

Board of Management

Meeting of the Finance & Physical Resources Committee

MINUTE OF 5th MEETING HELD ON 31 MAY 2017 AT 1700 HRS (FPRC5)

Present	
Tracey Howe (TH)	Robert Morrison (RM)
Karen Kelly (KK) (Convener)	Stuart Patrick (SP)
In attendance	
Janis Carson (JC)	Fares Samara (FS)
Paul Clark (PC) (Minute)	Alex Stewart (AS)
Apologies for absence	
Paul Little (PL)	Stuart Thompson (ST)

Item FPRC5-1	Apologies for Absence	
Paper No:	Lead: K Kelly	Action requested: Note
Decision/Noted	Apologies were received from PL and ST.	

Item FPRC5-2	Declarations of Interest	
Paper No:	Lead: K Kelly	Action requested: Note
Decision/Noted	There were no declarations of interest.	

Item FPRC5-3	Minute of Previous Meeting held on 22 March 2017	
Paper No: FPRC5-A	Lead: K Kelly	Action requested: Approve
Decision/Noted	That the minute of the meeting held on 22 March 2017 be approved.	

	Minute of Previous Meeting held on 12 April 2017	
Paper No: FPRC5-B	Lead: K Kelly	Action requested: Approve
Decision/Noted	That the minute of the meeting held on 12 April 2017 be approved.	

Item FPRC5-4	Procurement Policy	
Paper No: FPRC5-C	Lead:	Action requested: Approve
Discussion/ Matters Arising	JC confirmed that the Policy had been fully reviewed at both the Sustainability Strategy Working Group and SMT and has been recognised as best practice within the sector.	
Decision/Noted	To approve the Procurement Policy.	

Item FPRC5-5		NPD Delivery Report	
Paper No: FPRC5-D	Lead: J Carson	Action requested: Discuss	
Discussion/ Matters Arising	<p>JC updated members on the following matters:</p> <ul style="list-style-type: none"> • There were no reportable injuries or incidents during the period to end of April 2017. • There is a continued delay in the demolition of the Townhead building due to the safe removal of a significant volume of asbestos material. All asbestos has now been removed under controlled conditions with all risk being passed to the contractor. All steps are being taken to minimise this delay and improve the completion time. A detailed asbestos register is available for all buildings. • The Riverside Campus Final Phase 5 completion certificate has now been issued. • Community Benefits are still ongoing with all targets being exceeded. • City Campus has now achieved a BREEAM Excellent Post Construction Certificate with a score of 76.2%. The overall Projects have now received 3 separate certificates; Excellent for both City and Riverside Campuses and Very Good for the Halls of Residence. • The Project contingency continues to be adjusted to reflect NPD contract low and medium value changes. • A final risk review will be presented at the September meeting and it is anticipated that all outstanding risks may then be transferred to the main College Register. <p>Members congratulated the staff for City Campus being shortlisted for a range of awards.</p>		
Decision/Noted	To note the update report.		

Item FPRC5-6		Property Disposals Update	
Paper No: FPRC5-E	Lead: J Carson	Action requested: Discuss	
Discussion/ Matters Arising	<p>JC advised that following the Committee's decision to progress with Study Inn (SI) for the development of both the NHS Tower and CoB buildings, progress to date has been slow. She raised some concern over the momentum, motivation and preparedness on the part of SI. Clarification on progress to date was sought prior to the Community Consultation. SI has subsequently advised that both the Consultation and pre application process have been delayed until the end of July. An update on the appointment of additional consultancies has been provided.</p> <p>JC further information that Ryden will provide their professional analysis and recommendations on the current situation. Anderson Strathern will also review relevant documents and confirm whether any future decision to withdraw would have any financial impact on the College. It was noted that the Principal and ELT have yet to be consulted on this matter.</p> <p>The overall lack of progress will be further discussed with Ryden, SFT and SI tomorrow (01 06 17). FS will also attend this meeting.</p>		

JC will discuss the outcome of this meeting with KK and any decision to call a special meeting of the Committee will then be agreed.

It was further confirmed that agreement has been made to ensure any maintenance expenditure on the legacy buildings will be offset from the proceeds of sale.

Decision/Noted

- To note the conclusion of the sale of Florence Street.
- To note the update in respect to ongoing progress with Study Inn.
- To approve the facility to consult with the Chair and Committee should any escalation of risk or need for a decision come to pass during the summer period. KK suggested that this could be undertaken directly prior to the Board meeting on 21 06 17.

Item FPRC5-7 Committee Terms of Reference Review

Paper No: FPRC5-F	Lead: P Clark	Action requested: Discuss
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Decision/Noted	That the agreed revisions were submitted for review and were endorsed for full approval at the next meeting of the Board.	
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Item FPRC5-8 Health & Safety Report 1 January to 31 March 2017

Paper No: FPRC5-G	Lead: F Samara	Action requested: Discuss
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Discussion/ Matters Arising	<p>FS updated members on the following:</p> <ul style="list-style-type: none"> • Andrew Neil has now been appointed Health and Safety Compliance Manager with significant experience of the management of Health and Safety in FE and the wider public sector. • The development of a comprehensive Fire Risk Assessment and Corporate H&S Risk Register is being progressed. • The fire alarm system has been reprogrammed to ensure that the system operates with a 3 minute investigation phase. Fire detectors have also been programmed to prevent unwanted activations. • A RIDDOR claim has been received however this will be taken through GLQ's insurance. <p>SP raised some concern with regard to the continued unsecured chemical storage area within the Faculty of Creative Industries. FS will investigate this issue.</p>	
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Decision/Noted	To note the Report.	
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Item FPRC5-9 Facilities Management Report

Paper No: FPRC5-H	Lead: F Samara	Action requested: Discuss
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Discussion/ Matters Arising	<p>FS confirmed that Heather Taylor has taken up the newly established role of NPD Contract Compliance Manager.</p> <p>The total figure for derogation works has been agreed and a credit note has been received from GLQ.</p>	
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The process involved in obtaining an agreed monthly deduction level for contractual non-performance has proved challenging. This has resulted in a longer than anticipated timeframe to achieve any agreement. The College continues to check monthly payment reports in detail and it is hoped that a more streamlined process will be agreed.

Management of completion of snags is making steady progress.

The College utility consumption for City and Riverside Campuses and reportage on output from renewable sources were noted.

The cost to empty, clean and dispose of fuel from the bio-diesel tanks at City and Riverside has been agreed with work commencing on site today (31 05 17).

The Service Desk requests were discussed and it was suggested that a further breakdown of staff and student requests be provided.

Decision/Noted

- To provide additional staff/student service desk analysis.
- To note the report.

Item FPRC5-10		Financial Plan 2016-17	
Paper No: FPRC5-I	Lead: A Stewart	Action requested: Discuss	
Discussion/ Matters Arising	AS reported that the plan shows a surplus of £303k for the 12 months to July 2017. The areas of significant movement were noted.		
Decision/Noted	To note the report.		

Item FPRC5-11		Financial Plan 2017-18	
Paper No: FPRC5-J	Lead: A Stewart	Action requested: Discuss	
Discussion/ Matters Arising	<p>The financial budget for the period 1 August 2017 to 31 July 2018 was submitted. The budget currently projects a deficit of 815k for the 12 month period. AS informed that the deficit is largely due to the financial impact following the proposed national bargaining agreement, which amounts to approximately 2.4 m for 2017-18 assuming no increase in grant funding from the SFC. The operating expenditure has also increased due to the full unitary charge going through the College accounts.</p> <p>KK and members considered this position to be unacceptable and reminded that it was the responsibility of the Board to balance the budget. KK was content to support the report as a work in progress and requested that ELT work towards reducing the deficit.</p> <p>SP requested an update presentation on fixed assets and changes to the accounting principles. This was agreed.</p>		
Decision/Noted	<ul style="list-style-type: none"> • To provide an update at the next meeting of the Board. • To provide a presentation as agreed at the next meeting of the Committee. 		

Item FPRC5-12 Long Term Financial Planning	
Paper No: FPRC5-K	Lead: Action requested: Discuss
Discussion/ Matters Arising	<p>The 5 year financial planning report for 1 August 2017 to 31 July 2022 was reviewed. 3 sets of assumptions falling into distinct Optimistic, Realistic and Pessimistic areas were provided. KK reminded of the previous agreement to set a balanced budget which would impact on this report. The various scenarios and key financial assumptions were considered reasonable however in order to continue with a balanced budget, the Committee would need to understand and agree the required savings that would need to be put in place. It was confirmed that ELT would consider this further. KK also advised that the Plan would need to be aligned to the wider College strategy.</p> <p>Members recognised that any potential actions in terms of savings should also need to be considered by the Learning & Teaching Committee.</p> <p>FS also suggested that the 3 sets of assumptions should be presented together for ease of comparison.</p>
Decision/Noted	To update the report as agreed for presentation at the next meeting of the Board.

Item FPRC5-13 Resource Return Financial Year 2016-17	
Paper No: FPRC5-L	Lead: A Stewart Action requested: Discuss
Discussion/ Matters Arising	AS reported that a small resource return surplus is reported at £260k for 2016-17.
Decision/Noted	To note the report.

Item FPRC5-14 ICT Progress Report	
Paper No: FPRC5-M	Lead: F Samara Action requested: Note
Discussion/ Matters Arising	FS advised that in terms of format and content, this was a transitional report which will move towards a compliance/actions reporting style. He further advised that the Systems Integration Strategy would be submitted at a future date.
Decision/Noted	To note the report.

Item FPRC5-15 Credits 2016-17 Update	
Paper No: FPRC5-N	Lead: Action requested: Note
Decision/Noted	To note the report.

Item FPRC5-16 Budget Report AY 2016-17		
Paper No: FPRC5-O	Lead:	Action requested: Note
Decision/Noted	To include this report within the main Financial Report in future.	

Item FPRC5-17 Any Other Notified Business		
Paper No:	Lead: A Stewart	Action requested: Discuss
Decision/Noted	Refund Policy AS advised that the Refund Policy was due for early review. As this did not meet the normal review cycle (3 years), he suggested that this be brought for review in January 2019. This was agreed.	

Item FPRC5-18 Disclosability of Papers		
Paper No:	Lead: P Clark	Action requested: Note
Decision/Noted	It was agreed that the disclosability status of papers as described on respective cover sheets be retained.	

Item FPRC5-19 Date of Next Meeting		
Paper No:	Lead:	Action requested: Note
Decision/Noted	To be confirmed.	

The meeting closed at 1835 hours.

ANNEX TO THE MINUTE

ACTION POINTS ARISING FROM THE MEETING

Item	Description	Owner	Target Date
FPRC5-9	FM Report: Provide additional staff/student service desk analysis.	FS	ASAP
FPRC5-11	Financial Plan 2017-18: Provide an update report with reduced deficit at the next meeting of the Board.	ST	21 06 17
FPRC5-12	Long Term Financial Planning: Update reports for presentation at the next meeting of the Board.	ST	21 06 17

ACTION POINTS ARISING FROM PREVIOUS MEETINGS

Item	Description	Owner	Target Date
FPRC4-4	Strategic Risk Review: Progress agreed changes.	PC	ASAP Complete
FPRC4-5	Procurement Strategy 2016-2020: Report on non-compliant spending to the Board.	ST	21 06 17
FPRC4-9	Committee Terms of Reference: Revised ToRs for circulation to committee prior to approval at next meeting.	PC/ST	Prior to 31 05 17 Complete
FPRC4-9	Committee Terms of Reference: Seek Board approval for Board Committee oversight of five delivery strategies.	PC	21 06 17
FPRC4-12	Halls of Residence Overview of Operations: Conduct background check on new owners of St Luke's.	FS	Circulate via email
FPRC4-14	Long Term Financial Planning: Present at next meeting of PRNC.	ST	08 05 17 Complete
FPRC4-6	Property Disposals: Propose approval of recommendations	PC	06 04 17 Complete
FPRC4-6	Property Disposals: Ensure appropriate governance process.	PC	06 04 17 Complete
FPRC3-5	College Student Accommodation Charges 2017-18: Provide separate update report on Accommodation Facilities.	FS/ST	22 03 17 Complete
FPRC3-6	NPD Delivery Report: Provide a report setting out recommendations for post occupancy evaluation and gateway reviews.	JC	22 03 17 Complete
FPRC3-7	Property Disposals Update: Provide update report with recommendations to progress or return to market.	JC	22 03 17 Complete
FPRC3-8	Financial Plan 2016-17: Provide a draft 5 Year Financial Plan.	ST	22 03 17 Complete
FPRC3-10	Facilities Management Report: Provide budget figures and previous year usage.	FS	22 03 17 Complete
FPRC310	Facilities Management Report: Provide update on bio-diesel issue.	FS	22 03 17 Complete
FPRC1-3	Matters Arising: Voluntary Registration: Seek confirmation from SFC that cost will be offset from disposal proceeds.	ST/JC	Ongoing Closed
FPRC1-15	NC2 SBC Update: Seek confirmation that ongoing revenue costs will be written off through disposal proceeds (as per FPRC1-3)	ST/JC	Ongoing Closed

