

References Board of Management

Meeting of the Finance & Physical Resources Committee

MINUTE OF 1st MEETING HELD ON WEDNESDAY 26 SEPTEMBER 2018 AT 1700 HRS
(FPRC1)

Present	
Rachael Gilchrist (RG)	Stuart Patrick (SP)
Karen Kelly (KK) (Convener)	Lesley Woolfries (LW)
In attendance	
Paul Clark (PC)	Alex Stewart (AS)
Sheila Lodge (SL)	
Fares Samara (FS)	Ann Butcher (Minute)
Apologies for absence	
Tracey Howe (TH)	Paul Little (PL)
Milea Leone (ML)	

KK requested that Rachael Gilchrist be formally co-opted onto the Committee. This was agreed. RG was welcomed to her first meeting.

Item FPRC1-1	Apologies for Absence	
Paper No:	Lead: K Kelly	Action requested: Note
Decision/Noted	Apologies were received from TH, ML and PL.	

Item FPRC1-2	Declarations of Interest	
Paper No:	Lead: K Kelly	Action requested: Note
Decision/Noted	There were no declarations of interest.	

Item FPRC1-3	Minute of Previous Meeting held on 23 May 2018	
Paper No: FPRC1-A	Lead: K Kelly	Action requested: Approve
Decision/Noted	That subject to one minor amendment, the minute of the meeting be approved.	

Items 8, 9, 10 and 14 were taken at this time.

Item FPRC1-8	Property Disposals/Development Update	
Paper No: Verbal	Lead: F Samara	Action requested: Discuss
Discussion/ Matters Arising	FS provided members with an update on the property disposals and development.	
	North Hanover Street	

A deposit of £1.5 m has now been received following acceptance of the bid for £10.28 m from Vanguard. The proposed overage value of £0.5 m has now been secured pending removal of the existing telecom arrangements to CoB. A longstop date of 12-14 months for removal has been agreed. A CoB site survey visit is scheduled for 02 10 18 and it is anticipated that the site will be ready for installation by November 2018.

Charles Oakley Building

Following the offer of use of CoB to the Glasgow School of Art (GSA), AKP Scotland have been contracted to improve the existing environment which is expected to be complete by 30 10 18. Issues with the existing windows have been raised leading to GSA advising students that entry to the building will not now go ahead during early October. The SFC has approved funding with Gardner Theobald for the construction of scaffolding to address this issue.

Members raised their concern with respect to the position of GSA with respect to the lease and utilisation of the CoB.

Decision/Noted To note the update and provide a full option appraisal at the next meeting of the Board.

Item FPRC1-9 Facilities Management Report

Paper No: FPRC4-D Lead: P Clark Action requested: Discuss

Discussion/ Matters Arising FS highlighted the following issues:

- The College continues to apply relevant deductions where applicable in order to improve GLQ performance. With the improved condition of the building, penalties for non-performance have reduced.
- Two Atrium glazing failures have been identified at Riverside Campus. Netting has been fitted as a precautionary measure however the issue has now been escalated with tenders for rectification work being evaluated. Information regarding the compliance certification is also being requested from the Independent Tester. Application of deductions for this fault are being applied.
- Inadequate pressure on the west elevation fire hydrant has been revealed. GLQ are investigating this matter.

Decision/Noted To note the update report.

Item FPRC1-10 Health & Safety Quarterly Report

Paper No: FPRC1-G Lead: F Samara Action requested: Discuss

Discussion/ Matters Arising The Health & Safety Report 1 May – 31 July 2018 was reviewed by the Committee. FS advised that the August report had been reviewed by SMT today (26 10 18) and it was agreed that a 28 day improvement plan would be issued to relevant areas following H&S Inspections.

Decision/Noted To note the update report.

Item FPRC1-14		ICT Progress Report
Paper No: FPRC1-K	Lead: F Samara	Action requested: Discuss
Discussion/ Matters Arising	<p>Various issues regarding Maintel's service cover were highlighted as giving some cause for concern. FS advised that the drop in service has been raised with GLQ. The matter is being considered and appropriate measures to bring this up to standard are being sought.</p> <p>SP raised further concern regarding potential risk to the College in relation to teaching of the Ethical Hacking course. FS advised that a solution for isolation of the network for this course and for students in the Hall of Residence is being investigated. The meantime, the course activity is being closely monitored.</p> <p>It was agreed that given some of the ICT challenges discussed, Risk 25 should be further reviewed.</p>	
Decision/Noted	<ul style="list-style-type: none"> • To note the update report. • To update Risk 25. 	

FS left the meeting at this time.

Item FPRC1-4		Committee Annual Report 2017-18
Paper No: FPRC1-B	Lead: P Clark	Action requested: Discuss
Discussion/ Matters Arising	<p>The record of activities and achievements made during 2017-18 were reviewed. The Committee noted that the information would be fully formatted for inclusion within the full College Annual Report.</p>	
Decision/Noted	To approve the report.	

Item FPRC1-5		Committee Programme of Work 2018-19
Paper No: FPRC1-B	Lead: P Clark	Action requested: Discuss
Discussion/ Matters Arising	<p>The draft schedule of approvals and other work of the Committee for 2018-19 was considered. It was agreed to include impact of Brexit at the February 2019 meeting of the Committee.</p>	
Decision/Noted	To approve the Programme as agreed.	

(

Item FPRC1-6		Financial Forecast Return (FFR)
Paper No: FPRC1-D	Lead: S Thompson	Action requested: Discuss
Discussion/ Matters Arising	<p>AS provided a review of the FFR for 2017-18 to 2022-23.</p> <p>The plan which incorporates efficiency saving required to balance the books (based on a set SFC assumptions) was reviewed. The College forecasts the surplus to fall from £774k to £178, across the period of the return. The balance sheet remains strong with a cash balance increasing from £5.8 m to £8.1 m over the period. (nb this information to be redacted</p>	

prior to publishing). This includes financial savings from the leadership reorganisation which will reduce staff costs whilst improving the student experience. Building sales from NHS and CoB have been excluded due to the uncertainty associated with how the proceeds will be invested.

The many financial challenges ahead which provide little margin for error were acknowledged.

Decision/Noted To approve the Financial Forecast Return for 2017-18 to 2022-23.

Item FPRC1-7 Strategic Risk Review

Paper No: FPRC1-E	Lead: P Clark	Action requested: Discuss
------------------------------	---------------	---------------------------

Discussion/ Matters Arising	<p>PC highlighted the Risks which were recently reviewed by the Audit Committee. The various Risks were further considered and the following Risk Scores were confirmed:</p> <ul style="list-style-type: none"> • Risk 15 '<i>Failure to achieve operating surplus via control of costs and achievement of income targets</i>'. Members noted that the Risk Score was recently reduced and the AMBER rating was agreed. • Risk 16 '<i>Failure to maximise income via diversification</i>'. The Risk Score has increased slightly and the AMBER rating was agreed. The commentary provided regarding ambitious plans to exceed the income target was noted as historical but will be further clarified. • Risk 20 '<i>Failure to obtain funds from College Foundation</i>'. Rating remains unchanged ie 3 (GREEN). • Risk 22 '<i>Negative Impact of Brexit</i>'. This will be further considered at the February meeting. The rating currently remains unchanged ie 5 (AMBER). Members noted that currently, no assumptions were included recognising that SFC have not yet provided any guidelines. KK proposed that this should be a topic of discussion at the forthcoming planning event in October. • Risk 23 '<i>Failure to agree a sustainable model and level of grant funding within Glasgow Region</i>'. The risk score is now reduced and remains at 5 (AMBER). • Risk 25 '<i>Failure of IT Security</i>'. As discussed earlier, this will be further reviewed by ELT. 	
--	--	--

Decision/Noted	<ul style="list-style-type: none"> • To approve the Risk Scores as agreed. • To include BREXIT implications for consideration at the Planning Day. 	
-----------------------	--	--

KK left the meeting at this time. SP took the Chair in her absence.

Item FPRC1-11 Financial Plan 2018-19

Paper No: FPRC1-H	Lead: S Thompson	Action requested: Discuss
------------------------------	------------------	---------------------------

Discussion/ Matters Arising	<p>AS advised that the Financial Plan 2018-19 had now been updated to reflect the 2017-18 year end. Foundation assets were not fully paid by 31 July 2018 therefore the cash balance is forecast to decrease. The income and expenditure account reserve as a 31 July 2019 has decreased as a result of the forecasted historical cost operating deficit however the College is predicting an underlying surplus of £582k.</p>	
--	--	--

	<p>Enrolment figures are currently down which will be reflected within the tuition fee income however staffing costs will also be reduced. The overall position will be closely monitored throughout the year with the opportunity to run additional Full Time courses in January.</p> <p>The overall staff cost budget will also need to be updated to accurately reflect the staff changes and costs realised during the ongoing leadership reorganisation.</p>
Decision/Noted	To note the report.

Item FPRC1-12 Resource Return Financial Year 2017-18	
Paper No: FPRC1-I	Lead: A Stewart Action requested: Discuss
Decision/Noted	<ul style="list-style-type: none"> To note the final Resource Return for 2017-18 which shows a small surplus. The credit against AME reflects the recent valuation of the SPF pension fund which also shows an improved position. To note that the SFC no longer require the provision of resource returns.

Item FPRC1-13 Non-Compliant Spend Report	
Paper No: FPRC1-J	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. The total non-compliant spend for the period May-July 2018 was noted as £461 506 (17%).</p> <p>Procurement Awareness Training has been provided and an additional elearning module has been created. LW suggested that this training should be mandatory for all relevant staff.</p> <p>An electronic ordering system (PECOS) has also been introduced which will reduce non-compliant spend.</p> <p>The Committee noted the progress to date and supported the efforts being made to reduce the non-compliant spend. It was suggested that this be provided as a standing item.</p>
Decision/Noted	<ul style="list-style-type: none"> To note the update report. To include as a standing item.

Item FPRC1-15 Credits Delivery Update	
Paper No: FPRC1-L	Lead: S Thompson Action requested: Note
Decision/Noted	To note the final SFC credit target for 2017-18 (183 262), the projection for 2018-19 and the Regional comparison.

Item FPRC1-16		Financial Plan 2017-18
Paper No: FPRC1-M	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 £774k against a budget of £26k is now projected.	
Decision/Noted	To note the Financial budget for 2017-18.	

Item FPRC1-17		Any Other Notified Business
Paper No:	Lead:	Action requested:
Decision/Noted	None	

Item FPRC1-18		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 ie Papers FPRC1-A, FPRC1-D, FPRC1-H, FPRC1-I, FPRC1-J, FPR1-K, FPRC1-L and FPRC1-M were non-disclosable.	

Item FPRC1-19		Date of Next Meeting
Paper No:	Lead:	Action requested: Note
Decision/Noted	Wednesday 21 November 2018 To consider rescheduling the 22 May 2019 meeting.	

The meeting closed at 1830 hrs.

ANNEX TO THE MINUTE

ACTION POINTS ARISING FROM THE MEETING

Item	Description	Owner	Target Date
FPRC1-8	Property Disposals/Development Update: Provide full Option Appraisal.	FS	BoM Mtg 10 10 18
FPRC1-14	ICT Progress Report: Update Risk 25.	PC for FS	ASAP
FPRC1-7	Strategic Risk Review: Include Brexit implications at Planning Event.	PC	10 10 18
FPRC1-13	Non-Compliant Spend Report: Include as a standing item.	PC	Ongoing

ACTION POINTS ARISING FROM PREVIOUS MEETINGS

Item	Description	Owner	Target Date
FPRC4-4	Long Term Financial Planning: Update as agreed.	ST	06 06 18 Complete
FPRC4-7	Property Disposals Update: Feedback agreed recommendations and provide update report at next meeting of the Board.	ST	06 06 18 Complete
FPRC4-12	Draft Financial Plan 2018-19: Update as agreed.	ST	06 06 18 Complete
FPRC2-10	H&S Report: Check excess charge for cases of personal injury.	FS	ASAP