

Board of Management

Meeting of the Finance & Physical Resources Committee

MINUTE OF 2nd MEETING HELD ON 23 NOVEMBER 2016 AT 1700 HRS (FPRC2)

Present	
Joseph Hughes (JH)	Lesley Woolfries (LW) (Convener)
Robert Morrison (RM)	
In attendance	
Janis Carson (JC)	Alex Stewart (AS)
Paul Clark (PC)	Stuart Thompson (ST)
Fares Samara (FS)	Ann Butcher (Minute)
Apologies for absence	
Karen Kelly (KK)	Paul Little (PL)

In the absence of an appointed Convener for the Committee, it was agreed that LW would convene the meeting.

Item FPRC2-1	Apologies for Absence	
Paper No:	Lead: L Woolfries	Action requested: Note
Decision/Noted	Apologies were received from KK and PL.	

Item FPRC2-2	Declarations of Interest	
Paper No:	Lead: L Woolfries	Action requested: Note
Decision/Noted	There were no declarations of interest.	

Item FPRC2-3	Minute of Previous Meeting held on 1 June 2016	
Paper No: FPRC2-A	Lead: L Woolfries	Action requested: Approve
Decision/Noted	That the minute be approved.	

Item FPRC2-4	Annual Report and Accounts 2015-16	
Paper No: FPRC2-B	Lead: P Clark/S Thompson	Action requested: Approve
Discussion/ Matters Arising	<p>PC advised that the report was developed with reference to individual Board Committee Annual Reports, with examples of student and staff successes from 2015-16 highlighted. The narrative section of the report will be published as the College Annual Review 2015-16 with the full Annual Report for 2015-16 including the Financial Statements being published once approved by Scottish Parliament early next year.</p> <p>ST provided the Committee with a detailed overview of the Financial</p>	

Statements which are currently being reviewed by external audit to ensure compliance with Auditing Practices. ST indicated that the statements were prepared in accordance with financial reporting standard FRS 102 issued by the Financial Reporting Council in line with the Companies Act 2006. The main impacts were explained of incorporation of the new accounting standard on the overall accounts, including NPD contract funding of the new campus, revaluation of the Riverside campus, and the pension valuation.

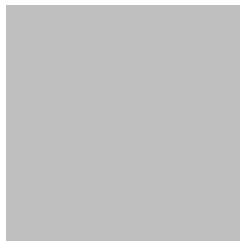
Whilst the overall financial performance was good, the impact of the new accounting practices have skewed the underlying position. ST emphasised that the College continues to deliver a small surplus and is operating in a challenging economic climate. Members agreed that this should be fully explained within report Introduction.

It was also noted that the report will be further developed to include images and design elements for final publication.

Decision/Noted

- It was agreed that additional narrative, to emphasise the impact of the new accounting standards, be provided within the Introduction.
- That subject to inclusion of the above and final approval by external audit, the Annual Report 2015-16 was recommended for approval at the next meeting of the Audit Committee.

Item FPRC2-5	NPD Delivery Report	
Paper No: FPRC2-C	Lead: J Carson	Action requested: Discuss
Discussion/ Matters Arising	<p>JC updated members on the progress of the delivery of the New Campus which is now into the operational phase. The following matters were highlighted:</p> <ul style="list-style-type: none"> • In general, Health and Safety reporting has been maintained as status quo with minor operational issues being managed. • Outstanding derogations, snags and non-compliances continue to be closed with steady progress being made with GLQ on outstanding issues. • Townhead building has now been handed over to GLQ. Demolition has been delayed by approximately 4 weeks due to asbestos management issues. Also under consideration is a request to progress external landscaping works in advance sequence to ensure delivery. • A programme of work during the October holiday week was undertaken to resolve curriculum issues. In addition, the atrium stairway will be cleaned and resealed, with an additional balustrade added. Additional traffic lights have also been introduced to allow improved access via Allan Glens Place and, temperature control and ventilation continue to be closely monitored. The College has also employed additional cleaning staff. • Significant areas of FM reportage were highlighted and continue to be monitored. Regular meetings to consider the payment mechanisms and levels of deductions for performance of unavailable space are also ongoing. It was proposed that in future, FM reportage would be provided as a separate report. • The excellent progress with respect to Community Benefits was noted. • The progress in respect of BREEAM and continued environment reportage was also noted. 	



The New Campus Project Risk Register was reviewed. Members noted that as practical completion has now been reached, a number of risks have now been closed. It was noted that following completion of external works in City Campus the number of risks will be further reduced. The need for further clarity on the generation of ‘Amber’ risk scoring was identified.

Decision/Noted

- To note the report.
- To provide FM reportage as a separate report.
- To approve in principle the revised risk register subject to the provision of a summary of the risk report including additional rationale for closed risks.
- To provide a new reduced risk report at the next meeting which includes further clarity on overall RAG scoring of impact and probability.

Item FPRC2-6 Property Disposals Update

Paper No:
FPRC2-D

Lead: J Carson

Action requested: Discuss

Discussion/
Matters Arising

JC updated the Committee on the status of the property disposals programme.

Rogart Street

A number of issues in Rogart Street are being closed off and hand over is expected early next week.

Dornoch Street

A deduction from the sum payable is being negotiated due to treatment of remaining furniture. This is being concluded and handover is expected by the end of this week.

Florence Street

Anderson Strathearn (the College’s legal advisor) is continuing dialogue with the buyer’s legal team regarding the Lands of Langside issue. A possible route to completion would be for the College to provide indemnification against any potential future legal challenge by Lands of Langside although it was noted that any claim is unlikely to be successful. If indemnification is necessary the College will seek confirmation from the SFC that legal expenses incurred would be deducted from the proceeds of sale.

North Hanover Street (NHS) and Charles Oakley Building (COB)

The newly appointed architectural design team for Study Inn have had a positive meeting with the Glasgow City Council Planning Department. No objections to the refurbishment of the existing and new buildings on either site were raised.

Due to market forces the new build elements of both sites may require to change from residence development to either hotel, private residential and/or office accommodation. The situation is being closely managed.

The requirement to ensure the integrity and security of the fabric of these buildings was highlighted and the College will seek to recoup any expenses from the final disposals proceeds.

Decision/Noted	To note the update report.
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Items 12 and 13 were taken at this time.

Item FPRC2-12	BRE: Post Occupancy Evaluation Report	
Paper No: FPRC2-J	Lead: J Carson	Action requested: Note
Decision/Noted	To note the contents of the BRE Post Occupancy Evaluation.	

Item FPRC2-13	GLQ: Socio-economic, Academic, Placemaking Impact Evaluation Report	
Paper No: FPRC2-K	Lead: J Carson	Action requested: Note
Decision/Noted	To note the contents of the full Socio-economic, Academic and Placemaking Impact Evaluation report.	

JC left the meeting at this time.

Item FPRC2-7	Residual Value Project	
Paper No: FPRC2-E	Lead: F Samara	Action requested: Discuss
Discussion/ Matters Arising	<p>FS reported on the outcome of the Residual Value Project to date. The process undertaken to proceed with auction and the overall net income and associated costs were noted.</p> <p>The Committee congratulated FS and his team on the successful outcome of the project.</p>	
Decision/Noted	To note the update.	

Item FPRC2-8	ICT Progress Report	
Paper No: FPRC2-F	Lead: F Samara	Action requested: Discuss
Discussion/ Matters Arising	<p>FS provided an update on the overall ICT delivery in support of the new campus project. The following matters were particularly highlighted:</p> <ul style="list-style-type: none"> • The Local Area Network volume of traffic for both sites was noted and peak demand points are being managed. • The final 10% Transas contract payment is still retained pending rectification of any ship simulator faults. Outstanding issues are being addressed. • The performance of FES/Intrinsic is continually reviewed with no major incidents of failure being reported. • Wireless implementation at City Campus was successful and is performing well. • Outstanding GLQ ICT issues were listed however it was noted that these have not caused any operational or performance difficulties. • Various post occupational developments were also noted. <p>It was acknowledged that the College is still in contravention of Schedule</p>	

	Part 27 of the ICT contract and are unable to directly access manufacturers' support. This issue is being reviewed and a response is awaited from GLQ.
Decision/Noted	To note the update.

Item 11 was taken at this time.

Item FPRC2-11	Health and Safety Quarterly Report	
Paper No: FPRC2-I	Lead: F Samara	Action requested: Discuss
Decision/Noted	To note the Health and Safety Report for period 1 July – 30 Sept 2016.	

FS left the meeting at this time.

Item FPRC2-9	Financial Plan 2016-17	
Paper No: FPRC2-G	Lead: S Thompson	Action requested: Discuss
Discussion/ Matters Arising	<p>ST provided a brief review of the College Financial Budget for 2016-17. The budget for the period 1 August 2016 to 31 July 2017 now projects a slightly improved surplus of £95k. The various categorised assumptions will be brought together and RAG rated.</p> <p>It was noted that the projected credits for 2016-17 were currently below target. However it was noted that appropriate action is being taken to deliver additional credits in Block 3 of this academic year, as detailed within the Credit update paper.</p>	
Decision/Noted	To note the report.	

Item FPRC2-10	Resource Return Financial Years 2015-16 and 2016-17	
Paper No: FPRC2-H	Lead: S Thompson	Action requested: Discuss
Discussion/ Matters Arising	<p>The content of the SFC Resources Returns for Financial Years 2015-16 and 2016-17 were reviewed. The final reported resource return for 2015-16 continues to show a small surplus of 213k. The return for 2016-17 shows a small surplus of 73k. Whilst it was recognised that the format of the report had now changed and no longer includes SFC income, it was agreed that this should be included within the reports to the Committee.</p>	
Decision/Noted	To note the content of the reports.	

Item FPRC2-14	Annual Report on SFC Financial Memorandum Delegated Limits & Expenditure	
Paper No: FPRC2-L	Lead: S Thompson	Action requested: Note
Decision/Noted	To note the content of the report.	

Item FPRC2-15 Credits 2016-17 Update		
Paper No: FPRC2-M	Lead: S Thompson	Action requested: Note
Decision/Noted	To note the planned credits projection for 2015-16, 2016-17 and the Glasgow Regional Comparison.	
Item FPRC2-16 Cashflow Report November 2016		
Paper No: FPRC2-N	Lead: S Thompson	Action requested: Note
Decision/Noted	To note the content of the report.	
Item FPRC2-17 Budget Report Academic Year 2015-16		
Paper No: FPRC2-O	Lead: S Thompson	Action requested: Note
Decision/Noted	To note the content of the report.	
Item FPRC2-18 Treasury Management Report 2015-16		
Paper No: FPRC2-P	Lead: S Thompson	Action requested: Note
Decision/Noted	<ul style="list-style-type: none"> To note the content of the report. To agree that given the lower level of investment income, the treasury management report will in future only be produced annually. 	
Item FPRC2-19 Any Other Notified Business		
Paper No:	Lead: L Woolfries	Action requested: Note
Decision/Noted	The Committee noted that UNISON had rejected the support staff pay offer.	
Item FPRC2-20 Disclosability of Papers		
Paper No:	Lead: P Clark	Action requested:
Decision/Noted	To note that papers FPRC-A, FPRC2-B, FPRC2-C, FPRC2-D, FPRC2-E, FPRC2-F, FPRC2-G, FPRC2-H, FPRC2-L, FPRC2-M, FPRC2-N, FPRC2-O and FPRC2-P were non disclosable.	
Item FPRC2-21 Date of Next Meeting		
Paper No: FPRC1-N	Lead:	Action requested: Note
Decision/Noted	Wednesday 1 February 2016	

The meeting closed at 1925 hours.

Convener's Signature _____

Date _____

ANNEX TO THE MINUTE

ACTION POINTS ARISING FROM THE MEETING

Item	Description	Owner	Target Date
FPRC2-4	Annual Report & Accounts 2015-16: Provide additional narrative on impact of new accounting standards within Introduction.	ST	ASAP
FPRC2-5	NPD Delivery Report: Provide FM reportage as a separate report.	JC/FS	01 02 17
FPRC2-5	NPD Delivery Report: Circulate summary of risk report.	JC	ASAP
FPRC2-5	NPD Delivery Report: Provide updated risk report including clarity on overall RAG scoring.	JC	01 02 17

ACTION POINTS ARISING FROM PREVIOUS MEETINGS

Item	Description	Owner	Target Date
FPRC1-3	Matters Arising: Voluntary Registration: Seek confirmation from SFC that cost will be offset from disposal proceeds.	ST/JC	Ongoing
FPRC1-4	Committee Annual Report: Update as agreed.	PC	ASAP Complete
FPRC1-5	Committee Programme of Work: Update as agreed.	PC	ASAP Complete
FPRC1-6	Financial Plan 2016-17: Include RAG rates assumptions in future reports.	ST	FPRC Mtg 01 02 17
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