

Paper 1

**Minute of the Finance and Resources Committee Meeting
held on Tuesday 12 September 2023 on Campus**

Present:

Dorothy Welch	Member, Board of Directors/Chair Finance and Resources Committee
Tommy Angus	Board Member
Gill Hogg	Board of Member
Roddy Henry	Principal

In attendance:

May Slater	Director of Operations and Business Development
Ingrid Earp	Board Secretary

Not present:

Connor McManus	Board Member
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#	Agenda item
Part A - Opening Business	
1.	<p>Welcome, Apologies and Declaration of Interests (Chair) The Chair welcomed everyone to the first meeting of the new academic year.</p> <p>No declarations of interest were advised.</p>
2.	<p>Minute of Previous Meeting held on 22 May 2023 (Paper 1) The Chair noted some revisions to the minutes regarding the budget and outturn and the setting of occupancy and income targets. Otherwise, they were accepted as accurate.</p> <p>Action F&R01:A2 Board Secretary to make amendments to the minutes as per comments from the Chair.</p>
3.	<p>Matters Arising It was noted that Tommy Angus will be leaving the Committee when he leaves Board in November. The Chair will be unavailable for the February meeting so it was agreed that Gill Hogg would Chair the meeting. The Chair requested that with the departure of Tommy Angus Colin Pritchard be added to the F&R Committee as someone with Estates experience.</p> <p>Action F&R01:A3 Board Secretary to take the suggestion re Colin Pritchard back to the Board Chair.</p> <p>Gill Hogg asked that the staff survey item be revisited. The Principal reported that discussions around this are ongoing with the senior team and it was still very much on the agenda but thought should be given to content and timing. The Committee noted that there is probably never an ideal time to do this and whatever the results it gives a basis to work from going forward.</p>

	<p>Action F&R01:A3 Principal to discuss a staff survey with the Board Chair and paper to be taken to Board when appropriate.</p>
<p>Part B - Items for Decision</p>	
<p>4.</p>	<p>Annual Committee Report to Board (Paper 2) It was noted that although this is not a long report it is good practice and thought can be given to the next report re content due in September 2024.</p> <p>Gill Hogg noted that timing of her appointment to the Committee meant that she was not absent for a meeting.</p> <p>Decision: The Committee agreed to recommend the Annual Report to the Board.</p>
<p>5.</p>	<p>Internal Audit: Financial Planning (Paper 3) The Director of Operations and Business Development talked through the report noting that there were two findings:</p> <ul style="list-style-type: none"> • Budget monitoring reports comparing year end position against budget have not been presented to the last two F&R (PARC as was) meetings. • The Financial Regulations need updating. <p>With the Director of Operations and Business Development there is now opportunity to work with the Committee to agree the style and content of the budget monitoring reports that are presented.</p> <p>The senior team are aware that the Financial Regulations are out of date and work is ongoing to complete this.</p> <p>Action F&R01:B5 Director of Operations and Business Development to confirm date when the revised Financial Regulations will be presented to Committee for discussion.</p> <p>Committee agreed it was a generally positive report and that it covered the transitional period between the previous Director of Operations and Business Development leaving and the new one starting.</p> <p>Action F&R01:B5 Director of Operations and Business Development to provide the Committee with a budget/financial planning timeline.</p> <p>Decision: Committee recommended the report to Board.</p>
<p>Part C – Items for discussion</p>	
<p>6.</p>	<p>Risk Register Update (paper 4) The Principal noted that the outcomes from the recent internal audit on risk management would likely result in some changes to the risk register. The internal audit report and outcomes will be discussed at the next Audit and Risk meeting in November and then will go to Board for approval later in November.</p> <p>The Principal talked through the current risk register items that are pertinent to the F&R Committee. The financial sustainability and income target risk will be conflated into one risk. The loss of key personnel risk has been moved to green with successful recruitment having taken place. The net zero agenda remains a big issue for the College. Regarding industrial relations national strike action is still taking place with further days being planned resulting in cancelled classes.</p>

	<p>In answer to a Member question the Principal confirmed that there is no known RAAC on campus but additional checks are taking place.</p> <p>Action F&R01:C6 T Angus to put G Ferguson from the University of Edinburgh in contact with the Principal re sustainability and net zero.</p>
7.	<p>Outturn 2022-23 (Paper 5) The Director of Operations and Business Development talked through the paper noting there were still some items that are to be included and some figures to be clarified. At the time of writing the bottom line was indicating a surplus of £211k attributed, in part, to an increase in project and commercial income and a reduction in expenditure. One of the items still to be included is the Q4 VAT return.</p> <p>The Committee noted the report and that the level of detail was what they expected to see. It was also noted that the External Audit fieldwork begins in the following week.</p> <p>Action F&R01:C7 Director of Operations and Business Development to add in student support income and expenditure even though it nets off.</p> <p>Action F&R01:C7 Director of Operations and Business Development to clarify missing items and confirm the other figures before report is submitted to Board.</p>
8.	<p>Budget 2023-24 (Paper 6) The Committee welcomed the new lay out and felt it was clear with the level of detail required. As a result of being so near the start of the new FY no actuals are available. Q1 actuals will be reported in November.</p> <p>The Director of Operations and Business Development reported that the year is off to a good start in terms of income with ongoing contact with language schools and a number of events enquiries and bookings. There is a forecast surplus of £50k at this point.</p> <p>Items of concern could be the amount attributed to the Trustees and uncertainty around the Flexible Workforce Development Fund (FWDF).</p> <p>Attention is being paid to cash flow for 2023-24.</p> <p>Action F&R01:C8 Director of Operations and Business Development to include cash flow alongside budget figures in future.</p> <p>The Committee noted the budget and were keen to see the Q1 figures.</p>
9.	<p>Equalities Mainstreaming Report (Paper 7) It was noted that it had been the intention that this report come to Committee and Board in April 2023 but competing demands and time pressures have delayed it.</p> <p>This is a report looking back against outcomes set some time ago at the College. The Principal reported that the College Equality, Diversity and Inclusion Committee is now active again and they will feed into future priorities.</p> <p>The Committee agreed that this should be a regular item on the Committee Agenda going forward.</p> <p>Action F&R01:C9 The Principal to add commentary to the report re EDI Committee and future priorities before submission to Board.</p>

10.	<p>Director of Operations and Business Development Report (Paper 8) The Director presented her talked through her report. It was agreed that all the finance items would be included in the finance related agenda items in future.</p> <p>Regarding the commercial side of the College the Director noted that with increasing parts of the commercial income there came the challenge of staffing. The business fluctuates and having a group of staff that can accommodate this is an issue.</p> <p>The EIS LRPA was drafted and circulated to Unions this week. A meeting will take place shortly with a view to reaching agreement on this.</p> <p>An estates update was given with some upgrading to the residences having taken place in terms of decoration. There are some accessibility issues that are also in the process of being addressed.</p> <p>The new MIS system is also going well and will make a significant impact in the future re FES audits etc.</p>
Part D – For Information	
	There were no items for information.
Part E – Closing business	
11.	<p>Any Other Business There were no items of any other business.</p>
12.	<p>Date of next meeting Monday 6 November 2023 at 9.30am on Campus.</p>