

REGIONAL BOARD

28 March 2024

Report from Finance and Resources Committee 14 March 2024

1.0 PURPOSE OF PAPER

For discussion

- 1.1 The paper is to highlight to the Board the business of the most recent Finance and Resources Committee meeting.

2.0 EXECUTIVE SUMMARY

- 2.1 The paper highlights the key items of approval and discussion at the Finance and Resources Committee meeting on 14 March 2024 and invites Board to ask any questions or make any comments regarding the business of the Committee.

3.0 RECOMMENDATION(S)/ACTION(S) REQUIRED

- 3.1 I recommend that the Regional Board: -
 - 3.1.1 Discuss the paper and raise any questions with the Committee members.

4.0 MEETING REPORT

- 4.1 The Committee met online.
- 4.2 **Strategic Risk Register** The risks pertinent to this Committee have been updated with the risk around delivery of College outcomes being unaffordable having its score increased to 16 which is about the risk appetite level agreed by Board. Discussions with funders are ongoing but it is not anticipated that more information about future funding will be available until the end of March at the earliest. The remaining risks are within the risk appetite level agreed. The Committee were content with the changes and expressed their confidence in the Senior Management Team to closely monitor the situation.
- 4.3 **Business (Finance) Review and Update** The year end forecast at the end of Q2 reflects the initial 2023/24 budget with a deficit of approx. £87k and a break even position on the Adjusted Operating Profit (AOP). The Committee noted the challenges involved in achieving a balanced budget.

- 4.4 **People Service's Update** The sickness absence rate among staff has decreased slightly from 2.5% to 2% and currently sits at 807 days over 74 staff part way through the year. Voluntary staff turnover has also decreased from 5.5% to 4.5%. There has been no resolution to the dispute over pay and terms and conditions with a last and final offer on the table for all staff from employers. Negotiations are ongoing in the hope of reaching a settlement soon as industrial action and ASoS continue.
- 4.5 **Meeting Schedule 24/25** The F&R meeting is usually scheduled for Thursday at 5.30pm, after discussion with the Members present it was agreed that an earlier start time would be possible while sticking with Thursdays. Future meetings will be scheduled to start at 4.00pm pending availability of future Members.
- 4.6 **Asset Management Strategy Update** Additional services have been added to Halo. Reviews of Canvas, Smart-assessor and the finance system have either been carried out or are ongoing. Heriot-Watt to confirm their future space requirements by the end of the AY which should enable the College to rationalise their space and use of it.
- 4.7 **Budget Planning Process** The VP Finance and Corporate Services laid out the current budget challenges, namely pay awards for the current, previous and upcoming year, the budget allocation from SFC, the credit allocation from SFC and the, as yet, unknown nature of the requirements of Heriot-Watt for accommodation in the future. Budget scenarios were laid out as was the process and timeline for setting budgets, both revenue and capital. The Committee thanked the VP for a useful paper.
- 4.8 **Cyber Security Update** This was Conor Bradley's first meeting as Director of IT and Digital. The Committee noted the report.

5.0 IMPLICATIONS AND CONSIDERATIONS

5.1 Financial Implications

5.2 Learner Implications

5.3 Staff Implications

5.4 Equality and Diversity Implications/Equality Impact Assessment

5.5 Sustainability/Environmental Implications

6.0 RISK COMMENTARY

- 6.1 The paper is for discussion and information, there are no proposed actions or decisions required.

7.0 CONCLUSION

- 7.1 Members are asked to raise questions about any of the items discussed at the Finance and Resources Committee meeting, if required.

B Quinn, Chair of Finance and Resources Committee and I Earp, Board Secretary

Previous Board or College Committee Approvals: None

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