114k.

Employers continued to show a gradual return. The Flexible Workforce Development Fund was being utilised. Whilst applications required to be made by June, training for this could be offered until December 2022.

There was a discussion about opportunities for courses that could be offered Scotland or UK-wide and how these were being taken forward. Priorities were noted as being in areas where growth was expected nationally such as in the areas of renewables and EVC. Increasing use was being made of working in partnerships and of utilising Industry Advisory Boards.

8 2022/23 Draft Budget

The contents of the paper that had been circulated were noted. It was confirmed that this had been prepared following the publication of the final allocation from Scottish Funding Council. The 2022-23 budget showed a modest underlying surplus of £141k.

A brief update was given on Scottish Prison Service contract negotiations which should conclude soon.

It was confirmed that the college was currently on a fixed price energy deal and that work had been undertaken to ascertain what costs might be when this ends, and had been included in the draft budget. A general inflation rate of 5% had been assumed.

A query was raised about whether a return on investment in commercial activity was now starting to be realized. It was confirmed that work undertaken in this area previously had not been taken forward. A review was now being undertaken with changes being proposed to the structure to ensure staff were working efficiently. Detailed sales plans and project reviews were being undertaken. Costings were being reviewed to ensure viability as part of the course approval process.

It was confirmed that pay offers were likely to be accepted by the Trade Unions soon and that provision had been made for these within the draft budget.

Scenario projections through to 2024-25 were also included within the paper. Flat cash was assumed for this entire period, which was a cut in real terms as no account was taken of cost of living increases or inflation. This showed that a saving of £5m - £6m over a 5 year period was required. Members were reminded of discussions from the Strategy Day which related to more fundamental changes being required within the sector overall.

It was suggested that indirect impacts should also be considered. Other public bodies would be receiving similar funding cuts and would have less money available to spend on training, therefore growth areas where specific funding was being made available required to be targeted.

Decision: To recommend the draft budget for 2022-23 to the Board of Governors for approval.

Responsibility: Chief Financial Officer

Deadline: 23 June 2022

9 Procurement Strategy and Recent and Forthcoming Tender Activity

The contents of the paper that had been circulated were noted. There was one project requiring approval, as detailed on page 40 of the Boardpack. The Procurement Strategy 2022-24 was also provided for approval.

Members queried if the objective on ethical, social and environmental policies as detailed on page 41 was an issue, and asked how progress reported could be turned from red to amber and then to green. It was confirmed that the score had been reduced since the last meeting to take account of the requirement to report on carbon. The Procurement Team would be working on an action plan for this before the end of the calendar year. It was noted that this was a significant piece of work as engagement with all suppliers would be required. An update on this could be presented to the next Committee meeting.

Discussion turned to the Net Zero Strategy and the resourcing that would be required to move this forward. An update on the Net Zero Strategy would be presented at the June 2022 Board meeting and consideration to resourcing for the delivery of this would thereafter be considered by the Executive Team.

Decisions:

- To approve the procurement project for student PPE.
Responsibility: Chief Financial Officer **Deadline:** 30 June 2022
- To approve the Procurement Strategy 2022-24.
Responsibility: Chief Financial Officer **Deadline:** 30 June 2022
- To prepare an update on how to progress with the objective on ethical, social and environmental policies to ensure compliance with Public Body Carbon reporting requirements.
Responsibility: Chief Financial Officer **Deadline:** 13 September 2022

10 Accounting Policies

The contents of the paper that had been circulated were noted. Two adjustments had been made since last year.

Decision: To approve the Accounting Policies for 2021-22.

Responsibility: Chief Financial Officer **Deadline:** 31 July 2022

11 Review of Remit, Self-Evaluation and Annual Report to the Board

The contents of the paper that had been circulated were noted. Members agreed that no changes were required to the remit and confirmed that the Committee was operating efficiently.

Members agreed to feed into the Director: Governance and Compliance any points to be included in the Annual Report to the Board.

Decision: To feed into the Director: Governance and Compliance any points to be included in the Annual Report to the Board.

Responsibility: Committee Members **Deadline:** 30 June 2022

12 Review of Meeting

No business was transacted.

13 Date of Next Meeting

Tuesday 13 September 2022 at 9.30am

The Chair thanked members for working with him as Committee Chair and as a Board member over the past 8 years. He thanked in particular the Chief Financial Officer and Chief Information Officer for the work that had gone into changing the format of papers and for their support and professionalism, all of which had resulted in significant improvements to the presentation of data and discussion at Committee meetings. He thanked everyone present for the contributions and wished them well for the future. The Chair stated that he was proud to be a member of the Fife College Board of Governors and Chair of the Finance, Commercial and Estates Committee.

The Principal thanked the Chair for his work over the years and commented that it was due to his leadership the Committee was so efficient and effective. He wished him well for the future.