

References Board of Management

Meeting of the Finance & Physical Resources Committee

MINUTE OF 1st MEETING HELD ON WEDNESDAY 30 SEPTEMBER 2020 AT 1500 HRS
(FPRC1)

Present	
Nicolas Garcia (NG)	Ronnie Quinn (RQ)
Karen Kelly (KK) (Convener)	Lesley Woolfries (LW)
Paul Little (PL)	
In attendance	
Barry Ashcroft (BA)	Stuart Thompson (ST)
Paul Clark (PC)	
Alex Stewart (AS)	Ann Butcher (Minute)
Apologies for absence	
John Gribben (JG)	Sandra Szymanska (SS)

KK welcomed NG to his first meeting of the Committee.

Item FPRC1-1	Apologies for Absence	
Paper No:	Lead: K Kelly	Action requested: Note
Decision/Noted	Apologies were received from SS. SP was not in attendance.	

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

Item FPRC1-3.1	Minute of Previous Meeting held on 27 May 2020	
Paper No: FPRC1-A	Lead: K Kelly	Action requested: Approve
Discussion/ Matters Arising	That the minute of the meeting be approved.	
	<p>Matters Arising</p> <p>Health and Safety Report</p> <p>PL updated the Committee on the Covid 'test positive' data to date. Guidelines for College and University students living away from home have been circulated to all staff. Students have also been made aware of current restrictions and the College has a Zero Tolerance approach to anyone found violating these guidelines.</p> <p>Financial Regulations Update</p> <p>ST is progressing updated Financial Regulations to include the relationship and interaction between City of Glasgow College and Glasgow</p>	

	International Ltd. Revised Regulations will be submitted at the next meeting.
	Fee Waiver Policy The updated Fee Waiver Policy will be submitted at the next meeting.
Decision/No4ed	That the minute was approved.

Item FPRC1-3.2	Committee Annual Report 2019-20
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Paper No: FPRC1-B	Lead: P Clark	Action requested: Approve
Discussion/ Matters Arising	<p>PC provided the Committee with a brief overview of the Finance & Physical Resources Committee Annual Report which includes a summary of activities undertaken throughout 2019-20. Members advised on minor corrections. RQ attendance will be added.</p> <p>NG referred to the College's overall objective to reduce the CO₂ emissions by at least 80% by 2050 and questioned whether this was ambitious enough given the Scottish Government target to bring all greenhouse gas emissions to net zero by 2045. PL advised that the College is committed to reducing CO₂ emissions and has implemented various initiatives and projects that have made a positive impact. He suggested that an update paper on the progress made towards achieving this target should be submitted at a future meeting.</p> <p>LW agreed that the College should be ambitious however reminded of the need to set realistic and achievable targets. She considered that the set target was appropriate given the city centre locale of the College, and the limitations of the building design. LW fully supported all College activity to improve this target.</p> <p>ST confirmed that the Environmental Strategy Group continues to meet regularly to ensure that the College delivers on the environmental aims and objectives from the Sustainability Strategy.</p>	
Decision/Noted	<ul style="list-style-type: none"> • Subject to agreed amendments, the Committee Annual Report 2019-20 was approved. • To submit Sustainability Update at a future meeting. 	

Item FPRC1-3.3	Committee Programme of Work 2020-21
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Paper No: FPRC1-C	Lead: P Clark	Action requested: Approve
Discussion/ Matters Arising	<p>The Committee reviewed the Programme of Work for 2020-21 and requested that regular updates on Covid-19 be provided. LW advised that the PNC continue to meet on a monthly basis where all increased risks, processes and issues regarding Covid-19 are fully reviewed and monitored. Recognising potential impact on individual Committees, it was noted that a Covid update would now form part of the Health and Safety Report. All potential impacts under the remit of the FPRC will be reported.</p>	
Decision/Noted	<p>Recognising the ongoing Covid 19 updates and subject to the addition of RQ on Committee membership, the Programme of Work was approved.</p>	

Item FPRC1-3.4	Health and Safety Policy	
Paper No: FPRC1-D	Lead: J Gribben	Action requested: Approve
Decision/Noted	This item was deferred until the next meeting.	

Item FPRC1-3.5	IT Acceptable Use Policy	
Paper No: FPRC1-E	Lead: B Ashcroft	Action requested: Approve
Discussion/ Matters Arising	<p>BA provided the Committee with a brief review of the proposed amendments to the IT Acceptable Use Policy. It was agreed that all suggested amendments/changes to documents, including Policies will be 'tracked'.</p> <p>PC confirmed that all College Policy documents are published on the College website.</p>	
Decision/Noted	To approve the IT Acceptable Use Policy.	

Item FPRC1-3.6	Use Your Own Device Policy	
Paper No: FPRC1-F	Lead: B Ashcroft	Action requested: Approve
Discussion/ Matters Arising	<p>BA advised that the Policy had now been updated in line with best practice. He further reassured that access to College-owned information and IT systems are safe and secure.</p> <p>Discussion followed on the ability to download information from College systems including Admincontrol. PC advised that the ability to download from Admincontrol had previously been agreed and reminded that in most cases, documentation is disclosable and does not contain personal data. Members were reminded of the requirements and expectations when accessing College-owned data and systems from personal devices and will continue to comply with device and data security arrangements.</p>	
Decision/Noted	To approve the Use Your Own Device Policy.	

Item FPRC1-4.1	Strategic Risk Review	
Paper No: FPRC1-G	Lead: P Clark	Action requested: Discuss
Discussion/ Matters Arising	<p>PC presented the risks currently related to the Committee's areas of responsibility in particular, high scoring Risks 15, 16, 20, 22, 23. No further changes to Risk Scores were reported.</p> <p>LW referred to the establishment of the College Company and suggested that this was not currently reflected under Risk MAPs. ST considered development of the Company was still in progress and could be added under Risk 16 '<i>Failure to maximise income via diversification</i>'. It was further suggested that a stand-alone Risk be considered.</p>	

Decision/Noted

KK referred to Risk 15 '*Failure to achieve operating surplus via control of costs and achievement of income targets*' and considered that given the reportage on potential increased diversification of income provided at the last meeting of PNC, suggested that the impact be reduced to 4. Members supported this proposal.

PC provided a brief overview of the risk management process for the benefit of new student members. Further clarity will be provided at scheduled induction meetings.

- To approve the Risks as agreed.
- To note the revised Risk Register as at 23 September 2020.

Item FPRC1-4.2		Financial Plan 2019-20	
Paper No: FPRC1-H	Lead: S Thompson	Action requested: Discuss	
Discussion/ Matters Arising	<p>The financial plan for 1 August 2019 to 31 July 2020 was reviewed. ST reminded the Committee that the updated forecast made during July, reflecting the impact of the Covid crisis, forecast a deficit of £708k. This forecast has been further updated and now projects a smaller deficit of £537k for the 12-month period. Members noted that this outcome is subject to final audit. PL added that costs of the new HR structure have yet to be reflected within the report however the overall position is better than anticipated.</p> <p>LW recognised the significant work undertaken by all staff involved to reach this position however reminded of the Board's obligation to provide a balanced budget at the year end. PL advised that due to the exceptional circumstances of the Covid-19 crisis the deficit was currently unavoidable and all measures have been put in place to mitigate this deficit were possible. He reaffirmed that the SFC currently expect Colleges to manage liquidity in the short term with a 3-year break even planning period.</p>		
Decision/Noted	To note the update report.		

Item FPRC1-4.3		Forecast Financial Plan 2020-21	
Paper No: FPRC1-I	Lead: S Thompson	Action requested: Discuss	
Discussion/ Matters Arising	<p>ST presented the Committee with the forecast Financial Plan for 2020-21. The current forecast has a substantially reduced projected loss of £1,639k which is mainly due to increased projected tuition fee income as a result of mitigation and new income sources reducing the negative impact of Covid-19.</p> <p>ST reported that FT FE and HE enrolments will be finalised this week. Enrolments for FT FE courses are currently above target however FE HE are below target by approximately 160 students. Mitigation of this shortfall is being considered however combined enrolment figures will meet the overall College target.</p> <p>ST provided clarity on the substantial capital expenditure which was due to the significant investment in laptops for students and replacement of data centre storage. He further advised that the negative impact under 'Other</p>		

	<p>Income' is mainly due to reduced student accommodation and catering income.</p> <p>KK reiterated previous requests made by the Committee to provide more detailed information on the potential initiatives to cost save or generate additional income. This should include prioritisation and increased narrative on intentions and decisions required (including supported actions) by the Committee. Application of a RAG rated status with supplemental narrative should also be provided.</p> <p>LW supported this request and further requested that 'trigger point' options for short, medium and long term strategy deployment to mitigate further losses should also be added.</p> <p>ST reassured members that the decision making and implementation process is fully discussed and approved by SMT and ELT. PL acknowledged members concerns and the requirement to provide visibility on the plans in place to achieve a balanced budget over the next 3 year period and agreed that this would be provided within future reports. ST welcomed further advice and feedback from KK on this matter.</p>
Decision/Noted	<ul style="list-style-type: none"> To provide additional detail on potential initiatives as agreed. To note the Financial Plan and key financial assumptions for 2020-21.

Item FPRC1-4.4 Non-Compliant Spend Report (Q2)	
Paper No: FPRC1-J	Lead: S Thompson Action requested: Discuss
Discussion/ Matters Arising	<p>The Committee noted the update and progress to reduce the volume and value of regulated non-compliant procurement expenditure for Quarter 3 and 4.</p> <p>The breakdown of non-complaint spend and the actions required for improvement were reviewed and members congratulated the procurement team on the vastly improved position.</p>
Decision/Noted	To note the update report.

Items 4.5 and 4.6 were taken jointly at this time.

Item FPRC1-4.5 Review of IT Effectiveness	
Item FPRC1-4.6 Review of effectiveness of the Finance Function	
Paper No: FPRC1-K + FPRC1-L	Lead: S Thompson Action requested: Discuss
Discussion/ Matters Arising	As a result of the discovery of a potential fraud during 2019, senior management agreed to undertake separate independent External Audit reviews of both the finance function and IT effectiveness. The main findings, including areas of good practice and key areas for improvement with recommendations were submitted for review.
Decision/Noted	<ul style="list-style-type: none"> To note the review reports. To provide updates on progress of agreed actions.

Item FPRC1-5.1	Health and Safety Annual Report 2019-20	
Paper No: FPRC1-M	Lead: J Gribben	Action requested: Note
Decision/Noted	To note the report.	

Item FPRC1-5.2	Financial Forecast Return (FFR)	
Paper No: FPRC1-N	Lead: S Thompson	Action requested: Note
Decision/Noted	To note the report.	

Item FPRC1-5.3	Credit Delivery Update	
Paper No: FPRC1-O	Lead: S Thompson	Action requested: Note
Decision/Noted	To note the report.	

Item FPRC1-5.4	Facilities Management Report	
Paper No: FPRC1-P	Lead: S Thompson	Action requested: Note
Discussion/ Matters Arising	The Committee commented the work undertaken by the Estates and Facilities team and thanked them for the efforts made within the current environment during this challenging time.	
Decision/Noted	To note the report.	

Item FPRC1-5.5	IT Progress Report	
Paper No: FPRC1-Q	Lead: S Thompson/ B Ashcroft	Action requested: Note
Discussion/ Matters Arising	The Committee acknowledged and thanked the IT team in recognition of the challenges faced and addressed during this testing time.	
Decision/Noted	To note the report.	

Item FPRC1-6	Any Other Notified Business	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	None.	

Item FRPC1-7	Disclosability of Papers	
Paper No:	Lead: P Clark	Action requested: Verbal
Decision/Noted	That the disclosability status of papers as described on respective cover sheets be retained.	

Item FPRC1-8	Date of Next Meeting	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	Wednesday 2 December 2020	

The meeting closed at 4.45 pm.

ANNEX TO THE MINUTE

ACTION POINTS ARISING FROM THE MEETING

Item	Description	Owner	Target Date
FPRC1-3.1 30 09 20	Matters Arising - Financial Regulations Update: Submit revised regulations at next meeting.	ST	02 12 20
FPRC1-3.1 30 09 20	Matters Arising - Fee Waiver Policy: Submit update at next meeting.	ST	02 12 20
FPRC1-3.2 30 09 20	Committee Annual Report - Submit Sustainability Update at a future meeting	ST	ASAP
FPRC1-3.3 30 09 20	Programme of Work – Include related Covid updates within Health and Safety reports.	JG	Ongoing
FPRC1-3.4 30 09 20	Health and Safety Policy – submit at next meeting.	JG	02 12 20
FPRC1-4.3 30 09 20	Forecast Financial Plan 2020-21 - Provide additional detail on potential initiatives as agreed	ST	02 12 20
FPRC1-4.5 + 4.6 30 09 20	Review of IT and Finance Function Effectiveness Reports - Provide updates on progress of agreed actions.	ST	Ongoing

ACTION POINTS ARISING FROM THE MEETING

Item	Description	Owner	Target Date
FPRC4-3.2	Financial Regulations Update: To further review and update the Regulations as discussed and circulate to members.	ST	ASAP Updated FPRC1-3.1
FPRC4-4.2	Health & Safety Report: Provide a Covid update within future reports.	SL/ST	30 09 20 Complete
FPRC4-4.2	Health & Safety Report: Submit Health and Safety Policy at next meeting.	SL/PC	30 09 20 02 12 20
FPRC4-4.3	Future Catering Provision: Provide an update at the next meeting of the Board.	ST	03 06 20 Complete
FPRC4-4.3	Future Catering Provision: Provide full options proposal paper (including costings) at the next meeting of PNC.	ST	24 06 20 Complete
FPRC4-4.5	Financial Forecast Year 2021: Provide additional detail on potential initiatives as agreed. Submit update paper at the next meeting of PNC.	ST/PL	24 06 20 Updated FPRC1-4.3
FPRC3-4.8	Charles Oakley Building (COB) – Draft Business Case: To progress a revised business case for COB as agreed.	RG	Ongoing
FPRC1-3.6	1. Provide the Committee with the text on Fee Waiver Policy which will be presented to students 2. Remove reference to other non-relevant content (e.g. reference to Orkney & Shetland Colleges)	ST	Ongoing 02 12 20

FPRC1-3.7	1. Enhance the detail within the assumptions made in the FFR paper.	ST	26 02 20
	2. Provide appropriate guidance to student members regarding the significant aspects of financial planning/forecasts.	ST/PC	26 02 20