

Paper 1

**Minute of the Finance and Resources Committee Meeting
held on 6 November 2023 on Teams**

Present:

Dorothy Welch	Member, Board of Directors/Chair Finance and Resources Committee
Katie Baumann	Member, Board of Directors (Academic Staff)
Roddy Henry	Principal

In attendance:

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

Apologies for Absence:

Gill Hogg	Member, Board of Directors
Tommy Angus	Member, Board of Directors

#	Agenda item
Part A - Opening Business	
1.	Welcome, Apologies and Declaration of Interests (Chair) Apologies for absence were received from Gill Hogg and Tommy Angus and it was noted that Connor McManus has resigned from the Board, and therefore also the Committee.
2.	Minute of Previous Meeting held on 12 September 2023 (Paper 1) The minutes of the previous meeting were accepted as accurate. The Chair encouraged the College to undertake the staff survey as soon as possible.
3.	Matters Arising/Action and Decision (A&D) Log (Paper 1a) Actions still outstanding or ongoing have been marked as such on the A&D log.
Part B - Items for Decision There were no items for decision.	
Part C – Items for discussion	
4.	2022/23 Outturn (Paper 2) This item was more for information with the scrutiny of it and recommendation to Board sitting with the Audit and Risk Committee. The Committee asked if the reconciliation with the FFR was helpful, the Principal felt that it had been for the senior team and also that SFC had requested it. It was noted that, going forward, the annual budget would be set and, at each meeting, the Committee would receive a set of management accounts showing spend against that (profiled) start of year budget together with a forecast outturn. A narrative would be provided explaining any significant variances.

<p>5.</p>	<p>Strategic Objectives and KPIs (Paper 3) The Chair explained this item is about setting targets and in particular stretch targets for (the remainder of) the year, where appropriate.</p> <p>A Member asked about the year to date (YTD) figures for the utilisation of the residences and the Principal confirmed that these are from bookings taken to the end of Dec 23.</p> <p>£434k is set as income in the budget for international. The Dir of Ops and BD explained that she felt that this may be a stretch as it is based on the discussions she has had so far with possible clients. The Principal noted that the target was set by reflecting on past performance and building back from COVID. He is increasingly confident that the £434k will be met and is ambivalent about a stretch target as it won't change the drive or ambition of the team to gain the maximum possible income. The target next financial year for international income is a significant stretch however. The Committee agreed to leave the international figure at £434k and revisit this next year when the Business Development person will be in post.</p> <p>Decision F&R02:C5 Agreed to leave international income figure at £434k and review when Bus Devt person is in post.</p> <p>The events target is currently £72k and the YTD figures are looking very positive. It was agreed that a stretch target should be set for events at £100k. As an aside from this it was noted that the auditors had recommended creating a Reserves Policy if a surplus is to be a regular event so work needs to be undertaken to consider that.</p> <p>Decision F&R02:C5 Agreed to set a stretch target of £100k for events.</p> <p>For non-core funded learning provision it was noted that the whole sector is awaiting news of the Flexible Workforce Development Fund (FWDF). There is some potential for growth in Forest College work but this currently has limited resource available to it. The Adult Achievement Awards (AAAs) have been ticking over but with a new member of staff in post it is anticipated we could see growth in this area in the next AY for approved centres. The AAA projects had no budget set but there is already £13k income so it was agreed to set a stretch target of £20k for this item.</p> <p>Decision F&R02:C5 Agreed to set a stretch target of £20k for the AAA projects.</p> <p>In summary stretch targets for an additional £48k have been agreed and the Chair will indicate to the Board that this is the case.</p>
<p>6.</p>	<p>Budget Update 2023/24 (paper 4) The Chair asked that the formatting of the paper be considered should Members wish to print it out.</p> <p>Action F&R02:C6 Dir of Ops and Bus Devt to reformat excel spreadsheet to enable printing.</p> <p>The Dir of Ops and Bus Devt informed the Committee that at present the outturn at year end is looking like there will be a £50k surplus. By the next Committee meeting in February there will be more definitive information available and the mid-year FFR will be underway. A cash flow report up to end September is available and this will also be included in the budget update report going forward.</p> <p>Action F&R02:C6 Dir of Ops and Bus Devt to circulate the cash flow statement once it had been agreed by the SMT.</p>

7.	<p>Director of Operations and Business Development Report (Paper 5)</p> <p>Conversations with language schools about increasing business are going well but it is also important to spread the risk and not be too dependent on one source of income.</p> <p>The occupancy tracker is showing an average year to date of 58% occupancy.</p> <p>The events held so far this year have all gone well with positive feedback. The Dir of Ops and Bus Devt intends to begin looking at net profit on such events as opposed to gross income. It was noted that all staff have put in a lot of effort around hosting events and that this is greatly appreciated.</p> <p>Discussions around the staff pay award are still ongoing.</p> <p>LRPA with EIS – a meeting is scheduled for 20 November and the Committee noted that it would be good to see some movement in a positive direction around this. There is no movement on a similar UNISON agreement with a route to the Board being a sticking point.</p>
8.	<p>Risk Register Update (Paper 6)</p> <p>The Principal noted that the new format was taken to Audit and Risk Committee and approved there and will be taken to Board for full approval. There have been a number of small changes, one being that financial sustainability has greatly improved which is welcomed. There are some vacant posts in the College and successful recruitment to those posts will be key going forward.</p> <p>Regarding risk around Estates the Principal noted that T Angus had put him in touch with someone from the University of Edinburgh Estates department and they are proving to be very helpful in mapping the College's journey to Net Zero.</p>
9.	<p>Committee Self-Evaluation (Paper 7)</p> <p>A self-evaluation for all Committees and Board was carried out over the summer and the results collated. On the whole Committee feedback was good and since the evaluations were carried out a timetable has been put in place for agenda planning and issuing of papers which should help some of the points of concern.</p>
Part D – For Information	
10	<p>Public Sector Climate Duties Report (Paper 8)</p> <p>The report is currently being prepared so is not yet available. The return from the College is very small but it is something we are required to do.</p> <p>To come to next meeting.</p>
Part E – Closing business	
11.	<p>Any Other Business</p> <p>There were no items of any other business.</p>
12.	<p>Date of next meeting</p> <p>Monday 26 February 2024 at 9.30am on Campus.</p>