MINUTES

Meeting: Finance, Commercial and Estates Committee
Date: Tuesday 6 June 2023 at 9.30am
Location: Microsoft Teams

Present: Susan Mitchell (Chair), Drew Connelly, Jim Metcalfe, Gordon Mole,
Phillip Thompson

Apologies: Emma Wallace

In Attendance: Gail Dunn, Iain Hawker, John Lewthwaite, James Thomson, Marianne Philp

1   Welcome

The Chair welcomed those present to the meeting.

2   Minutes of the Previous Meeting: 8 March 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. Each of the actions flagged as amber were outlined and discussed in turn.

It was agreed that action 2 had not been completed, but further actions to address the Masterplan exercise were discussed later in the meeting under the Strategic Update on Estates.

The Chair suggested that the timing of the CyberSecurity deep dive exercise referred to in action 2 could potentially be moved depending on the timing of the next planned internal audit in this area. It was noted that the College had recently appointed new internal auditors, so the draft internal audit plan would be approved at the September Audit and Risk Committee meeting and the Director: Governance and Compliance agreed to keep the Chair advised on this.

Decisions:
- To remove action 1 as a valid comparative analysis could not be undertaken due to the commercially sensitive nature of the information required.
- To agree to extend the deadline for action 7 to 12 September 2023.
- To consider and potentially review the deadline for action 3 once the internal audit plan had been drafted and it was known when CyberSecurity would be reviewed.

Responsibility: Director: Governance and Compliance   **Deadline:** 12 September 2023

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4   Strategic Update: Estates

The contents of the report that had been circulated were noted. The strategic highlights noted on pages 9 and 10 of the Boardpack were outlined and noted. Each of the projects were discussed in turn. The following main points were discussed:

- The Dunfermline Learning Campus project was being delivered within programme and on budget.
- The Masterplanning project was discussed in detail and it was noted that this was incorporating different strands of activity which would ensure an integrated approach, including digital, de-carbonisation, space utilization, etc. The Director: Estates and Facilities shared a report relating to this project, and it was agreed to circulate this to members after the meeting. Members requested details on stakeholder engagement, and in particular the Board of Governors' involvement. It was confirmed that there was a timeline within the documentation, and that this would be fleshed out as and when the Project had been approved.   Members confirmed that they were supportive of the project proceeding, but wished time to review the documentation, and to have a better indication of final costs (including grants secured) before being in a position to approve.
- The Kirkcaldy campus roofing and masonry project was discussed in detail. It was noted that this contract had previously been approved, as detailed in the Procurement Update report. In light of the length of time that had elapsed, the current financial climate, and the costs involved, it had been considered appropriate to confirm the Committee's agreement to proceed. Members agreed that it was essential to secure the fabric of the building, to undertake the project for health and safety reasons, and noted that this was a consequence of having older buildings. It was noted that the project would last for around 30 weeks, and that it would cause disruption in terms of parking, but not to learning.
- It was noted that Glenrothes campus was the main campus affected by backlog of maintenance issues, and that the business case submitted previously to Scottish Government was unlikely to receive funding soon. Alternative funding routes continued to be explored.

Decisions:
- To share the Masterplanning documentation after the meeting to allow time for review.
  Responsibility: Director: Estates and Facilities **Deadline:** 6 June 2023
- To circulate the cost of the Masterplanning project for approval by correspondence once this had been finalized, also detailing any grants that had been received to part fund the project.
  Responsibility: Director: Estates and Facilities **Deadline:** ASAP
- To provide a report on Sustainability issues to this Committee and the full Board in due course.
  Responsibility: Director: Estates and Facilities **Deadline:** 2023-24 academic year
- To confirm the Committee's support of proceeding with the Kirkcaldy campus roofing and masonry project as detailed within the Estates and Procurement reports.
  Responsibility: Director: Estates and Facilities **Deadline:** ASAP

4.1   New Build Project Board Minutes

The contents of the minutes were noted for information.

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5   **Strategic Update: Digital Services**

The contents of the paper that had been circulated were outlined and noted. The strategic highlights noted on page 17 of the Boardpack were outlined and noted. The projects were all highlighted as green. The following main points were discussed:

- The College had successfully secured the renewal of Cyber Essentials certification on a 'whole environment' basis'. This approach was commended and there was a brief discussion about Cyber Essentials Plus and penetration testing frequency.
- There was a discussion about slippage in several of the timescales and further detail was requested. Some detail was given, noting that sometimes this was due to external factors outwith the College's control. It was suggested that some explanation around that would be useful in future reports.

   Decisions:
- To ascertain the costs of extending Cyber Essentials to Cyber Essentials Plus and the costs and advantages/disadvantages of this; and to confirm the frequency of external penetration testing currently and to circulate this by email.
   Responsibility: Chief Information Officer   **Deadline:** 30 June 2023
- To add in to future reports reasons for the slippage in timescales.
   Responsibility: Chief Information Officer   **Deadline:** 12 September 2023

6   **Strategic Update: Finance**

The contents of the paper that had been circulated were noted. It was highlighted that overall the College was £465k ahead of the year-to-date F1 position. Main variances (as detailed on page 22 of the Boardpack) were briefly outlined.

An adjusted operating deficit of £142k was projected for the year-end compared to a deficit position of £220k for year 1. The income and expenditure assumptions as detailed on page 30 of the Boardpack were noted.

Decision: To add the previous year's cash position trend into future reports as a comparator for the current year.
Responsibility: Director: Finance   **Deadline:** 12 September 2023

7   **Strategic Update: Commercial Activity**

The contents of the paper that had been circulated were noted. The summary on pages 32 and 33 of the Boardpack was outlined. Members noted the significant increase in venue activity and commended the Carnegie Conference Centre team for this. It was confirmed that this was largely due to repeat business and referrals to new contacts due to the levels of service provided by the team. The importance of growing commercial and non-core activity was emphasized due to the funding challenges and it was noted that the work that the business development and sales team was undertaking now with businesses and employers was key to ensure growth in future years.

8   **Procurement Strategy Update**

The contents of the paper that had been circulated were noted. Apologies were extended for the lateness of issuing the updated report. The items requiring the Committee's

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approval were highlighted, and it was confirmed that decisions had been taken on these under the Strategic Update: Estates section of the meeting.

9 Draft Budget for 2023-24

The contents of the paper that had been circulated were noted. It was confirmed that SFC allocations had been confirmed since drafting the paper, and that there were no changes to be made to the draft budget as a result.

It was noted that a prudent approach had been taken to targets and income, and that these would be refined as part of the F1 process once more information was available. It was confirmed that student recruitment was ahead of target when compared with last year, and that the cut-off date for withdrawals may be brought in line with universities (from 9 weeks to 6 weeks) which would help to improve the position.

It was noted that the draft budget projected a £432k deficit. A high level projection to 2026 had also been included in the paper which assumed flat cash and conservative targets.

Members were advised that the FFR was required to reach SFC by the end of June and that approval of this would be required by email.

Members thanked the Director: Finance for the comprehensive report and commended her and her team on the amount of work that had gone into producing this.

It was highlighted that other opportunities, such as the Green Freeport, were not currently included and that this, as well as Conferencing, were unique opportunities within the sector.

Decisions:
- To recommend the draft budget to the Board of Governors for approval.
- To circulate the FFR for approval by email prior to submission to SFC.

Responsibility: Director: Finance   **Deadline:** 22/30 June 2023

Susan Mitchell left the meeting, and Gordon Mole chaired the remainder of the meeting.

10 Treasury Management Policy

The contents of the paper that had been circulated were noted. The changes to the previous Treasury Management Policy were highlighted.

Decision: To approve the changes to the Treasury Management Policy.
Responsibility: Director: Finance   **Deadline:** 30 June 2023

11 Accounting Policies

The contents of the paper tat had been circulated were noted. It was highlighted that there were no proposed changes to the Accounting Policies, and that the Audit and Risk Committee had approved these at their recent meeting.

Decision: To approve the Accounting Policies.
Responsibility: Director: Finance   **Deadline:** 30 June 2023

12   Self-Evaluation 2022-23

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

Decisions:
- To issue the self-evaluation template by email to members and attendees.
  Responsibility: Director: Governance and Compliance **Deadline:** 7 June 2023
- To complete and return the self-evaluation template.
  Responsibility: All Committee members and attendees **Deadline:** 30 June 2023

13   Review of Meeting

Members confirmed that the meeting had been insightful and useful, and the reports of a high quality.

Decisions:
- 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.
  Responsibility: All report authors   **Deadline:** 12 September 2023
- To include top level student recruitment and withdrawal data and the impact on the financials at relevant future meetings.
  Responsibility: Vice Principal / Director: Finance **Deadline:** 2023-24 relevant meetings

14   Date of Next Meeting

Tuesday 12 September 2023 at 9.30am

It was noted that the timing of the meetings may change as 0930 was proving problematic. 0800 was suggested as a potential alternative. Options were being explored by the Director: Governance and Compliance and timings would be confirmed in due course.

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