

# MINUTES

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**Meeting:** Finance, Commercial and Estates Committee

**Date:** Tuesday 12 September 2023 at 8.30am

**Location:** Microsoft Teams

**Present:** Susan Mitchell (Chair), Taylor Edwards, Jim Metcalfe, Gordon Mole, Phillip Thompson

**Apologies:** Drew Connelly

**In Attendance:** Iain Hawker, James Thomson, Marianne Philp

## 1 Welcome

The Chair welcomed those present to the meeting and, in particular, welcomed Taylor Edwards who was attending for the first time.

## 2 Minutes of the Previous Meeting: 6 June 2023

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.

It was noted that actions 1 and 5 would be discussed on the agenda, together with other actions as noted in the paper.

Action 19 was reiterated by the Chair as a request for future meetings so that changes could easily be identified on strategic update reports.

## 4 Strategic Update Reports

### 4.1 Digital Services

The contents of the paper were noted. The Strategic Highlights and Projects were outlined.

Members were pleased to note that an external penetration testing supplier had been found and that they would become involved in supporting any Cyber-related incidents that may occur in the future. It was confirmed that where vulnerabilities had been found as a result of testing, the lessons learned had been applied more widely.

It was highlighted that the College has support from Jisc and HEFESTIS and also good networks with other institutions and therefore support would be likely to be

made available in the event of an incident. On an ongoing basis, information is shared so that lessons learned can be applied as relevant within the College.

It was noted that the Cyber insurance policy had been renewed and this gave access to a phishing simulation toolbox which would be utilized rather than finding another external supplier for this.

Members commented that the Cyber assuring mapping document was a very positive and useful step forward. It was suggested that updating documents (eg those last reviewed in 2017-18) should be considered. It was suggested that this document be used to identify some key areas for a deep dive exercise, as had been requested in previous meetings. One area that might be a useful focus could be potential loss of access credentials.

The risk of a deliberate act by a staff member or student was also suggested. Members commented that training was also key to prevent common mistakes such as untrustworthy links being clicked on

It was agreed that it would be useful to ask the Audit and Risk Committee to consider moving the internal audit on Cyber Security from year 2 to year 1 of the plan due to the high risk and fast pace of change in this environment. Committee members emphasized that this was intended to be helpful to the College in order to support a focus on the main areas of potential risk.

There was a discussion on the importance of having accurate estimates to timing / budget / impact within the report to ensure it was realistic and achievable.

#### **Decision:**

- 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.  
**Responsibility:** Vice Principal **Deadline:** TBC
- 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.  
**Responsibility:** Director: Gov and Compliance **Deadline:** 30 September 2023

## **4.2 Commercial Activity**

The contents of the paper that had been circulated were noted. Members were asked to note that the figures reported in the paper had not been agreed with Finance. The strategic highlights were outlined.

It was confirmed that the 29% growth in commercial training was due to a push on marketing activity, listening to the market more about what they needed and changing our offering accordingly, and a restructure within the team in order to build resource and focus on the key products.

It was highlighted that, whilst there was an opportunity to ramp up MA provision and commercial income, the Business Development Team could only sell courses where there was capacity then to deliver. As staffing levels reduce, this becomes

more difficult to manage. With the right balance, this area of activity could be profitable and dynamic.

It was confirmed that, whilst the venue income was improving, it had not yet reached pre-Covid levels. It was suggested that as fixed costs were already accounted for, any increase of activity would have a higher impact.

#### **4.2.1 Commercial Income Profitability**

The contents of the paper that had been circulated were noted. Members were pleased to note a net surplus for all categories of income. It was suggested that for those categories with lower levels of net surplus, further analysis might be useful to look at whether it would be more financially advantageous to move resource to other areas to maximum income.

### **4.3 Finance**

The contents of the paper that had been circulated were noted. It was highlighted that the end of year predicted position was an adjusted operating surplus of £250k, although this was subject to audit. It was noted that, whilst the financial position was very tight, Fife was in a better position than many other Colleges. It was confirmed that the audit fieldwork was due to start on 25 September 2023.

It was confirmed that the savings of £602k made in non-staff expenditure were a mix of one-off and year-on-year savings. Moving forward, measuring the impact on quality/impact on learners of savings made would be useful.

**Decision:** To report against the original budget position rather than an F1 position at all meetings, explaining why any variations have occurred.

**Responsibility:** Deputy Principal

**Deadline:** From 16 November 2023

#### **4.3.1 Financial Implications of Early Withdrawals 2022-23**

It was noted that this paper had been requested at the last meeting. Members noted the positive impact on credits and finances that the change from 9 weeks to 5 weeks cut-off would have in future years. It was noted that the College's withdrawal rate was lower than sector average and work was ongoing to improve this. It had also be highlighted as a recommendation within the recent Education Scotland annual engagement visit.

There was a discussion about challenges within Fife more generally with regard to positive destinations and that this was a collective challenge. Challenges unique to Fife, such as having the largest number of school leavers come to college, travel and infrastructure issues, and attendance were noted. Members also suggested that making improvements to the KPIs may be resource intensive and therefore this may outweigh any financial benefit to the College. However this did not remove the College's obligations to students to support them to achieve.

#### 4.4 Procurement

The contents of the paper that were circulated were noted.

**Decision:** To approve the procurement projects requiring Committee approval.

**Responsibility:** Deputy Principal

**Deadline:** 30 September 2023

#### 4.5 Strategic Update: Estates

The contents of the report that had been circulated were noted. The strategic highlights and projects were noted.

It was noted that a surveyor had been appointed to look at RAAC and that discussions were ongoing to agree dates due to the current interest and volume of work in this area. It was confirmed that the College did not have any immediate areas of concern and that the College's insurers had confirmed the approach being taken by the College as appropriate from their perspective. After discussion, it was agreed that it might be useful to issue a reassuring communication from the College to staff, students and Board members on the steps being taken.

**Decisions:**

- To approve the spend on the Master Planning exercise (£370k with a £60k grant included within this).

**Responsibility:** Deputy Principal

**Deadline:** 30 September 2023

- To include dates instead of TBCs in future reports, or remove the projects if it is too early to report on them.

**Responsibility:** Deputy Principal

**Deadline:** 16 November 2023

- 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.

**Responsibility:** Deputy Principal

**Deadline:** 30 September 2023

#### 5 Disposal of Halbeath Site

John Lewthwaite and Sharon Dewar joined the meeting for this item. A copy of the slides used are available on Microsoft Teams. The background, work to date and future plans were briefly outlined. It was noted that a 1% of the sale proceeds would be charged as the fee, paid either at the conclusion of the sale or a two-staged fee (to cover costs incurred). Members noted that advice had also been sought from Scottish Futures Trust which gave further reassurance on the process being followed.

**Decision:** To approve the procurement to tender the appointment of the Phase 2 Contractor.

**Responsibility:** Deputy Principal

**Deadline:** 30 September 2023

#### 6 Draft Finance Regulations

The contents of the paper that had been circulated were noted. The change of approval levels for the Committee's approval were drawn to members' attention.

**Decision:** To approve the updated draft Financial Regulations.

**Responsibility:** Deputy Principal

**Deadline:** 30 September 2023

**7 Five Year Financial Forecast**

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

**8 Self-Evaluation 2022-23: Feedback**

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

**9 Review of Meeting**

No business was transacted.

**10 Date of Next Meeting**

Thursday 16 November 2023

- Joint Audit and Risk/Finance, Commercial and Estates Committee: 3.15pm
- Finance, Commercial and Estates Committee: 4pm