



### Meeting of the Finance and General Purposes Committee

Meeting to be held  
On Tuesday 9 March 2021  
At 1330 hours by Teams

#### AGENDA

Number	Item	Presented By	Action Required: Decision, Discussion, For Noting
<b>F.21.01.01</b>	(i) Resignations	C Fair	Noting
	(ii) Appointments		
<b>F.21.01.02</b>	Apologies for Absence	C Fair	Noting
<b>F.21.01.03</b>	Any Additional Declarations of Interest including specific items on this Agenda	M Easton	Noting
<b>F.21.01.04</b>	Draft Minutes of Finance and General Purposes Committee meeting held on 24 November 2020 *	M Easton	Decision
<b>F.21.01.05</b>	Draft Matters Arising/Action Sheet from Finance and General Purposes Committee meeting held on 24 November 2020 *	C Fair	Noting
<b>F.21.01.06</b>	Emerging Issues		
	(i) UHI Aligned Finance Service		
	(ii) UHI Budget		
<b>F.21.01.07</b>	2020-21 Financial Forecast Return – comparison v budget	S McInnes	Noting
	(i) Management Accounts to 31 January 2021 *		
<b>F.21.01.08</b>	Estates Update *	D Duncan	Discussion
<b>F.21.01.09</b>	Policies Due for Review	S McInnes	Discussion
<b>RESERVED ITEMS</b>			
<b>F.21.01.10</b>	Draft Reserved Minutes of Finance and General Purposes Committee Meeting held on 24 November 2020 *	Mr M Easton	Decision
<b>F.21.01.11</b>	Reserved Matters Arising of Finance and General Purposes Committee Meeting held on 24 November 2020 *	C Fair	Noting

Draft Agenda F&GP Meeting 9 March 2021

<b>F.21.01.12</b>	Update on 2021/22 Budget and 4 Year Financial Plan - verbal	D Patterson	Discussion
<b>F.21.01.13</b>	Risk Register	S McInnes	Discussion
<b>F.21.01.14</b>	Date of next meeting – 8 June 2021	C Fair	Noting

**Finance and General Purposes Committee  
Draft Minutes of Meeting held on  
Tuesday 24 November 2020 at 1000 by Teams**

**Present:**

Murray Easton (Convenor)      Rosemary McCormack  
David Patterson                      Caroline Webster  
Hermione Morris (HISA)

**In Attendance:**

Deborah Newton  
Shelly McInnes  
Derek Duncan  
Cathie Fair (Clerk)  
Eleanor Melton (Minutes)

Item		Action	Date
<b>F.20.05.01</b>	<b>(i) Resignations</b>		
1.1	There have been no resignations received.		
	<b>(ii) Appointments</b>		
1.2	There have been no new appointments.		
<b>F.20.05.02</b>	<b>Apologies for Absence</b>		
2.1	Apologies were received from Peter Graham.		
<b>F.20.05.03</b>	<b>Any Additional Declarations of Interest including specific items on this Agenda</b>		
3.1	There were no additional declarations of interest.		
<b>F.20.05.04</b>	<b>Draft Minutes of Finance and General Purposes Committee Meeting held on 22 September 2020</b>		
4.1	The minutes were accepted as a true record and approved by the Committee: Proposed: Rosemary McCormack Seconded: Murray Easton		
<b>F.20.05.05</b>	<b>Matters Arising/Actions Sheet from F&amp;GP Meeting held on 22 September 2020.</b>		
5.1	All actions were either completed or were on the Agenda for discussion.		
<b>F.20.05.06</b>	<b>Emerging Issues</b>		
	<b>i. Aligned Finance Services Update</b>		
6.1	Shelly updated the committee on the current situation regarding aligned financial services throughout the partnership.		

	<p>It was explained that there are 3 options currently being considered by the project board.</p> <p>Concerns have been raised by FDs including potential VAT recharge and HR issues that may arise.</p> <p>It was noted that the opinions that come out of the project board are the opinions of the FDs themselves and not the individual AP.</p> <p>Murray added that there seems to be continuous distortion between minutes presented stating that aligned services have been approved when this is not the case.</p> <p>Mr Patterson feels there is a 4<sup>th</sup> option to be considered which would consist of the grouping together of the smaller partners, leaving the 4 larger partners individual.</p> <p>Shelly explained that the FDs had requested that nothing is decided until the options appraisal has been completed. However, this was refused due to the process taking too long.</p>		
<b>Action</b>	The 3 Proposals to be circulated to the Committee	<b>SM</b>	Immediate
<b>Action</b>	Thereafter David, Peter, Murray and Shelly to review options and establish a position for Moray College	<b>PG/ME/DP/SM</b>	ASAP
<b>Action</b>	To set up a Teams appointment for this	<b>CF</b>	Immediate
	<b>ii. 2019/20 Statutory Accounts</b>		
	<p>Shelly supported the draft accounts provided to committee members.</p> <p>Ernst Young have suggested that the submission date be put back. Accounts will be submitted for signing off in January 2021.</p> <p>Disclosures may change due to Covid and going concerns but any changes will not affect the final numbers.</p>		
<b>Action</b>	Any comments are to be communicated to Shelly.	<b>Committee</b>	ASAP
<b>Action</b>	Committee requested that any major developments should be communicated to the Committee.	<b>Shelly</b>	As required
	<b>iii. Court F&amp;GP Feedback</b>		
	Murray provided a brief update on Court F&GP. Consolidation of Financial Statements were discussed. It has been questioned as to		

	<p>why EO are allowed to run with a significant deficit, what/if any efficiencies have been taken and what was the contribution to VSS as only 3 applications were accepted.</p> <p>The Chair requested that EO provide a pathway to break even and present it to the committee.</p> <p>A full operational assessment requires to be undertaken by EO.</p> <p>There has been a request for the FD to complete a full presentation of the full deficit. Tech systems were discussed and deferred with no revised date.</p>		
<b>F.20.05.07</b>	<b>Q1 Management Accounts</b>		
7.1	<p>Shelly highlighted key points throughout including a drop in estimated income from FWDF. Looking closely for potential savings for Q2.</p> <p>Members discussed minor points throughout the document with clarity being provided where necessary.</p> <p>Concerns moving forward include VSS and income reduction. Early indications are showing potential additional savings in costs. Shelly explained that although there may be additional cost savings, these may not be sustainable over a longer period.</p> <p>Derek added that we may be eligible for maintenance funding with regards to Covid. There was around £15K spent to enable the campus to be “covid ready”.</p>		
7.2	<p>The Committee questioned the status of the insurance claim for the laundry fire. Although this had been settled this was less than anticipated and it was agreed that the case be reopened with the insurers.</p>		
<b>Action</b>	Derek to report back to the Committee on this	<b>Derek</b>	<b>March F&amp;GP</b>
<b>F.20.05.08</b>	<b>Estates Capital and Back Log Maintenance Spend plan</b>		
8.1	<p>Mr Duncan summarised the detailed paper provided, clarifying points when raised.</p> <p>Points included the upgrading of C wing boilers; discussion taking place to determine if this is a necessary requirement.</p> <p>College servers are also coming to the point of updating.</p>		

<b>APPROVED</b>	<b>The Committee approved the recommendations for spend plan</b>		
<b>F.20.05.09</b>	<b>F&amp;GP Annual Report to the Board 2019/20</b>		
9.1	Murray is to send report to Cathie to circulate to committee members. Any comments/suggestions are to be communicated to ME and CF.	<b>ME/CF Committee</b>	<b>Immediate</b>
<b>Action</b>	Thereafter, Report to be forwarded to the December Board	<b>CF</b>	<b>15-12-2020</b>
<b>F.20.05.10</b>	<b>Annual Procurement Report</b>		
10.1	Shelly outlined the Annual Procurement Report provided by Stuart Murray who is the APUC contact for Moray. This highlights savings through APUC and is required for benchmarking to highlight our spending against other APs. Externally audited with a target of 67% and the outcome being 68%. Points were discussed and clarified where necessary.		
<b>F.20.05.11</b>	<b>Policies Due for Review</b>		
11.1	It was agreed that Commercialisation Policy be put on hold given the current situation. Derek explained that the list has increased again although reviews will be completed in order of requirement and all policies are still valid.		
<b>Action</b>	Mr Easton suggested that the reviewed policies be circulated to Committee as and when they become available rather than waiting for Committee meetings. This was agreed.	<b>DD</b>	As required
<b>F.20.05.12</b>	<b>Date of next meeting – 14 January 2021</b>		

<b>RESERVED ITEMS</b>			
<b>F.20.05.13</b>	<b>Draft Reserved Minutes of Finance and General Purposes Committee held on 22 September 2020</b>		
5.13	This item is reserved and the minute held in confidence.		
<b>F.20.05.14</b>	<b>Draft Reserved Matters Arising of Finance and General Purposes Committee held on 22 September 2020</b>		
5.14	This item is reserved and the minute held in confidence.		
<b>F.20.05.15</b>	<b>Risk Register</b>		
5.15	This item is reserved and the minute held in confidence.		
	<i>Meeting closed at 12.15pm</i>		

**Action Sheet/Matters Arising from Finance and General Purposes Committee Meeting Held on 24 November 2020**

		<b>ACTION</b>	<b>DATE</b>	<b>UPDATE</b>
<b>F.20.05.06</b>	<b>Emerging Issues</b>			
	<b>i. Aligned Finance Services Update</b>			
6.1.1	The 3 Proposals to be circulated to the Committee	<b>SM</b>	Immediate	Completed
6.1.2	Thereafter David, Peter, Murray and Shelly to review options and establish a position for Moray College	<b>PG/ME/DP/SM</b>	ASAP	Completed
6.1.3	To set up a Teams appointment for this	<b>CF</b>	Immediate	Completed
	<b>(ii) 2019/20 Statutory Accounts</b>			
6.2.1	Any comments are to be communicated to Shelly.	<b>Committee</b>	ASAP	Completed
6.2.2	Committee requested that any major developments should be communicated to the Committee.	<b>Shelly</b>	As required	Completed
<b>F.20.05.07</b>	<b>Q1 Management Accounts</b>			
7.2	Derek to report back to the Committee on status of laundry fire claim.	<b>Derek</b>	March F&GP	
<b>F.20.05.09</b>	<b>F&amp;GP Annual Report to the Board 2019/20</b>			
9.1.1	Murray is to send report to Cathie to circulate to committee members. Any comments/suggestions are to be communicated to ME and CF.	<b>ME/CF/ Committee</b>	Immediate	Completed
9.1.2	Thereafter, Report to be forwarded to the December Board	<b>CF</b>	15-12-2020	Completed
<b>F.20.05.11</b>	<b>Policies Due for Review</b>			
11.1	Mr Easton suggested that the reviewed policies be circulated to Committee as and when they become available rather than waiting for Committee meetings. This was agreed.	<b>DD</b>	As required	Ongoing



**Agenda Item Reference: F.21.01.07**

<b>Title of Paper:</b>	FY 2020-21 FFR – Comparison v. Budget			
<b>To Committee:</b>	Finance & General Purposes Committee ('F&GP')			
<b>Subject:</b>	Estimated Outturn for FY 2020/21			
<b>Version number and date:</b>	3 March 2021			
<b>Brief summary of the paper:</b>	<p>The key messages for the F&amp;GP to note are as follows;</p> <ul style="list-style-type: none"> <li>- Prior to accounting adjustments for net depreciation, the College is estimating a <b>deficit of £414k for the 2020/21 financial year</b>. This compares favourably (+£305k) to the approved budgeted deficit of £719k.</li> </ul> <p>This is an <b>Underlying Operating Deficit</b> (as per the SFC's definition) before pension adjustments of <b>£18k</b>. This compares favourably (+£300k) to the approved budgeted deficit of £318k.</p> <ul style="list-style-type: none"> <li>- We are estimating that the College will close the close the year with a <b>positive cash balance of £49k</b>. This is a <b>positive variance of £499k</b> compared to the approved budget of £450k overdrawn.</li> <li>- Additional risks and opportunities exist for which we are waiting for further confirmation. These are estimated to result in an <b>additional £147k income and £197k cash for FY 2020/21</b>. This will result in a full year underlying operating surplus of £147k and a closing cash balance of £229k. We hope to have clarification on these within the next 4 weeks.</li> </ul>			
<b>Recommendations:</b>				
<b>Action requested/decision required:</b>	For noting and discussion			
<b>Status: (please tick ✓)</b>	<b>Reserved:</b>	X	<b>Non-reserved:</b>	
<b>Date paper prepared:</b>	3 March 2021			
<b>Date of committee meeting:</b>	9 March 2021			
<b>Author:</b>	Director of Finance			
<b>Link with strategy:</b>	Enclosed papers are linked to the College's financial sustainability.			

**Agenda Item Reference: F.21.01.07**

<p>Please highlight how the paper links to, or assists with:</p> <p>Strategic Plan including</p> <ul style="list-style-type: none"> <li>• Curriculum</li> <li>• Learning and Teaching</li> <li>• Organisational culture</li> <li>• Partnership</li> <li>• Sustainability</li> </ul>	
<p><b>Equality and diversity implications:</b></p>	<p>N/A</p>
<p><b>Resource implications:</b> <i>(If yes, please provide detail)</i></p>	<p>N/A</p>
<p><b>Risk implications:</b> <i>(If yes, please provide detail)</i></p>	<p>Risk of failing to achieve financial sustainability.</p>
<p><b>Appendices:</b></p>	<p>As enclosed</p>

**Agenda Item Reference: F.21.01.07**

**Income – (£131k adverse variance to approved budget)**

**Flexible Workforce Development Fund (FWDF) (£65k – Adverse variance of £135k)**

Decrement of £135k reflects the further impact of the additional lock-down on the ability to deliver training (Q1 decrement £85k) – Either because the companies are closed and not undertaking training or because the business would prefer face to face training when lock down eases. Businesses have until 31 December 2021 to complete training so the funding will be carried forward to FY 2021/22. Work is underway to ensure the training can be delivered between August and December 2021.

**Other Income (£1,031k – Adverse variance of £106k)**

Majority of decrement is a £120k reduction in estimated misc income. Budgeted misc income was based on prior year actual and includes VAT income, income from sales to students (printing services) and income for needs assessments undertaken for students that are recharged to SAAS. All of these income streams have been less this year. Whilst it is difficult to anticipate these income streams, it has been assumed that the first 6 months will be comparable to the remaining 6 months.

**Furlough Income (£300k – Favourable variance of £100k)**

The furlough scheme has been extended three time since the budget was approved – with the final extension now until September 2021. It is assumed that the College will continue to make use of this scheme until September – predominantly for the refectory staff who remain unable to return to work. We continue to investigate redeployment opportunities for the refectory staff which will have an impact on the level of furlough that can be claimed.

**Other income movement – Net adverse variance of £10k**

**Expenditure – (£435k favourable variance to approved budget)**

**Staff Costs (£10,856k – Positive variance of £240k)**

Staff costs are significantly less than anticipated due to the ongoing control of FTE's and a less than budgeted pay rise (2% v 3%). The full year estimated position is based on the 6 months actual costs to date and includes the 0.5% increase to support staff pension contributions from 1 April 2021. The full year costs will depend on any additional costs incurred from additional staffing requirements or sickness cover.

The **average FTE** in FY 2019/20 was 248. This compares to the **FTE at the end of FY 2019/20 of 241** and the **FTE at 31 January 2021 of 234**. The forecast staff costs were based on the total estimated staff costs for 2019/20 and the average FTE.

Continued strong control of the recruitment process, redeployment of roles and use of staff on furlough have all helped to maintain significantly lower staff costs and will continue.

**Operating Costs (£1,852k – Positive variance of £206k)**

We continue to incur less than budgeted operating costs as the College continues to be closed to the majority of staff and students. This has resulted in less than forecast costs for utilities, travel and vehicle costs and staff printing. We have also incurred less than forecast costs for delivering oil and gas assessments (OGA), the Beechtree and the hair and beauty department, reflecting the reduction in income. The ability of the College to maintain these savings is being actively looked at as part of the Estates strategy work and the 'lessons learned' work.

**Cash Position (£49k - £499K favourable variance to approved budget)**

It is estimated that the College will close the year with a positive cash balance of **£49k (excluding student support funds)**. This is a positive variance of **£499k** compared to the approved budget of £450k overdrawn. This is due to the reduction in expenditure noted above.

It is assumed that all of the capital funding received from the SFC will be spent by the end of the current financial year. It is a condition of the funding that funds are committed by 31 March 2021. An inability to do this will mean the funding can be clawed back.

**Additional Risks and Opportunities - Potential £147k additional net income**

There are additional changes that will impact the full year on which we are waiting for further confirmation or clarification from the Partnership. These are detailed below;

- ESIF Income 2018/19 – Funds claimable from SFC by UHI for additional HE UGT student number growth. Significantly delayed (SFC to UHI) but UHI proposing to pay out. **£29k additional cash and income in FY 2020/21**. Waiting to confirm risk of claw-back.
- ESIF Income 2019/20 - **£50k additional cash** in FY 2020/21 as accrued for in 2019/20.
- Early Learning Years Childcare Growth (ELC) – Funds claimable from SFC by UHI which has not been signed off yet but UHI are proposing to pay out. **£29k additional cash and income in FY 2020/21**. Waiting to confirm risk of claw-back.
- Additional HE Income - Original HE income forecast assumed 857 students at £2,789 average income per FTE v. current estimated outcome of 843 HE FTE at £3,057 average income per FTE. **Once final HE numbers confirmed this will result in an estimated £200k additional income and cash.**
- Decrement to HE income – Micro-RAM adjustment (adjustment due to students being taught by staff from different Partnership campuses/Moray College staff teaching students from other Partnership campuses) still to be decided. Prior year was a **reduction £110k** so similar assumed this year. The College will get the first indication of the Micro-RAM adjustment the week beginning 8 March 2021. The adjustment was not finalised until June 2020 in FY 2019/20.

**Full year impact**

The full year impact of above will result in a **full year surplus of £129k** (compared to an estimated deficit of £18k) and a **closing cash balance of £229k** (compared to an estimated closing cash balance of £49k).

MORAY COLLEGE UHI

2020/21 FINANCIALS

INCOME & EXPENDITURE STATEMENT (excl pension adjustments)

	Revised FFR - Sep 2020	Latest Position		Anticipated Out-Turn	Variance
	(20/21 Annual)	Actuals (Aug Jan 20/21)	Estimate (Feb - Jul 20/21)	(YE 31 Jul 21)	(Anticipated Out-Turn v Revised FFR)
	£'000	£'000	£'000	£'000	£'000
<b>Income:</b>					
FE Recurrent Funding	5,387	2,694	2,694	5,387	-
HE Recurrent Funding	2,375	1,188	1,188	2,375	-
Other Recurrent Funding (Excl DCG)	5	-	5	5	-
Maintenance Funding	250	45	205	250	-
<b>Commercial Income</b>	<b>330</b>	<b>104</b>	<b>93</b>	<b>197</b>	<b>(133)</b>
- Oil and Gas Assessment Centre	110	83	27	110	-
- FWDF	200	-	65	65	(135)
- Leisure	10	9	1	10	-
- Other	10	12	-	12	2
<b>Other Education Activity/Income</b>	<b>462</b>	<b>230</b>	<b>224</b>	<b>454</b>	<b>(8)</b>
- Modern Apprenticeships	112	61	60	121	9
- Employability Fund	70	51	-	51	(19)
- Foundation Apprenticeships	180	86	84	170	(10)
- Job Centre Plus/DWP	100	32	80	112	12
<b>Tuition Fees (HE &amp; FE)</b>	<b>1,513</b>	<b>780</b>	<b>733</b>	<b>1,513</b>	-
<b>Other Income (excl Release of DCG)</b>	<b>1,137</b>	<b>490</b>	<b>541</b>	<b>1,031</b>	<b>(106)</b>
- European Funding	7	1	-	1	(6)
- Other Grants	500	231	269	500	-
- Nursery	335	175	175	350	15
- Beechtree	-	5	-	5	5
- Hair, Beauty, Comp Therapy	25	5	20	25	-
- Misc Income	220	52	48	100	(120)
- Rent of accommodation	50	21	29	50	-
<b>Release of DCG</b>	<b>379</b>	<b>202</b>	<b>193</b>	<b>395</b>	<b>16</b>
<b>Scottish Teachers Superannuation Funding</b>	<b>306</b>	<b>153</b>	<b>153</b>	<b>306</b>	-
<b>National Bargaining Funding</b>	<b>968</b>	<b>484</b>	<b>484</b>	<b>968</b>	-
<b>Furlough Income</b>	<b>200</b>	<b>176</b>	<b>124</b>	<b>300</b>	<b>100</b>
	<b>13,312</b>	<b>6,545</b>	<b>6,636</b>	<b>13,181</b>	<b>(131)</b>
<b>Expenditure:</b>					
Staff Costs	(11,096)	(5,457)	(5,399)	(10,856)	240
Operating costs	(2,058)	(902)	(949)	(1,851)	207
Depreciation	(877)	(444)	(444)	(888)	(11)
	<b>(14,031)</b>	<b>(6,803)</b>	<b>(6,792)</b>	<b>(13,595)</b>	<b>436</b>
<b>Total Surplus/(Deficit)</b>	<b>(719)</b>	<b>(258)</b>	<b>(156)</b>	<b>(414)</b>	<b>305</b>
Depreciation	877	444	444	888	11
Repayment of loan	(97)	(49)	(49)	(97)	-
Deferred Capital Grant	(379)	(202)	(193)	(395)	(16)
<b>Underlying Deficit</b>	<b>(318)</b>	<b>(64)</b>	<b>47</b>	<b>(18)</b>	<b>300</b>

CASH FLOW

	Revised FFR - Sep 2020	Latest Position		Anticipated Out-Turn	Variance
	(20/21 Annual)	Actuals (Aug Jan 20/21)	Estimate (Feb - Jul 20/21)	(YE 31 Jul 21)	(Anticipated Out-Turn v Revised FFR)
	£'000	£'000	£'000	£'000	£'000
<b>Income Surplus / (Deficit)</b>	<b>(719)</b>	<b>(258)</b>	<b>(156)</b>	<b>(414)</b>	<b>305</b>
<b>Non-cash Adjs:</b>					
Depreciation	877	444	444	888	11
Deferred Capital Grant release	(379)	(202)	(193)	(395)	(16)
	<b>(221)</b>	<b>(16)</b>	<b>95</b>	<b>79</b>	<b>300</b>
<b>Financing</b>					
Loan Repayments	(97)	(49)	(49)	(97)	-
Capital Funding	662	423	355	778	116
<b>Capital Expenditure</b>					
- 2019/20 Projects - Cash received in prior year	(98)	-	(98)	(98)	-
- 2020/21 Projects	(662)	-	(778)	(778)	(116)
<b>Working Capital:</b>					
Repayment of EO drawdown in advance	(249)	(249)	-	(249)	-
July's furlough claim received in August	100	100	-	100	-
Foundation Apprenticeships cash received in advance of income recognition	-	80	(80)	-	-
January's furlough claim paid in Feb	-	53	(53)	-	-
Payroll cash movement against income statement recognition	-	126	(126)	-	-
Non staff costs cash against income statement treatment	-	106	(106)	-	-
Other working capital movement	(50)	37	112	149	199
	<b>(394)</b>	<b>627</b>	<b>(823)</b>	<b>(195)</b>	<b>199</b>
<b>Net Cash Flow</b>	<b>(615)</b>	<b>611</b>	<b>(728)</b>	<b>(116)</b>	<b>499</b>
<b>Opening Cash Balance (Excluding Student Support Funds)</b>	<b>166</b>	<b>166</b>	<b>166</b>	<b>166</b>	<b>-</b>
<b>Closing Cash Balance (Excluding Student Support Funds)</b>	<b>(450)</b>	<b>777</b>	<b>49</b>	<b>499</b>	<b>499</b>
Closing Student Support Funds		777		220	
<b>Total Closing Cash</b>		<b>0</b>		<b>269</b>	

Risks & opportunities to FY out-turn	Anticipated Out-Turn  (YE 31 Jul 21)	Notes
<b>Underlying Deficit</b>	<b>(18)</b>	
ESIF Funding from 18/19 not accrued for ELC Income from 18/19 not accrued for	29 29	Timing of payment/Confirmation that being paid and no risk of claw-back still to be received from Executive Office. Timing of payment/Confirmation that being paid and no risk of claw-back still to be received from Executive Office.
Income adjustments to HE Funding Micro-RAM Adjustment	200 (110)	Original forecast assumed 857 students at £2,789 v. 843 HE FTE at £3,057 average fee per student. Based on last year's Micro-RAM adjustment. First cut due w/k cing 8 March. Wasn't finalised until June last year.
<b>Potential Underlying Surplus</b>	<b>129</b>	
Adjusted closing cash (excluding SSF)	179	
ESIF Funding from 19/20 accrued	50	Timing of payment/Confirmation that being paid and no risk of claw-back still to be received from Executive Office.
<b>Potential Closing Cash (excluding SSF)</b>	<b>229</b>	

<b>Committee:</b>	F&GP		
<b>Subject/Issue:</b>	Estates update		
<b>Brief summary of the paper:</b>	Update on Estates matters		
<b>Action requested/decision required:</b>	For noting		
<b>Status: (please tick ✓)</b>	<b>Reserved:</b>		<b>Non-reserved:</b> ✓
<b>Date paper prepared:</b>	3 <sup>rd</sup> March 2021		
<b>Date of committee meeting:</b>	9 <sup>th</sup> March 2021		
<b>Author:</b>	Derek Duncan		
<b>Link with strategy:</b> Please highlight how the paper links to, or assists with:  compliance. partnership services risk management strategic plan/enabler other activity (eg new opportunity) – please provide further information.	<b>Risk Register ID Moray/8:</b> College Estate not fit for purpose		
<b>Equality and diversity implications:</b>	YES – DDA compliance in terms of access to all parts of the building.		
<b>Resource implications:</b> <i>(If yes, please provide detail)</i>	Significant use of capital and backlog funding.		
<b>Risk implications:</b> <i>(If yes, please provide detail)</i>	Failure to have in place regular planned regular maintenance will lead to significant deterioration of the College estate and additional cost and risk to the safety of College staff, students and visitors.		



## **1. Campus Restart 2021**

The main campus re-opened on Monday 5<sup>th</sup> January to support training activities for the Scottish Ambulance Service and NHS Grampian in the Alexander Graham Bell Centre (AGBC).

The College nursery resumed full service from 22<sup>nd</sup> February and practical classes are being phased in, with the Technology Centre resuming a limited service from 1<sup>st</sup> March 2021. A gradual start-up of other groups is planned in line with the latest Covid-19 guidance which caps student activity at 5%.

An updated Covid-19 risk assessment has been developed and shared on the College Intranet, with support provided directly to all managers involved in returning to site. Safety inspections and fire safety briefings are part of the re-start activities for all staff teams returning to site.

All regular statutory testing and reactive maintenance activities have continued as normal since January.

## **2. Move4Ward (AGBC) End of Lease**

Move4Ward had previously given notice on their lease of an AGBC office and relocated in the first week of February 2021. The marketing team are in discussion with a replacement tenant and it is hoped that an agreement will be reached soon.

## **3. Academy Building Heating**

The main heating pipe which serves the Academy building from the main boiler house has fractured within the sub floor area of the main reception and as a result, the heating valves to Academy block have been closed. This is a different location as the previous failure in the upper reception area and relates to pipework which was replaced prior to the AGBC construction project.

A CCTV survey was carried out on the 26<sup>th</sup> of February and whilst this confirmed a significant leak, the volume of water in the area prevented a full assessment of the damage. An engineer is due to return to site once the water has subsided to further inspect the problem and provide an initial assessment of repair options and potential referral to the College's insurer.

The Victoria Art building main boiler also recently failed and remains out of action, but repairs are on-going and expected to be resolved shortly.

A temporary heating solution may be required to support resumption of art classes in the Academy building, but there is sufficient space elsewhere in College if required.

## **4. Gull Management**

The contract for egg removal has been extended for 2021 and the College's license has been updated to reflect a number of mitigations:

- Egg removal by a licensed contractor using 6 visits scheduled from May – July.
- The continued use of an audible bird scaring device which proved effective in 2020.
- Installation of a single ridge wire 2 inches above the Culbin Wing to discourage nesting around the quadrangle area.

Egg removal was deemed successful in 2020 and if the test wire also proves effective, a request to extend its use will be incorporated into the 2022 license application.

## 5. Essential Repairs

This is not an exhaustive list, but is intended to give an indication of the typical issues dealt with by the Estates team since the last meeting:

- A leak in C120 was repaired during the regular gutter clearing work.
- The LRC202 leaking flat roof was replaced. This included some minor internal re-decoration to the ceiling in LRC202.
- Leaks from both the Technology Centre and AGBC boilers are subject to on-going repairs.
- The AGBC smoke ventilator hatch was replaced, but requires a further visit to replace a control unit and provide up to date certification.
- The lighting system in G013 was replaced as planned with new low-energy units.
- The air conditioning unit which supplies S025 (the central server room) failed and a temporary repair has been put in place pending installation of a replacement system.
- Essential safety related upgrades to lifts were completed.

## 6. AGBC Storm Damage Repairs

The tender for a surveyor to manage the repairs has been approved by the loss adjuster and the expectation is that an engineer will be appointed by April.

## 7. Laundry Claim

The loss adjuster has been asked to review the settlement offer and consider extending the business interruption settlement to reflect the significant disruption caused. Feedback is awaited on the request, but the overall settlement as it stands remains lower than anticipated.

## 8. Capital and BLM Plan Update

The impact of the pandemic has resulted in tighter restrictions for some contractors and when combined with furlough and a backlog of work, there are now delays to 2 key projects:

- Roof repairs phase 3 2021 (Birnie Wing) – this work will be delayed on advice from APUC due to a review of the original contract award and consideration of the OJEU threshold vs likely contract value. As a result, Phase 3 will need to be tendered using a UK level process outside of PCS. Phase 2 (Pluscarden flat roof) is progressing (£125K).
- Fire risk works – the appointed surveyor has been unable to respond due to the unavailability of the lead surveyor, despite a site survey in line with the agreed scope taking place in October 2020. The surveyor has been asked to fast-track two high priority issues whilst the remaining specifications for repairs are developed.

To compensate, other projects are being costed to maximise the use of funding prior to the end of March:

- CCTV system
- Air conditioning upgrades to a new compliant gas standard
- Further lighting upgrades
- AGBC conference room A/V equipment
- Minor upgrades to fire doors and improve main reception security and better support the staff based at reception.

The committee is asked to note these changes to the original plan.