

Paper 1

Minutes of the Finance and Resources Committee Meeting held on 12 November 2024 on Teams

Present:

Dorothy Welch	Member, Board of Directors/Chair Finance and Resources Committee
Alyson Tobin	Member, Board of Directors
Howell Davies	Member, Board of Directors
George Currie	Support Staff Member, Board of Directors
Colin Pritchard	Member, Board of Directors
Roddy Henry	Principal

In attendance:

Mary Slater	Director of Operations
Ingrid Earp	Board Secretary
Tarzem Shoker	Business Development Manager

Part A - Opening Business	
1.	Welcome, Apologies and Declaration of Interests (Chair) The Chair welcomed everyone to the meeting. There were no apologies for absence and no declarations of interest.
2.	Minute of Previous Meeting held on 17 September 2024 (Paper 1) The minutes of the previous meeting were accepted as accurate apart from the note about Gill Hogg's last meeting which should be removed.
3.	Matters Arising/Action and Decision (A&D) Log (Paper 1a) The Financial Regulations have been approved by the Audit and Risk Committee with only one further amendment to be made. Splitting out the catering costs to assess profitability is being worked on at the moment.
Part B - Items for Decision	
	There were no items for decision
Part C – Items for discussion	
4.	Outturn 23/24 (Paper 2) The Director of Operations talked through the report noting that the outturn is similar to that reported to the last F&R meeting although the Q4 VAT return is now included. The College is looking at a £117k surplus AOP. This will be reported to the November Board in the financial statement for submission to SFC. The College currently has a relatively healthy cash balance and is pleased to report that the SFC have agreed the College can retain the £150k cash advance based on the business case submitted. We await confirmation in writing of this and so the cash flow amounts will not be amended until this is received. SFC appreciated the business case, they liked the way it was set out and the thought that had gone into it.

	Members asked about the impact of the changes to employer's national insurance contributions. The Director of Operations reported that based on this years' salaries it will be an extra £36k pa with Apr-Jul 2025 an extra £10k so salary projections will need to be amended. At present there is no confirmation that SFC will underwrite this increase. The Director of Operations will look into the Employment Allowance government initiative, some organisations are eligible for this which may offset some of these costs. Action F&R02/C4 Director of Operations to look into the Employment Allowance.
5.	Budget 2024/5 Update (Paper 3) There is no significant variance projected at present although some non-core income and commercial income targets will be more challenging. Some new initiatives are being put in place for 2025/26 that should prove to be beneficial. Numbers have dropped for the Spring cohort from Wisconsin which is disappointing. There doesn't seem to be any clear reason why this is happening, it's very hard to predict at their end who will want to do the course in any given year. There are, however, good indications for Fall 2025. There have also been a number of additional language school enquiries which might mitigate some of this risk/fall in numbers. It is the intention to get a clearer idea of language school demands by end of this term and more confirmed bookings. One point to note is that the more the residences are occupied the more costs increase in terms of housekeeping, catering etc. with shorter stays being more work and putting increased demand on housekeeping. Committee agreed that it was important to understand the true cost around catering as well as housekeeping. The Director of Operations reconfirmed that this work is ongoing and that it is anticipated figures will be starting to come together by Christmas. A question was asked about the business park and electricity charges and if this is recharged to tenants. Most of it is but there are some units that the College uses and so the cost of that electricity and associated increase is attributable to the College. Regarding cash flow the forecast is for a cash balance of £139k and £115k in the deposit account £115k at end July 2025. The £150k from SFC (once confirmed in writing) will increase this.
6.	Staff Survey (verbal) The Principal reported that a draft report has been received and he has been briefed about the results by the consultant who carried out the work. The high level results will be shared with all staff at the upcoming staff meeting with a view to holding discussions around these areas. The overall results are positive particularly in relation to staff engagement. One area to focus on will be collaboration across teams and the thinking behind this. 25 out of 35 staff responded with fair coverage across all departments. With the pay dispute settled for the time being staff morale is relatively high. Committee welcomed the update and looked forward to a full paper at the upcoming Board meeting.
7.	Director of Operations Report (Paper 4) The Director of Operations talked through her report picking up on key items to note.

	Staff update – Tarzem Shoker joined six weeks ago now as the Business Development Manager. The Chair asked Tarzem how he felt it was going to date. He said he had found the College very welcoming and supportive with lot of work to be done but lots of opportunities too. Priorities for Tarzem are the web site and comms plan - key to stakeholder perception of the College as well as getting to know customers and stakeholders. Committee asked which activities give the best return on investment. The Director of Operations explained that an exercise to provide this information is ongoing and it is important that the margins for each activity are understood. Committee asked if the results of this work could come to the next meeting. Action F&R02/C7 Director of Operations to report on returns on investment work at next meeting. Infrastructure strategy baseline – Committee asked what was going to happen as a result of this work, the background being that SFC are pulling together a list of back log maintenance for all colleges to clarify the requirements of the whole college estate across Scotland. It was useful for the College to carry this out although are realistic in terms of the level of funding that might be forthcoming as a result. The most critical items at the moment for the College are the roof and electrics, especially for the main house. The electrics, in particular, being almost at end of life so from a Health and Safety point of view this is essential. The next quinquennial review will be starting shortly at the College and so this will also provide a fresh set of figures updated from 2020. SFC have noted that this isn't a public building and are aware of the Trust and Trustees. Committee suggested sharing the report and additional commentary from SFC with the Trustees especially if there are Health and Safety implications. The roof on the residency requires completion with about 50% done. The College needs to fund this directly. We also need to look at making the third floor rooms ensuite, this has been previously raised with the Trustees but costs were high. Members asked about the possibility of other sources of funding such as funding for listed buildings. The Director of Operations is looking into this. It was noted that there are timing and planning constraints with much of the work, for example if the residences are to be fully utilised they need to be in good repair and offer a good standard of accommodation and facilities but they need to be empty to carry out the work. There have only been about 10 NAC students living in the residences for the last couple of years and this is one area that requires attention given the needs of the students who are now tending to require accommodation. Job evaluation is ongoing with no agreed end to the process but more positive discussion and engagement is taking place across the sector.
8.	Risk Register Update (Paper 5) The Principal noted that this paper has already been to the Audit and Risk (A&R) Committee along with the proposed risk appetite statement. The A&R Committee will be recommending to Board that the risk appetite stays the same as last year. One slight modification to the Risk Register is that the Estates risk has been changed due to the work done on the backlog

	maintenance report for SFC. This risk has been increased until a clear way forward has been identified.
9.	Meeting the Committee Terms of Reference (ToR) (Paper 6) Discussion took place around including KPIs for HR matters such as staff turnover, staff absence etc. It was agreed that this would be useful and could be provided once a year initially. Action F&R02/C9 Director of Operations to consider when best in the year to provide information on HR KPIs. The Term regarding the fee policy was discussed – currently all fees are waived but the situation might arise when they aren't, so it was agreed it was useful to have the Term there. Boards normally do see information around the setting of fees etc so it should be there for discussion. Accommodation – the price of accommodation ties in with income generation so that should come to a Board Committee. Most students in the residence are FE so pricing is in SFC guidance and is largely out of our hands unless it's an HNC student where there is more flexibility. Committee requested that a tour of the whole College estate be arranged for Board Members, and to tie it in with induction for new Members in the future. Action F&R02/C9 Board Secretary/Principal to arrange tour of the Estate. Members are reminded to be explicit in indicating where items and the surrounding discussion meet the Committee ToR.
Part D – For Information	
10.	Public Sector Climate Change Duties Report (Verbal) The Principal reported that the College is currently finalising this report and have had significant guidance from the Environmental Association of Universities and Colleges (EAUC) this year which has proved to be helpful in collating all the information we hold. Action F&R02/D10 Principal to share copy of the report with Board. Work is also ongoing with EAUC in demonstrating the actions being taken by the College. There is lots being done that wasn't necessarily recognised as contributing to the report requirements. It was noted that whatever actions are undertaken the carbon footprint of the College will always be at the higher end of the scale due to the nature of the main building. Achieving Net Zero will be enormously challenging without very significant investment. Committee suggested that the standpoint should be from a point of risk as there are always going to be challenges with an old building.
Part E – Closing business	
11.	Any Other Business It was D Welch's last meeting as Chair of the Committee and A Tobin will be taking over as Chair for the foreseeable future. Thanks were extended to Dorothy for all her efforts over the years and her excellent chairing of the Committee.

12.	Date of next meeting Tuesday 25 February 2025 at 9.30am on Campus.