

References Board of Management

Meeting of the Finance & Physical Resources Committee

MINUTE OF 4th MEETING HELD ON WEDNESDAY 23 MAY 2018 AT 1700 HRS (FPRC4)

Present	
Megan Cartwright (MC)	Milea Leone (ML)
Tracey Howe (TH)	Robert Morrison (RM)
Karen Kelly (KK) (Convener)	Lesley Woolfries (LW)
In attendance	
Paul Clark (PC)	Stuart Thompson (ST)
Sheila Lodge (SL)	
Alex Stewart (AS)	Ann Butcher (Minute)
Apologies for absence	
Paul Little (PL)	Stuart Patrick (SP)

Item FPRC4-1	Apologies for Absence	
Paper No:	Lead: K Kelly	Action requested: Note
Decision/Noted	There were no apologies. SP was not in attendance.	

Item FPRC4-2	Declarations of Interest	
Paper No:	Lead: K Kelly	Action requested: Note
Decision/Noted	There were no declarations of interest.	

Item FPRC4-3	Minute of Previous Meeting held on 22 November 2017	
Paper No: FPRC4-A	Lead: K Kelly	Action requested: Approve
Decision/Noted	That the minute of the meeting be approved.	

Item FPRC4-4	Long Term financial Planning	
Paper No: FPRC4-B	Lead: S Thompson	Action requested: Approve
Discussion/ Matters Arising	ST provided an update on the 5 year forecast and 3 related sets of financial assumptions – optimistic, realistic and pessimistic. The report was prepared in anticipation of the Financial Forecast Return expected by the end of June. ST reported that this has now been delayed until the end of September and the report will be further amended and updated in response. A revised plan will be submitted at the next meeting.	

	<p>The current snapshot incorporates the additional staff pay costs of national bargaining and the savings anticipated through the structure reorganisation.</p> <p>PL suggested that the pessimistic and optimistic assumptions were not challenging enough and suggested that projected changes should be more radical. ST highlighted that whilst the predictions showed a small negative or positive variance of 1%, over a 4 year period this has a significant impact upon the long term financial viability of the College. The various long term potential risks were recognised, and it was agreed that these be detailed within the report.</p> <p>It was also agreed that a financial tracking model be incorporated showing actual and forecast positions, which would help identify the historic trend of the College's position relative to the three sets of assumptions and projections. It was suggested that a timescale for enactment of potential initiatives should also be included.</p>
Decision/Noted	To note and update the current Long Term Financial Planning Report as agreed.

Item FPRC4-5 Strategic Risk Review	
Paper No: FPRC4-C	Lead: S Thompson Action requested: Discuss
Discussion/ Matters Arising	<p>PC highlighted the Risks for review under the responsibility of the Committee. The various Risks were reviewed and the following Risk Scores were confirmed:</p> <ul style="list-style-type: none"> • Risk 5 '<i>Failure to complete project programme to schedule</i>'. It was noted that the Audit Committee had recommended that this Risk be closed following completion of the new campus project. This was agreed. • Risk 25 '<i>Failure of IT system security</i>' to be scored higher (10, AMBER). • Risk 15 '<i>Failure to achieve operating surplus via control of costs and achievement of income targets</i>' – given the improved underlying operating surplus projection, a reduction in the risk score to 3x3 = 9 (AMBER) was recommended. This was agreed, however members suggested that the current target score was unrealistic and should be increased. Following some discussion, it was agreed that the target score should be scored at 4 (GREEN). • Risk 16 '<i>Failure to maximise income via diversification</i>'. The Development Committee had recommended a Risk Score of 3x3 = 9 (AMBER). This was agreed. • Risk 20 '<i>Failure to obtain funds from College Foundations</i>'. The Committee recognised that recent successful applications to the Foundation had been the result of the careful preparation of submissions, and that due care to ensure that applications for financial assistance from the Foundation clearly met the Foundation's educational aims and objectives. On the understanding that this approach would be maintained and carefully monitored, the Committee agreed to retain the current Risk Score of 4 – GREEN. It was agreed that this approach be reflected within the MAP narrative.

	<ul style="list-style-type: none"> • Risk 22 '<i>Negative impact of Brexit</i>'. It was agreed that the Risk Score remain 10 (AMBER). • Risk 23 '<i>Failure to agree a sustainable model and level of grant funding within Glasgow Region</i>'. It was agreed that the Risk Score remain at 15 (RED).
Decision/Noted	To approve the Risk MAPs and Risk Scores as agreed.

Item FPRC4-6 Committee Terms of Reference	
Paper No: FPRC4-D	Lead: P Clark Action requested: Discuss
Discussion/ Matters Arising	The Committee Terms of Reference were reviewed by members.
Decision/Noted	To note that no changes were proposed and that the current Terms of Reference were approved.

Item FPRC4-7 Property Disposals Update	
Paper No: FPRC4-E	Lead: F Samara Action requested: Discuss
Discussion/ Matters Arising	<p>In the absence of FS, ST provided the Committee with a detailed presentation on the progress with respect to the property disposal of North Hanover Street (NHS) and the progress made with the proposal to repurpose the Charles Oakley Building (COB) into an Innovation lead delivery centre.</p> <p>NHS The bidding process is now closed with the top 4 compliant bids passed through to the second stage. A meeting with representatives from the successful bidders was subsequently held on 16 05 18. It is anticipated that the College will be in a position to identify a preferred bidder by the end of June.</p> <p>COB ST provided details on the proposal to repurpose/develop the existing COB to create a comprehensive site which will focus on innovation and will complement the existing estate. The building will provide a multi-layered, multi-disciplined collaborative working space to enable research, nurture innovation and encourage knowledge exchange.</p> <p>The stacking diagram was discussed in detail and members provided the following feedback:</p> <ul style="list-style-type: none"> • <i>Ground, First & Second Floors</i> - Unchanged • <i>Third Floor</i> - Health Suite – encourage more balance within the early and later year's suite to foster greater intergeneration ie a change of emphasis is required with removal of the Technical Assessment Centre. • <i>Fourth Floor</i> - Unchanged • <i>Fifth Floor</i> – Change to increase STEM area with consideration to reclassify to 'Research and Innovation Centre'.

- *Sixth Floor* – Remove event space and increase innovation area for business and enterprise.
- *Seventh Floor* – Reconsider overall purpose and retitle ie use as a collaborative space for student and public engagement events.

Additional suggestions were also noted as:

- Reconsider the proposed new building title.
- Consider increasing the flexible open spaces to provide increased opportunity for cross interaction and interrelations of all areas.
- Consider facilitating an eco-system within the building recognising that a feasibility study would be required.

It was noted that the development would provide a more defined sense of the College campus, encompassing the park area.

LW stated that whilst Hub West Scotland had provided an excellent service during the early development and feasibility stages, in terms of due diligence, a full procurement option appraisal would now be required to ensure 'best fit' for future progression. She further referred to the cost plan provided and requested that all direct participant costs be captured to ensure that the total project costs were accurate. LW further reminded that a full asbestos survey would be required and should be included within the scope of works.

Decision/Noted

- To feedback on the agreed recommendations made.
- To provide an update report at the next meeting of the full Board.

Item FPRC4-8	NPD Delivery Report	
Paper No: FPRC4-F	Lead: S Thompson	Action requested: Discuss
Decision/Noted	To note the report.	

Item FPRC4-9	Facilities Management Report	
Paper No: FPRC4-G	Lead: S Thompson	Action requested: Discuss
Decision/Noted	To note the update report.	

Item FPRC4-10	Health & Safety Report 1 February to 30 April 2018	
Paper No: FPRC4-H	Lead: F Samara	Action requested: Discuss
Decision/Noted	To note the report.	

Item FPRC4-11	Financial Plan 2017-18	
Paper No: FPRC4-I	Lead: S Thompson	Action requested: Discuss
Discussion/ Matters Arising	Members noted the financial budget for the period 1 August 2017 to 31 July 2018. An underlying surplus of £332k against a budget of £26k is now projected.	

Decision/Noted	To note the Financial budget for 2017-18.
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Item FPRC4-12 Draft Financial Plan 2018-19	
Paper No: FPRC4-J	Lead: S Thompson Action requested: Discuss
Discussion/ Matters Arising	<p>ST introduced the financial budget for the period 1 August 2018 to 31 July 2019 which fully incorporates the impact of the Curriculum for Glasgow plan. The projected surplus of £632k for the 12 month period was noted.</p> <p>KK requested that an additional detailed breakdown of the financial income and expenditure be provided. This will be categorised by individual ELT areas with Student Experience further divided into individual Faculty and Student Service areas.</p>
Decision/Noted	<ul style="list-style-type: none"> • To note the draft financial plan for 2018-19. • To provide additional breakdown information within the next report for submission to the full Board.

Item FPRC4-13 Resource Return Financial Year 2017-18	
Paper No: FPRC4-K	Lead: A Stewart Action requested: Discuss
Decision/Noted	To note the content of the Report.

Item FPRC4-14 Non-Compliant Spend Report	
Paper No: FPRC4-L	Lead: S Thompson Action requested: Discuss
Discussion/ Matters Arising	<p>An update on the progress made against all non-compliant spend was submitted and the areas of non-compliance, ongoing progress and planned improvements were reviewed.</p> <p>With additional resource and tender activity, a target was set in November 2017 to reduce non-compliant spend to £900k (9%) in 2017-18. To date the non-compliant spend is now £983k with 3 months remaining.</p> <p>The Committee was content with the progress to date, while noting the intent eventually to eliminate non-compliant spend.</p>
Decision/Noted	To note the update report.

Item FPRC4-15 Business Continuity Management Review	
Paper No: FPRC4-M	Lead: P Clark Action requested: Discuss
Discussion/ Matters Arising	PC provided an overview of an external review of Business Continuity Management (BCM) which was undertaken at the College during March 2018 by Ashton Resilience for the College's insurers, UMAL. The Report was also submitted for consideration at the recent meeting of the Audit Committee.

	A draft Plan will be submitted to SMT to agree action dates for implementation. The report will then be submitted at a future meeting of the full Board.
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Decision/Noted	To note the report and agreed action.
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Item FPRC4-16	Governance of Strategy Delivery	
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Paper No: FPRC4-N	Lead: P Clark	Action requested: Discuss
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Decision/Noted	To note the Governance of Strategy Delivery Report which was submitted at the PRNC meeting on 30 04 18.	
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Item FPRC4-17	ICT Progress Report	
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Paper No: FPRC4-O	Lead: S Thompson	Action requested: Note
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Decision/Noted	To note the progress on the delivery and operational performance of ICT services. KK commended the format of the report.	
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Item FPRC4-18	Credits Delivery Update	
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Paper No: FPRC4-P	Lead: S Thompson	Action requested: Note
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Decision/Noted	To note the anticipated actual Credits for 2016-17, the projection for 2017-18 and the Regional comparison.	
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Item FPRC4-19	Any Other Notified Business	
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Paper No:	Lead:	Action requested:
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Decision/Noted	Architectural Awards The Committee noted that City Campus has won another two architectural awards for Scottish Property Awards for Architectural Excellence (public buildings) and Development of the Year (public buildings).	
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Members noted that this would be MC's last meeting of FPRC. KK thanked her for her contribution and wished her every success for the future. MC thanked members for their support and advised that she had enjoyed all the opportunities which had arisen within her role as Student President.

Item FPRC4-20	Disclosability of Papers	
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Paper No:	Lead: P Clark	Action requested: Note
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Decision/Noted	It was agreed that the disclosability status of papers as described on respective cover sheets be retained ie Papers FPRC4-A, FPRC4-B, FPRC4-E, FPRC4-F, FPRC4-I, FPRC4-J, FPRC4-K, FPRC4-L, FPRC4-N, FPRC4-O and FPRC4-P were non disclosable.	
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Item FPRC4-21	Date of Next Meeting	
Paper No:	Lead:	Action requested: Note
Decision/Noted	Wednesday 26 September 2018	

The meeting closed at 7.30 pm.

ANNEX TO THE MINUTE

ACTION POINTS ARISING FROM THE MEETING

Item	Description	Owner	Target Date
FPRC4-4	Long Term Financial Planning: Update as agreed.	ST	06 06 18
FPRC4-7	Property Disposals Update: Feedback agreed recommendations and provide update report at next meeting of the Board.	ST	06 06 18
FPRC4-12	Draft Financial Plan 2018-19: Update as agreed.	ST	06 06 18

ACTION POINTS ARISING FROM PREVIOUS MEETINGS

Item	Description	Owner	Target Date
FPRC2-4	Annual Report & Accounts 2016-17: Amend as agreed.	PC/ST	06 12 17 Complete
FPRC2-7	Property Disposals Update: Provide update paper with additional rationale for final approval by the full Board.	FS	06 12 17 Complete
FPRC2-8	NPD Delivery Report: Provide final report for next meeting.	FS	28 02 17 Complete
FPRC2-10	H&S Report: Check excess charge for cases of personal injury.	FS	ASAP
FPRC2-13	Non-Compliant Spend: Provide regular reportage.	ST	Ongoing Complete
FPRC1-12	Long Term Financial Planning: Present proposals to reduce costs in the longer term.	ST	06 12 17 Complete
FPRC1-14	Non-Compliant Spend Report: Progress action plan to eliminate all non-compliant spend.	ST	22 11 17 Complete