

AGENDA

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

Meeting: Finance, Commercial and Estates Committee

Date: Thursday 16 November 2023 at 4pm

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 Previous Meeting: 12 September 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	Note	JT	4-12
	4.4 Procurement and Recent and Forthcoming Tender Activity	Approve	JT	
	4.4.1 Procurement Annual Report	Approve	JT	
	4.4.2 Slavery and Human Trafficking Policy Statement	Approve	JT	
5	SFC Funded Capital Expenditure	Approve	JT	
6	Fife College Academic Fees for 2024-25	Approve	JT	
7	Review of Meeting	Discuss	All	N/A
8	Date of Next Meeting Wednesday 28 February 2024 at 8.30am	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	In all of the Strategic Update reports, having the changes since the last meeting highlighted (eg in a different colour of font) would be useful to save comparison with previous Boardpacks.	All report authors	16.11.23	Complete and ongoing
2	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
3	12.09.23	To speak to the Chair of the Audit and Risk Committee to make him aware of the Committee's request to move the internal audit on Cyber from year 2 to year 1 and to advise members of the outcome.	Director: Governance and Compliance	30.09.23	Complete. Chair of ARC agreed to recommend the change. Deputy Principal has asked Internal Auditors to move the audit on Cyber Security to Year 2 and Risk Management to Year 1
4	12.09.23	To report against the original budget position rather than an F1 position at all meetings, explaining why any variations have occurred.	Deputy Principal	16.11.23	Complete
5	12.09.23	To approve the procurement projects requiring Committee approval.	Deputy Principal	30.09.23	Complete
6	12.09.23	To approve the spend on the Master Planning exercise (£370k with a £60k grant included within this).	Deputy Principal	30.09.23	Complete
7	12.09.23	To include dates instead of TBCs in future	Deputy Principal	16.11.23	Complete

	Date of Meeting	Action	Responsibility	Deadline	Comments
		estates reports, or remove the projects if it is too early to report on them.			
8	12.09.23	To issue a reassuring communication from the College to staff, students and Board members on the steps being taken as a precautionary measure with regards to RAAC.	Deputy Principal	30.09.23	Complete
9	12.09.23	To approve the procurement to tender the appointment of the Phase 2 Contractor.	Deputy Principal	30.09.23	Complete
10	12.09.23	To approve the updated draft Financial Regulations.	Deputy Principal	30.09.23	Complete



COVER SHEET FOR PAPERS TO BE CONSIDERED BY THE BOARD

Strategic Update: Finance	
Date of Meeting:	16 November 2023
Purpose:	This paper sets out the Fife College financial position as at period 2 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
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Date of Production:	1 November 2023

Strategic Highlights - Finance

The Finance update information is focusing on the September 2023 year to date position in comparison to the year to date budget.

Overall, based on the September year to date accounts, the College is currently £163k ahead of the year to date budget position. The variances are mainly attributable to:

- Direct costs are £45k better than budget mainly due to staff savings.
- Overhead costs are £54k better than budget mainly due to higher than budgeted interest received.
- Revaluation reserve is £95k better than budget as a result of the 2022/23 year end land and buildings revaluation.
- This is partially offset by income being £31k lower than budget primarily due to lower academic fees as a result of worse than expected HE recruitment.

The adjusted operating position for the year to date is showing a surplus of £269k which is £91k higher than the year to date budget position of £178k.

Members are asked to note that the information presented reflects the first two months of the academic year. The College's Finance Team continues to monitor the financial performance and trends across all budgets. Future reports will provide a full year forecast and report financial performance against the year to date position and the full year position.

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 September Budget YTD £'000	2023/24 September Actual YTD £'000	Variance to YTD Budget £'000	Variance to YTD Budget %	Status
56,710	53,343	Income	51,328	8,255	8,224	(31)	(0.4%)	
(28,703)	(29,680)	Direct Staffing Costs	(27,977)	(4,388)	(4,347)	41	0.9%	
(2,363)	(2,744)	Operating Expenditure	(2,715)	(642)	(639)	4	0.5%	
25,644	20,919	Contribution	20,636	3,225	3,238	13	0.4%	
(11,589)	(12,790)	Overheads - Staff	(12,512)	(1,763)	(1,760)	4	0.2%	
(8,719)	(8,655)	Overheads - Non-Staff	(10,213)	(1,631)	(1,581)	50	3.1%	
(6,098)	(835)	Pension Adjustments	0	0	0	0	0.0%	
(763)	(1,362)	Surplus/(Deficit) for year	(2,089)	(170)	(102)	67	39.6%	
(378)	(765)	Restructuring	(428)	0	0	0	0.0%	
159	0	Profit/(Loss) on Disposal	0	0	0	0	0.0%	
(430)	1,565	Revaluation Reserve	1,934	255	350	95	37.5%	
(1,411)	(562)	Historic Cost Surplus/(Deficit)	(582)	85	248	163	191.3%	
430	(1,565)	Revaluation Reserve	(1,934)	(255)	(350)	(95)	(37.5%)	
1,736	2,117	Depreciation (Net of Deferred Capital Grant Release)	2,641	440	464	24	5.5%	
(159)	0	Profit/(Loss) on Disposal	0	0	0	0	0.0%	
6,098	835	Non-Cash Pension Adjustments	0	0	0	0	0.0%	
(4,561)	0	Release of Land Grant	0	0	0	0	0.0%	
(487)	(340)	Revenue Funding Allocated to Loan Repayments	(335)	(56)	(56)	0	0.0%	
(220)	(201)	Revenue Funding Allocated to Unfunded Pensions	(222)	(37)	(37)	0	0.0%	
1,425	284	Adjusted Operating Surplus/(Deficit)	(432)	178	269	91	51.4%	

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Indicator	2021/22 Actual £'000	2022/23 Actual £'000	2023/24 FY Budget £'000	2023/24 September Budget YTD £'000	2023/24 September Actual YTD £'000	Variance to YTD Budget £'000	Variance to YTD Budget %	Status
SFC Grants	43,975	39,824	37,920	6,345	6,345	0	0.0%	▲
Academic Fees	2,797	2,550	2,786	299	276	(23)	(7.7%)	▼
Other Income	779	825	551	81	82	2	2.1%	▲
Bursary Income	397	521	551	0	0	0	0.0%	▲
Commercial Training	1,657	2,150	1,828	215	209	(6)	(2.6%)	■
SDS Modern Apprentices	1,192	1,435	1,591	358	358	0	0.0%	▲
SDS Foundation Apprenticeships	400	0	0	0	0	0	0.0%	■
Non-Managed Service VQs	507	523	636	61	58	(3)	(4.6%)	■
Scottish Prison Service	4,687	4,883	4,900	817	815	(1)	(0.2%)	■
Conference Centre - Venue	318	633	565	80	80	0	0.0%	▲
Total Income	56,710	53,343	51,328	8,255	8,224	(31)	(0.4%)	■

FIFE COLLEGE

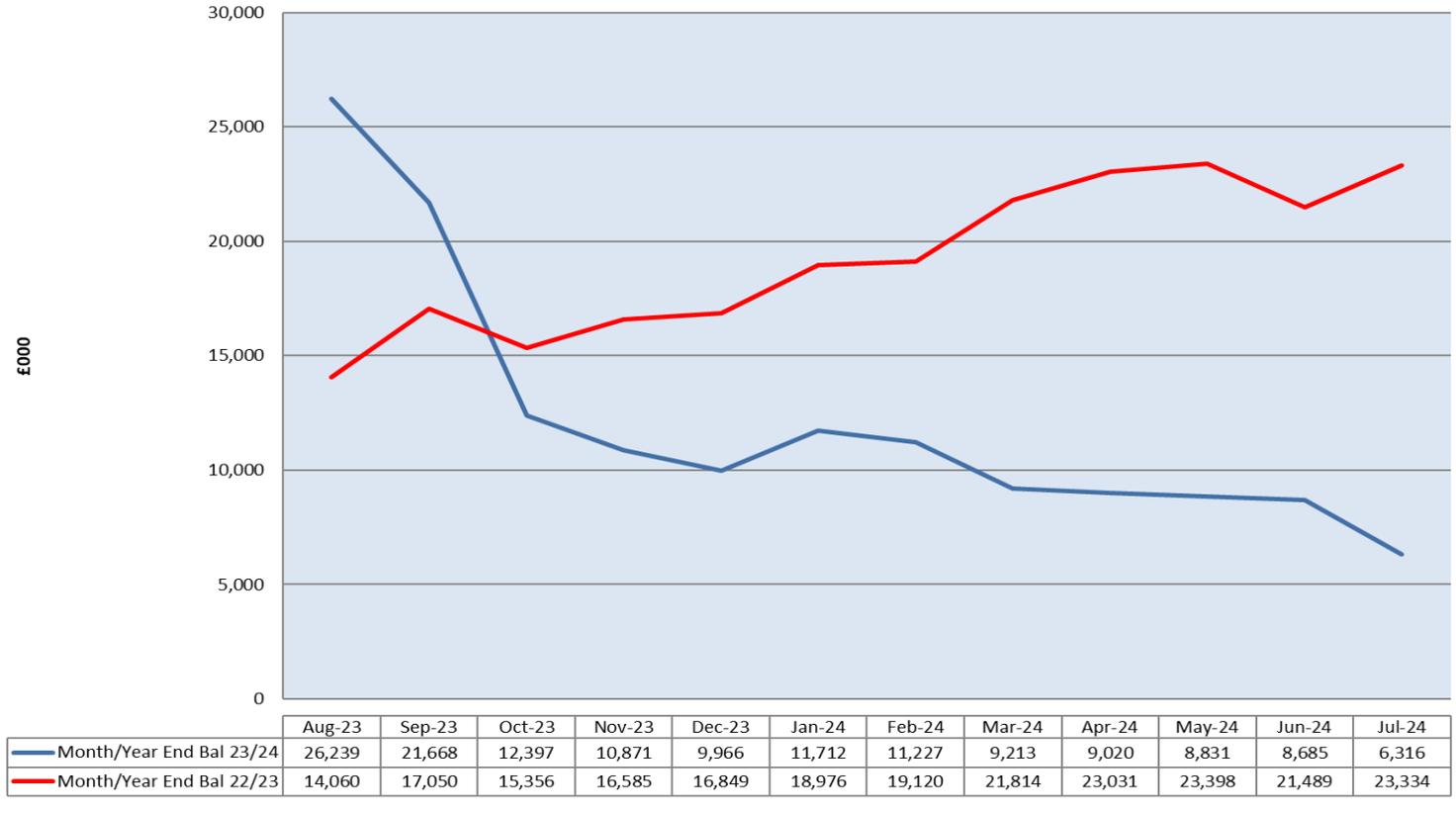
Indicator	2021/22 Actual £'000	2022/23 Actual £'000	2023/24 FY Budget £'000	2023/24 September Budget YTD £'000	2023/24 September Actual YTD £'000	Variance to YTD Budget £'000	Variance to YTD Budget %	Status
Direct Staff Costs	28,703	29,680	27,977	4,388	4,347	41	0.9%	▲
Direct Non-Staff Costs	2,363	2,744	2,715	642	639	4	0.5%	▲
Support Staff Costs	11,589	12,790	12,512	1,763	1,760	4	0.2%	▲
Support Non-Staff Costs Exc. Pension Adj	8,719	8,655	10,213	1,631	1,581	50	3.1%	▲
Total Expenditure	51,374	53,870	53,417	8,424	8,326	98	1.2%	▲

FIFE COLLEGE

Balance Sheet	2021/22 Actual	2022/23 Actual	2023/24 Sep YTD Actual
	£M	£M	£M
Fixed Assets	90.3	111.4	110.9
Current Assets	22.0	29.9	31.8
Total Current Liabilities	21.0	27.1	27.9
Total Creditors Due > 1 year	32.8	51.1	51.0
Total Provisions	2.6	4.1	4.0
Total Assets	55.9	59.1	59.8
Total Reserves	55.9	59.1	59.8

FIFE COLLEGE

Cash Balance August 2023 - July 2024



FIFE COLLEGE CONSOLIDATED

KEY RATIOS	Sep 23 YTD Actual	Sep 23 YTD Budget	Annual Budget 23/24	Notes
Adjusted Operating Position				
Adjusted Operating Margin	3.3%	2.2%	(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	8,224	8,255	51,328	
Total Funding Council Grant as % of Total Income	77%	77%	74%	
Total Other Income as % of Total Income	23%	23%	26%	
Expenditure ratios				
Total Expenditure	8,326	8,424	53,417	Excludes pension adjustments.
Total Staff Costs as % of Total Income	74%	75%	79%	
Property Costs as % of Total Income	21%	21%	17%	Staff and non-staff property costs
Direct Staff Costs as % of Total Income	53%	53%	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. Excludes job evaluation accrual (£968k).
Balance sheet strength				
Current Ratio	1.14		1.11	This ratio looks at the relationship between current assets and current liabilities.
Overdrafts, Loans, Finance Leases	3,153		2,903	Santander loan for Future Skills building.
Working Capital				
Cash and Current Asset Investments	21,668		6,212	See Cash report for breakdown of provisions.
Days Ratio of Cash to Total Expenditure	204		42	
Underlying Cash Balance	6,316		6,212	The cash balance when provisions are removed.
Days Ratio of Cash to Total Expenditure	59		42	