

MINUTES of the MEETING of the EXTRAORDINARY FINANCE AND GENERAL PURPOSES COMMITTEE held via Microsoft Teams on Wednesday 27 January 2021

PRESENT: Andy Gray, Kelly Mackenzie, Chris O'Neil, Donald MacKenzie
CHAIR: Donald MacKenzie
APOLOGIES: Leanne MacKenzie, Gillian Galloway, Depute Principal – Planning and Student Experience
ATTENDING: Depute Principal Academic Development
Director of Finance
Director of External Relations
Board Secretary

1. MINUTES

Meeting of the Finance and General Purposes Committee held on 01 October 2020

The minutes of the meeting of the Finance and General Purposes Committee held on 01 October 2020 were **ACCEPTED** as a correct record and it was **RECOMMENDED** that they be approved and signed by the Chair.

2. OUTSTANDING ACTIONS

- **ALF Funds:** The Director of Finance advised the Committee that he had received confirmation of the amount within the ALF in October 2020.
Decision: It was **AGREED** that the Board Secretary will circulate this information out to Committee members and the item can then be removed from the list.
- **Bad Debt Write Off:** The Director of Finance advised the committee that bad debts are currently sitting at around £35K-£40K. The Director of Finance reported that he and the Finance Team are looking at an SMT approach to writing these off rather than this coming through the F&GP Committee and/or the Board of Management.
Decision: The Committee **AGREED** that bad debt write off was an SMT responsibility and that the item could be removed from the list.
- **Internal Audit Report Recommendations:** The Committee noted that the Director of Finance and the Chair of the F&GP Committee will meet with the Chair of Audit, when appointed, to discuss all outstanding recommendations from the internal audit.
- **Risk Register:** The Committee noted that this item is for discussion further down the agenda.

3. CAPITAL MONITORING

The Director of Finance spoke to his report and advised that as part of the November SMT Capital Expenditure Plan we are seeking to increase space within the Construction Teaching Wing. Discussions have been held with the Estates Team and it has been agreed that we would seek to have these works procured/contracted prior to 31 March 2021.

4. REVENUE BUDGET MONITORING REPORTS

The Director of Finance advised that the budget monitoring reports provided explanation for any variances between the actual and budgeted spends. The Director of Finance highlighted the following to the Committee

- Pay projections including the impact of Covid-19 and ELCC.
- Modern Apprenticeships
- Bad Debts including further work which was required to be carried out on coding and the expectation that these would increase until SASS funding monies are released.

The Committee enquired about the WASPS rental and it was confirmed that we took a 3 year lease for this space which is continuing to be paid. However the Committee noted that there is an expectation that we will receive an extension at the end of the lease in respect of the time lost due to Covid-19.

5. PROCUREMENT REPORT

The Director of Finance advised that Amanda MacKenzie, APUC is due to present this report to the Board of Management in February 2021. Following a discussion with Amanda the Director of Finance highlighted the following points to the Committee:

- That 57.09% of the College's spend went through collaborative agreements which is higher than the sector average.
- That Galliford Try Facilities Management (GTFM) were, under their contract, assigned the majority of capital expenditure projects however we need to ensure that they continue to provide value for money.
- That effective contract management has allowed for a reduction in expenses during Covid-19.
- That there have been 8 instances of non-compliance on regulated spend. This can be assisted by the SMT having an early engagement with the procurement system. It was noted that there has been additional pressure placed on the Estates Team due to Covid-19. These instances of non-compliance can be found within Appendix F of the report.
- That we have received a score of 76% following the mandatory Scottish Government Operational Procurement Review on 12 March 2020 which is against a target score of 67%.

The Committee welcomed the improvement shown over the past 3 years with regards procurement.

Decision: The Committee **RECOMMENDED** that the report be taken to the Board of Management for approval.

6. EXTERNAL RELATIONS REPOT – CONFIDENTIAL

The Director of External Relations spoke to her report and highlighted to the Committee:

- The performance of Modern Apprenticeships – with the number of modern apprenticeships at 587 with 166 starts commenced to December 2020.
- FWDF Income to December 2020 is £109K against a budget profile of £176K.
- Commercial short course income YTD is £51K against a profile of £103K.
- Commercial food service is forecasting a deficit of £174K due to Covid-19 closures. However some losses have been mitigated due to the use of the furlough scheme and reallocation of staff to other departments.
- ELCC deficit is forecasted to be between £56-£76K.

The Committee discussed the backlog of Modern Apprenticeship Students and noted that this was due to Covid-19. Final assessments require to be observed at the apprentices place of work with the Committee being advised that 2/3 of all apprentices are on a 4 year programme.

The Committee held a discussion with regards the long term future of the ELCC and were provided with a confidential update.

7. RISK REGISTER ANNUAL REVIEW

The Committee noted that a risk register review had been carried out by the Principal and the Director of Finance. Aimee Cormack, PA to the Principal is updating the register and it will be brought to the next meeting for discussion.

8. ESTATES AND CAMPUS SERVICES REPORT

The Committee noted the contents of this report and the Director of External Relations highlighted that the Longman Site would go to market on 30 January 2021.

9. DATE OF NEXT MEETING

9.00 a.m. Thursday 18 March 2021

Signed by the Chair:

A handwritten signature in black ink, appearing to be 'Graham Walker', written in a cursive style.

Date:

10.06.21