

**Minute of the Business, Resources, and Infrastructure Committee Meeting
Held via Video Conference Using Zoom
On Tuesday 16 November 2021**

Present:

Mike Stewart	Chair
Matthew Wilson	Vice-Chair
Willie Mackie	Board Chair
Norman Bone	Non-Executive Board Member
Beth Clelland	Non-Executive Board Member
Fiona McQueen	Non-Executive Board Member
Ellie Jamieson	Elected Student President
Janette Moore	Elected Member, Curriculum Staff
Gillian Murray	Co-opted Committee Member
Carol Turnbull	Principal, Ex-Officio

In attendance:

Pauline Donald	Board Governance Advisor (Minutes)
Yvonne Melvin	Board Administrative Officer
Michael Breen	Vice Principal – Finance
Anne Campbell	Vice Principal – Curriculum
David Davidson	Assistant Principal - HR & OD
James Thomson	Assistant Principal – Finance, Student Funding and Estates
Liz Walker	Head of Financial Services

1. Welcome and Declarations of Interest

The Chair welcomed everyone to the meeting.

There were no declarations of interest presented.

2. Apologies

Apologies were received from Mary McClung, Non-Executive Board Member and Steven Fegan. Elected Member, Support Staff.

The meeting was confirmed as quorate.

3. Minutes of the Previous Meeting held on (Paper 1) (P)

The minutes were approved as a correct record.

Proposed: Norman Bone **Seconded:** Matthew Wilson

Action Tracker (Paper 1a) (P)

The Committee noted that all actions were recorded as complete.

4. Matters Arising

There were no outstanding matters arising from the minutes or from the action tracker.

5. SFC 5 Year Financial Forecast Return (FFR) (*Paper 2*) (*P*)

M Breen introduced Paper 2 as presented which was further informed by a supporting presentation from J Thomson.

The Committee noted:

- the Scottish Funding Council required all colleges to complete a medium-term Financial Forecast Return (FFR) for the period 2020-21 to 2023-24.
- the period 2020-21 to 2023-24 covers the previous financial year, the current financial year and financial projections for two further financial years.
- as per SFC submission timelines and noting that this was out with the College Committee cycle, the draft FFR was returned to the SFC on 15 October following approval by the Senior Leadership Team. The FFR requires formal approval of the BRIC Committee as well as the Board of Management and therefore any amendments will be notified to SFC after the 8 December 2021 meeting date.
- SFC assumptions were used to prepare the FFR which identified a funding gap for the College in 2022-23 and 2023-24 and the College will be required to save circa £1.3m.
- plans to mitigate the associated funding gap risk were summarised and assurance provided that savings will be manageable and deliverable.

The Committee discussed the report, in general, and confirmed that the further background information received from the Executive provided the relevant assurance that effective mitigation plans are in place to deliver the financial position as projected over the medium-term period.

Decision BRIC18-D01: The SFC 5 Year Financial Forecast Return (FFR) was recommend for approval to the Board on 8 December 2021.

6. 2020-21 Financial Statements to July 2021 – Before Audit Finalisation (*Paper 3*) (*P*)

M Breen introduced Paper 3 as presented and acknowledged all efforts by the Head of Financial Services and her team.

The Committee noted:

- the paper sets out the financial statements for 2020-21.
- the financial statements are derived from the management accounts which were presented to the BRIC Committee at its meeting on 7 September 2021, adjusted for year-end accounting requirements.
- the paper details the main draft financial statements and the detailed draft notes to the financial statements.
- the draft statements were submitted to Mazars for External Audit on 18 October 2021 with a final close out meeting held on 10 November 2021.

In response to minor queries raised, the following was confirmed:

- the College has in place arrangements to continually minimise any associated losses related to write-off of laptops purchased for students, review lessons learned and continually look at opportunities for improvement to reduce any financial loss.
- for the purposes of the statutory accounts the College is required to disclose the valuation movement between the previous financial year and the current financial year in respect of its “notional” share of the scheme as provided by Strathclyde Pension Fund (SPA) as at 31 July 2021. For clarity, there are no further requirements for the College to make provisions to fund underlying scheme pension deficits as this responsibility for mitigation is within the remit of the (SPA) Pension Trustees.

The Committee commended the exceptional financial stewardship and positive financial position presented.

Decision BRIC18-D02: The 2020-21 Financial Statements were recommended for approval through the Audit and Risk Committee (23 November 2021) and thereafter to the Board on 8 December 2021.

7. 2021-22 Management Accounts (position as at 30 September 2021) (Paper 4) (P)

J Thomson introduced Paper 4 as presented summarising the actual position to date for the period ended 30 September 2021.

The Committee noted:

- the accounts show a year-to-date operating deficit of £ (164,841), a favourable variance of £428,590 when compared to the expected budget position at 30 September 2021.
- exceptions related to credits for Foundation Apprenticeships and Deferred Students were highlighted with draw down on funding for Deferred Students awaiting finalisation by the SFC.
- whilst the full impact of these exceptions will be offset by projected salary savings and savings in expenditure the College was projecting an adverse variance against its full year budget of c.£(173,000).

The Committee noted the content of Paper 4.

8. 2021-22 SFC Funded Capital Expenditure Update (Paper 5) (P)

J Thomson introduced Paper 4 as presented and provided an update on SFC funded capital expenditure for the financial year April 2021 to March 2022 highlighting the status as detailed in Table 1 and Table 2, advising of only minimal overspends.

J Thomson confirmed that the rationale for the categorisation of the projects was as a result of discussions and prioritisation by the Senior Leadership Team eg digital devices for students to ensure monies have been identified to make early purchases and mitigate any possible supply chain issues; fire door replacement programme – tender is in progress for work required on fire doors and accessible

doors, the sequence of work will be prioritised and additional to maintenance requirements.

The Committee noted the content of Paper 5.

9. Kilwinning campus PFI agreement (*Paper 6*)

M Breen introduced Paper 6 as presented and took the Committee through a high-level overview of the options available to the College related to the termination of the Kilwinning Campus PFI Agreement in 2025.

Decision BRIC18-D03: The BRIC Committee agreed in principle to recommend that the Board of Management (8 December 2021) pursues the option to purchase, subject to a future business case being presented at the appropriate time, within the timeline set out in the contract.

10. North Ayrshire Future Skills Hub (*Paper 7*)

M Breen introduced Paper 7 as presented and provided a status update on the development of North Ayrshire Future Skills Hub.

The Committee noted that planning permission had been approved by North Ayrshire Council and the Council had now transferred the additional land for the project to the College. Site investigations and ground works have commenced, and the College is projecting to go out to tender in January 2022. This timeline will see the practical completion of the facility being in January 2023 and the formal handover in March 2023. Key risks as noted were considered and further clarity on these will be provided at the tender stage.

The Committee noted the content of Paper 7.

11. ICT proposal infrastructure (*Paper 8*)

M Breen introduced Paper 8 as presented outlining a five-year ICT infrastructure proposal for Ayrshire College with estimated costs and options for funding.

The Committee noted that the paper details how the College will maintain, develop, and enhance its existing ICT infrastructure. Six priority areas where future funds could be required, why these are the key areas for investment and how these areas are linked to the College's Statement of Ambition were presented together with a supporting investment proposal for 2022-26.

Following discussion, the Committee confirmed its support to the direction of travel whilst noting that there are several operational considerations that will need to be clarified going forward and will need to be taken account of in the further detailed work; not least confirmation of funding, statutory requirements in terms of data protection, flexibility of projects based on business need/business as usual. The Executive acknowledged its awareness of the points raised and confirmed these all would be addressed at operational level.

The Committee noted the content of Paper 8 and confirmed their support in principle.

12. Strategic allocation of College Cash Balances as at 31 July 2021 (*Paper 9*)

M Breen introduced Paper 9 as presented.

The Committee noted that the College had the opportunity to reallocate approximately £3.584m of its current trading cash balance to set against designated cash reserves. The College has identified six priority areas where future funds could be required, and the Committee was asked to note the proposal to allocate cash from the current trading cash balance to these six areas. The Committee noted the requirement to engage with SFC to seek confirmation of any related accounting issues.

The Committee discussed the proposed allocations as presented and confirmed its support to take forward the priority areas identified.

The Committee commended the professional and structured approach to the meeting agenda commenting that the structure presented a whole systems approach to the College's financial management; with related papers demonstrating the overall correlation of information eg financial forecasts, investment proposals, proposed transformation plans and opportunities for growth. The Committee commented that the approach allowed the Committee to make relevant strategic and informed decisions with clear awareness of the implications for student delivery.

Decision BRIC18-D04: The Committee agreed to recommend the strategic allocation of College cash balances as at 31 July 2021 for approval to the Board on 8 December 2021.

13. Glazing issue at Kilmarnock Campus

Due to timing of correspondence and on-going discussions with C3 M Breen provided a verbal report on current issues related to unexplained glazing failures within the Kilmarnock campus. The Committee noted that a written report covering the verbal points made will be circulated by email following the meeting.

Action BRIC18-A01: A report reflecting the verbal update provided at the meeting will be circulated by email to the Committee.

Action BRIC18-A02: The Committee confirmed its support to submit a full report to the Board of Management on 8 December 2021. It was noted that the report will detail the glazing situation and a potential proposal to enter into a commercial agreement to replace the glazing units that are non-compliant.

14. Annual Procurement Report (*Paper 11*) (*P*)

J Thomson introduced Paper 11 as presented, advising that this was an annual requirement for the College. It was noted that the standard Scottish Government template had been used to produce the report. J Thomson further advised that the figures contained in the report had been reviewed through a shared service agreement between the College and Advanced Procurement for Universities and Colleges (APUC) and had been reviewed by the Senior Leadership Team.

The Committee commended the report as presented and thanked J Thomson and his Team for an informative and clear report.

Decision BRIC18-D05: The Committee recommended Annual Procurement Report for approval by the Board on 8 December 2021.

15. Health, Safety and Wellbeing Annual Report August 2020 - July 2021 (Paper 14) (P)

The Chair advised that the Health, Safety and Wellbeing Annual Report (August 2020 - July 2021) was being brought forward on the agenda as recommendation for approval to the Board was required by the Committee. D Davidson introduced paper 14 as presented, advising that the annual report provided a summary of the performance and activity across Health, Safety and Wellbeing throughout the academic year. The report, therefore, reflected the quarterly reports on Health, Safety and Wellbeing, which had been presented to BRIC during the period, and supports the Board in fulfilling its oversight responsibilities for health and safety risk management.

The Committee commended the report as presented.

Decision BRIC18-D06: The Committee recommended the Health, Safety and Wellbeing Annual Report August 2020 - July 2021 for approval by the Board on 8 December 2021.

16. & 17. HR & Staff Learning and Development Report (Paper 12) (P) and Health, Safety and Wellbeing and Equality and Inclusion Report (Paper 13) (P)

D Davidson introduced Paper 12 and Paper 13 together as presented. The Committee discussed the papers, during which a query was raised regarding potential disparities between College Lecturers, in terms of the GTCS Registration process and the criteria which requires to be fulfilled. D Davidson advised that GTCS had embarked on a sector-wide consultation process regarding these matters and that feedback would be provided in due course.

In response to another query, D Davidson advised that the increase in short-term absence in the period was largely due to seasonal viruses, however, absence levels were continuing to be monitored closely.

The Chair queried whether the challenging circumstances in the current labour market and low number of applicants for vacancies could possibly prove to be a high-risk area for the College. D Davidson advised that the College had responded to the current recruitment challenges through advertising vacant roles creatively and were continuing to monitor the situation.

The Committee noted the content of Papers 12 and 13.

18. 2020-21 Annual Complaints Report (Paper 15) (P)

The Committee noted the content of Paper 15.

19. 2020-21 Annual Freedom of Information Report (Paper 16) (P)

The Committee noted the content of Paper 16.

20. Any other business

No other business was raised.

21. Date of Next Meeting: Tuesday, 8 March 2022 at 4pm.

(C/P) Confirmed minutes will be published on College Website

(P) – Paper will be published on the College Website

(R) – Paper is reserved, because it contains data or information of a personal nature, which is restricted by legislation, or because it contains commercially sensitive information, and will not be published on the College Website

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