

FINANCE AND RESOURCES COMMITTEE

**Wednesday 1 June 2022 at 4.30pm
By Zoom**

FINANCE AND RESOURCES COMMITTEE

A meeting of the Finance and Resources Committee will be held on Wednesday 1 June 2022 at 4.30 pm via zoom.

A G E N D A

22.18	Welcome and Apologies			D Newall
22.19	Declarations of Interest			D Newall

Minutes of Previous Meeting

22.20	Minute of the Finance and Resources Committee of 9 March 2022	P	D	D Newall
22.21	Matters Arising Action Grid	P	D	D Newall

Items for Discussion

22.22	Financial Report year to April 2022 and Forecast to July 2022	P	ND	T Elliott
22.23	Draft Revenue Budget for 2022/23	P	ND	T Elliott
22.24	SFC Indicative Funding Allocation for 22-23	V	ND	T Elliott
22.25	Estates, Capital Expenditure and Masterplan Update	P	D	J Thomson
22.26	Key Performance Indicators	P	ND	J Thomson
22.27	Commercial & External Funding Update	P	ND	D MacDougall
22.28	Financial Forecast Return	V	ND	T Elliott
22.29	College Strategic Risk Register	P	ND	J Thomson

Items for Noting

22.30	Procurement Update	P	ND	T Elliott
22.31	GCEF Update	P	ND	J Thomson
22.32	SFC Update Financial Sustainability of Colleges and Universities in Scotland (sfc.ac.uk)			
22.33	Business Development Internal Audit Report	P	ND	
22.34	Any Other Business			D Newall

Date of next meeting – 5 October 2022

FINANCE AND RESOURCES COMMITTEE

Date of Meeting	1 June 2022
Paper Title	Estates, Capital Expenditure and Masterplan Update
Action	For discussion
Prepared by	Janet Thomson, Vice Principal Resources and College Development
Agenda Item	22.25, 22.25A and 22.25B
Status	Disclosable

1 PURPOSE OF THE REPORT

The purpose of this report is to provide a summary of the main current estates matters for Glasgow Clyde College to provide an update on the capital expenditure against plan for current/completing projects against the 2021/22 plan, and to provide the future capital masterplan for years 2022/23 and future years.

2 ACTION FOR THE COMMITTEE

- 2.1 Committee Members are invited to discuss this paper.

3 BRIEF BACKGROUND INFORMATION

The College's major Capital works are based on the College Capital Masterplan, the College Estates Condition Survey information for all the College buildings, plus College plans for addressing emerging needs in discussion with Estates, and the Faculties and Units.

3.1 2021/22 CAPITAL PLAN

- 3.1.1 The College received from GCRB its capital funding allocation for 2021/22 in early April 2021. The funding allocation to the College for 2021/22 is £2.82M of capital allocation from SFC/GCRB split into £881k of lifecycle maintenance and £1.94M of high priority maintenance and the capital plan for 2021/22 is for the use of the high priority maintenance funding element.
- 3.1.2 The capital plan for 2021/22 was based on estimated costs for priority needs based on discussions and an informed survey of the sites together with any brought forward remaining works.
- 3.1.3 Capital works for 2021/22 have been progressed with the project manager team at Doig and Smith and with the tight timescale for projects completion of end March 2022 being worked to by all involved with

Agenda Item 22.25

projects prioritized accordingly. The first of the two papers attached to this report is the update showing the expenditure for the full year 2021/22 against the capital plan for the year.

- 3.1.4 In addition to the above for the main SFC/GCRB capital allocation the College has progressed the Student Space project at Anniesland which is being funded from the additional SFC/GCRB estates capital allocation in 2020/21 to support economic recovery. The College received £403k of this funding for high priority maintenance and £196k for lifecycle maintenance. This project has been progressing on site since Autumn 2021 and is due to be completed by the end of May.

3.2 COLLEGE CAPITAL PLAN FOR 2022/23 AND FUTURE YEARS

- 3.2.1 The College's indicative SFC/GCRB capital funding allocation for 2022/23 is £3.036M of capital allocation split into £946k of lifecycle maintenance and £2.089M of high priority maintenance.
- 3.2.2 The College's capital plan from 2022/23 onwards has been discussed and prepared based on the recent College Estates Condition Survey which was completed in 2021 for all the College buildings and preparatory work already undertaken by Doig and Smith on a number of known urgent projects, combined with judgement and knowledge of projects which need to be prioritized to address emerging needs for the College.
- 3.2.3 The Condition Survey 2021 which was completed by the Oakleaf Group indicated £9.9M of estates works to be completed (with the breakdown being £3.2M at the Anniesland campus, £4.7M at the Cardonald campus, and £2.0M at the Langside campus) over the five year period. These figures exclude VAT and professional fees hence the total figure based on the survey would be over £13M.
- 3.2.4 Following on from the above assessment there are a number of priority areas to be progressed within the College's capital plans and the capital masterplan for 2022/23 and future years is attached, which provides a summary of the most urgent priority projects showing those which need to be progressed as soon as possible in year 1 of the plan i.e. in 2022/23. The other identified works which need to be completed which may be able to be phased slightly later are shown in year 2 of the plan i.e. 2023/24. More work will be undertaken to further populate year 2 and beyond for the College's capital plan and this will be done with the campus Building Coordinators and the new Head of Estates, Facilities and Energy who commences in mid July 2022.
- 3.2.5 The total capital masterplan figure as attached for 2022/23 is £2.465M which is higher than the indicative funding amount of £2.089M and the

Agenda Item 22.25

College will prioritise projects during the year based on available funding and on the actual value of the projects. All of the figures in the plan are estimates at this stage and updated figures will be used in future updates of the plan values once projects are progressed.

- 3.2.6 In addition to the SFC/GCRB related capital projects for 2022/23 and future years there are two projects which are related to GCEF funding and these are included at the bottom of the attached 2022/23 and future years capital masterplan summary. These two GCEF projects are the Cardonald Public Realm project which is planned for summer 2022 and the College Learning Spaces project which is intended to be progressed through to summer 2023.
- 3.2.7 The College capital master plan will be submitted to the Board of Management for approval at its June meeting. In addition, there has been a request to provide the capital plan to GCRB for the 2022/23 projects for their reporting to the GCRB Performance and Resources Committee and the GCRB Finance and Resources Director has requested information on the overall College future capital plan. This information will be sent on to GCRB as requested.

4 RISKS

- 4.1 There is a risk that if the estates planned works are not progressed annually then the College estate will not be fit-for-purpose.

5 ANY OTHER SIGNIFICANT IMPACT e.g. STUDENT EXPERIENCE/ LEGAL/ FINANCIAL IMPLICATIONS/EQUALITY AND DIVERSITY

- 5.1 There are no legal implications from this paper and the capital financial implications are captured above and in the College capital masterplan. Estates changes will take account of benefits to the student experience and any equality and diversity matters.

Glasgow Clyde College
Capital Masterplan 2021/22 as at 30 April 2022

Project Ref	Project Description - Capital Projects	Funded by	2021/22 Capital Projects Plan Approved at Mar22 Board	2021/22 Capital Expenditure April 2021 to April 2022	2021/22 Capital Projects Plan Updated Forecast at Apr22	Comments
	Structure and Roof Works	SFC/GCRB very high priority works capital funding allocation 21/22	£0	£0	£0	Any structure and roof works will now be after April 2022
1	Building Fabric Works/ Skills Centre Toilet refurbishment	SFC/GCRB very high priority works capital funding allocation 21/22	£358,643	£327,721	£327,721	Mainly toilets refurbishment in Skills Centre building which is now 15 years old.
2	External Grounds & Drainage	SFC/GCRB very high priority works capital funding allocation 21/22	£522,266	£517,708	£517,708	Anniesland and Langside campuses. Improvements to a range of external areas.
3	Heating, Ventilation, Air Conditioning & Water/ Mechanical Works	SFC/GCRB very high priority works capital funding allocation 21/22	£423,120	£334,839	£334,839	All three campuses. Includes air handling units, chillers replacement.
4	Electrical Systems & Controls, Fire & Security/Electrical Works	SFC/GCRB very high priority works capital funding allocation 21/22	£489,541	£396,863	£396,863	Anniesland and Langside campuses. Lighting, CCTV, fire panel upgrade.
5	Balance of funding allocated to Small Works	SFC/GCRB very high priority works capital funding allocation 21/22	£146,430	£304,213	£304,213	Other Small Works
Capital Masterplan 21/22 projects total			£1,940,000	£1,881,345	£1,881,345	
plus remaining c/fwd project from 2020/21						
6	Student Space Project at Anniesland.	Economic Recovery SFC/GCRB Priority Maintenance 2020/21 brought forward	£599,000	£657,655	£657,655	Limited student space at Anniesland campus compared to the other two campuses. Project supported by GCCSA and using Economic Downturn Recovery funding. (Total value is for the total economic downturn recovery funding which is £403k capital plus lifecycle of £196k i.e. £599k). Supply chain delays have impacted timing of project particularly for steel. Project timescale now November 21 to Mid April 22.
TOTAL 21/22 CAPITAL PROJECTS			£2,539,000	£2,539,000	£2,539,000	

Glasgow Clyde College
Capital Masterplan 2022/23 to 2023/24 and future years

Project Ref	Project Description - Capital Projects	To be funded by	2022/23 Capital Projects Plan	2023/24 Capital Projects Plan	Future years Capital Plan Priorities	Totals	Comments
1	Cardonald Campus Fire Alarms and Intruder Alarms Replacement	SFC/GCRB	£400,000			£400,000	High priority to progress this project. Needs to be taken forward as soon as possible as current systems needing upgraded.
2	Cardonald Skills Centre Heating and Cooling	SFC/GCRB	£400,000			£400,000	Significant issues with Heating system in the Skills Centre have been experienced over a long term basis. Works scoped and planned to proceed in summer 2022.
3	Anniesland external drainage works	SFC/GCRB	£100,000			£100,000	Drainage issues which require extensive underground works and which are causing ongoing problems. Needs initial investigation to fully scope the works required.
4	Langside - Litehouse Roof replacement	SFC/GCRB	£250,000			£250,000	Profiled metal sheet roof on Litehouse building which is considered to be beyond its expected lifespan with significant corrosion and ongoing deterioration.
5	Cardonald Car Park Entrance Enlargement	SFC/GCRB	£70,000			£70,000	Plan to widen access to Cardonald car park which is a very restricted space for two way traffic and causes issues at busy times for entry and exit as it is not sufficient for the busy traffic flows
5	All campuses - Building Management System Replacement/ Upgrade	SFC/GCRB	£250,000			£250,000	The building management system at each campus needs to be reviewed to enable a system which provides a higher degree of controls across the campuses. This is essential particularly for better utilities management and also for the comfort of building users in levels of heating across the campuses. Broad estimate only at this stage.
6	Cardonald Campus Lifts	SFC/GCRB	£300,000			£300,000	There are issues with the performance of the five main lifts at the Cardonald campus which service the ten storey Tower Building. This has a significant impact on building users, and remedial works are required to enable better control and reliability of lifts. Broad estimate only at this stage.
7	Anniesland campus - Render repair works	SFC/GCRB	£200,000			£200,000	Render repair works required as there is significant deterioration which will become worse over time and create greater problems
8	Anniesland campus - Heating & Cooling in Library & Dance areas of the building	SFC/GCRB	£200,000			£200,000	There have been issues with the heating and cooling systems in the dance area and the library for a long time and the related chillers need replaced.
9	Anniesland campus - Chillers Replacement	SFC/GCRB	£100,000			£100,000	The chillers are reaching end of useful life and need replaced.
10	Anniesland Water Ingress	SFC/GCRB	£80,000			£80,000	There is water ingress at the southern elevation of the building which needs to be remedied
11	Anniesland external works re disabled/taxi pick up and drop off	SFC/GCRB	£40,000			£40,000	This is an issue particularly at the busy drop off and pick up times for mobility impaired students and for the traffic generated by the schools groups. A solution to the collection and drop off area is required.
12	Langside campus - works to repair retaining wall at the Litehouse building	SFC/GCRB	£75,000			£75,000	There is cracking to the stone wall in this area and needs to be repaired.
13	Cardonald campus Heating System Flue	SFC/GCRB		£400,000		£400,000	The flue in the heating system is not operating as effectively as it should and this would provide a permanent fix to the issue.
14	Cardonald Campus CCTV Upgrade	SFC/GCRB		£150,000		£150,000	CCTV cameras and other equipment needs to be upgraded.
15	Cardonald Campus Roof and structure repair	SFC/GCRB		£50,000		£50,000	Specific small areas to be repaired with issues for example of loose cladding or water overflow.
16	Langside - Mary Stuart Engineering Heating and electrical Systems	SFC/GCRB		£80,000		£80,000	System elements need replaced including fan coil units, panels and distribution boards
Future Projects							
17	Langside campus - Floors and Corridors Redecoration/ Replacement	SFC/GCRB			£150,000	£150,000	Range of areas of flooring and redecoration need replaced
18	Anniesland Air Handling Units	SFC/GCRB			£1,000,000	£1,000,000	From condition survey report the air handling units are indicated to be replaced. Major project and would need scheduling.
19	Anniesland Fire Alarm System	SFC/GCRB			£100,000	£100,000	Fire alarm system to be reviewed and upgraded
20	Anniesland External Fire Doors	SFC/GCRB			£100,000	£100,000	External fire doors to be replaced
21	Langside Campus Heating	SFC/GCRB			£240,000	£240,000	Laboratory units require replacement within the maintenance schedule.
22	Langside campus - Lifts	SFC/GCRB			£240,000	£240,000	The two passenger lifts require replacement within the maintenance schedule.
	Other future years projects to be prioritised (based on condition survey totals)			£2,500,000	£6,500,000	£9,000,000	Overall figures based broadly on condition survey. Further analysis to be undertaken and detail of future works specified.
Capital Masterplan totals			£2,465,000	£3,180,000	£8,330,000	£13,975,000	
plus GCEF projects							
1	Cardonald Public Realm	GCEF	£652,000			£652,000	Designs completed and project team progressing project to be undertaken in summer 2022.
2	Learning Spaces	GCEF	£500,000	£1,800,000		£2,300,000	Very initial estimate at this stage for the learning spaces redevelopment project at each campus
Capital Masterplan totals			£3,617,000	£4,980,000	£8,330,000	£16,927,000	

FINANCE AND RESOURCES COMMITTEE

Date of Meeting	1 June 2022
Paper Title	Key Performance Indicators – Committee Monitoring
Action	For discussion
Prepared by	Janet Thomson, Vice Principal Resources & College Development
Agenda Item	22.26
Status	Disclosable

1 PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to provide Committee members with an update on the set of previously agreed Committee Monitoring Key Performance Indicators. These KPIs will continue to be reported to the Committee on an on-going basis.

2 ACTION FOR THE COMMITTEE

- 2.1 The Committee is requested to discuss the Finance and Resources Committee Monitoring KPIs and decide whether any of them should be reported to the Board of Management at its June meeting as a matter of note or concern.

3 BRIEF BACKGROUND INFORMATION

- 3.1 At the Board of Management development event in September 2021, there was a discussion on the role of the Board of Management's Committees in monitoring Key Performance Indicators. It was agreed that the Committees would monitor an agreed set of Key Performance Indicators at each meeting and report by exception any of those which should be highlighted to the next meeting of the Board of Management. There was a subsequent report submitted to the October Finance and Resources Committee proposing a set of Key Performance Indicators (KPIs) for the Committee to consider in relation to monitoring on an ongoing basis.
- 3.2 The proposed KPIs were supported by the Committee and an update on these is included in the attached annex 22.26A. These show the latest information as monitored on a quarterly or annual basis, compared to target and compared to the previous periods as available. A red, amber, green indicator system is on the KPI table as an indicator of performance level assessed against target.

4 SUPPORTING DOCUMENTATION/ FURTHER INFORMATION

4.1 Each KPI is a 'leading indicator' to be reported to allow committee members to review the performance of the College and an overview of the approach for each KPI is given below under each of the four KPI indicator category headings of financial performance, teaching and training delivery contract fulfilment, resource utilisation, and sustainability and recycling. These have been reported on in the attached annex 22.26A.

4.2 Financial Performance Indicators

Each of the agreed financial performance indicators is listed below showing the basis of the information for the indicator.

Financial Performance Indicators	Basis of Information
Forecast/Actual annual operating position	This is the forecast full year's surplus/ (deficit) position which is reported to each Committee and now included in KPI table
Number of days' expenditure fundable by cash balances	This is the cash balance at the end of each quarter divided by the College estimated daily business cash requirements. As the College is mainly funded by the Scottish Funding Council and this is a monthly funding drawdown process this has a relatively low base level
Forecast percentage total income from non-SFC sources	This is all the non-funding council income as a percentage and as well as commercial income includes other areas e.g. external funded income, catering income, nursery income
Commercial income and contribution level against target	This previously proposed KPI has been split into two separate KPIs to show commercial income as the first and commercial contribution as the second on the grid

4.3 Contract Fulfilment Performance Indicators

Each of the previously proposed contract fulfilment performance indicators is listed below showing the basis of the information for the indicator.

Contract Fulfilment (for Teaching Delivery Performance Indicators)	Basis of Information
Percentage delivery against SFC Credit target	This indicates performance against the Scottish Funding Council's credits (i.e. measure of teaching hours delivery) target. For the 2021/22 year this target is 129,328 credits of delivery. This information is available directly from the College Student Records System so can be monitored by staff in real time.
Number of MA starts (college managing agent) against target	This shows the number of Modern Apprenticeships against target where the College manages the delivery through offered places from Skills Development Scotland (SDS)
Number of FA starts against target	This shows the number of Foundation Apprenticeships against target which are part of a Regional arrangement and are now part of overall credits activity having previously been controlled by SDS
FWDF income against target	This shows the level of Flexible Workforce Development Fund against target. These funds come from SFC.

4.4 Resource Utilisation Performance Indicators

There are three proposed resource utilisation performance indicators which are lecturer utilisation, assessor utilisation and room utilisation. As previously indicated these are to be developed so the KPI lines have been included in the grid however these are not available yet.

4.5 Sustainability and Recycling Performance Indicators

Each of the previously proposed sustainability and recycling performance indicators is listed below showing the basis of the information for the indicator.

Sustainability and Recycling Performance Indicators	Basis of Information
Tonnes of CO2 emissions	This is the measure of the College Carbon Dioxide equivalent emissions which is done through a conversion factor against a range of areas. The biggest areas by far are electricity and gas consumption.
Volume of paper consumed	This has not been measured as such to date. This information has been requested from our paper supplier.
Number of print copies (both mono and colour)	This information is provided quarterly by our photocopier/printer supplier.
Tonnes of waste generated	This is measured by the volume of waste uplifted.

5 RISKS

The proposed model of KPI reporting for the College and the Board of Management is intended to act as a mitigation measure to reduce the likelihood and impact of any key risks.

6 ANY OTHER SIGNIFICANT IMPACT e.g. STUDENT EXPERIENCE/ LEGAL / FINANCIAL/ EQUALITY& DIVERSITY

There are no significant impacts from this report however it should enable the Committee to monitor these key indicators as previously discussed and to escalate any related matters to the Board of Management.

Key Performance Indicator	Reporting to Committee	Target	2017/18	2018/19	2019/20	2020/21	Quarter 1 2021/22	Quarter 2 2021/22	Quarter 3 2021/22
FINANCIAL PERFORMANCE									
Forecast/Actual annual operating financial position surplus/ (deficit)	Quarterly	Breakeven normally. Budget for 2021/22 deficit of £450k	£125k	£107k	£267k	£571k	(£438k)	(£1,204k)	£8k
Number of days' expenditure fundable by cash balances	Quarterly	20 days	22	23	43	62	30	60 (note 1)	72
Forecast percentage total income from non-SFC sources	Annually	20.2% in 2021/22 budget (note 2)	26.8%	23.3%	22.4%	22.8%	N/A	N/A	N/A
Commercial income (incl. FWDF) against target	Quarterly	£2.25M income in 2021/22	£1.9M	£2.4M	£1.9M	£1.7M	£702k	£1,419k	£2,231k
Commercial contribution level to overhead against target after all costs	Quarterly	£400k contribution in 2021/22	£445k	£680k	£248k	£250k	£281k	£553k	£670k
CONTRACT FULFILLMENT (FOR TEACHING DELIVERY)									
Percentage delivery against SFC Credit targets	Quarterly	SFC credits target	101.0%	100.6%	100.9%	98.5%	94.5%	94.89% (note 3)	95.45% (note 3)
Number of MA starts against target (where college is managing agent)	Quarterly	132 in 2021/22	98	107	112	123	126	120	119
Number of FA starts against target	Quarterly	188 in 2021/22	TBC	TBC	398	208	133	117	114
FWDF income against target	Quarterly	£600k in 2021/22	£247k	£421k	£438k	£434k	£109k	£360k	£574k
RESOURCE UTILISATION									
Lecturer utilisation level	Quarterly	To be developed	Not avail	Not avail	Not avail	Not avail	Not avail	Not avail	Not avail
Assessor utilisation level	Quarterly	To be developed	Not avail	Not avail	Not avail	Not avail	Not avail	Not avail	Not avail
Room utilisation level	Annually	To be developed	Not avail	Not avail	Not avail	Not avail	Not avail	Not avail	Not avail
SUSTAINABILITY AND RECYCLING									
Tonnes of CO2 emissions	Annually/ Quarterly in future	Reduce annually - target being developed	2,923	2,468	2,024	2,080 (note 4)	Not yet avail	Not yet avail	Qtrly report being developed
Volume of paper consumed	Quarterly	Target being developed	Not measured	Not measured	Not measured	Requested from paper supplier	Requested from paper supplier	Requested from paper supplier	Requested from paper supplier
Number of print copies (both mono and colour)	Quarterly	Target being developed	Not avail - changed reports in year	14.20M	10.67M	1.02M	0.32M	0.42M	1.34M
Tonnes of waste generated (recyclable and non-recyclable)	Quarterly	Reduce quarterly - target being developed	367	422	225	134	81	39	T50 (will be avail at meeting)

Notes

(1) Quarter 2 Days cash increased largely as a result of SAAS Annual fees receipt in Jan22 and movements in working capital due to COVID19 and the related restrictions

(2) SFC grants higher in 2021/22 due to three one-off grants which affects this percentage in budget

(3) Qtr 2 as per 11 Feb MIS Live Portfolio Forecast, Qtr 3 as per 12 May MIS Live Portfolio Forecast

(4) CO2 Emissions increased in 2020/21 due to a new metric for estimating the impact of Homeworking. The College is developing its reporting on emissions to put in place quarterly emissions data reporting.

FINANCE AND RESOURCES COMMITTEE

Date of Meeting	1 June 2022
Paper Title	College Strategic Risk Register
Action	For Noting
Prepared by	J Thomson, Vice Principal Resources & College
Agenda Item	Development 22.29, 22.29A
Status	Disclosable

1 PURPOSE OF THE REPORT

- 1.1 This report considers the College's Strategic Risk Register which is updated regularly and reported to the Audit Committee and the Board of Management on a quarterly basis. In addition there are regular updates to the Finance and Resources Committee which highlight changes in relation to financial related risks.

2 ACTION FOR THE BOARD

- 2.1 Members are invited to note this paper.

3 BRIEF BACKGROUND INFORMATION

- 3.1 The College's Strategic Risk Register as at 16 May 2022 is attached. The Strategic Risk Register is updated regularly and considered at least quarterly by College senior management. The changes since last reported to the Board in March are highlighted in red.

4 SUPPORTING DOCUMENTATION/ FURTHER INFORMATION

- 4.1 The College's Risk Appetite as last reviewed by the Board in October 2020 is Open where open is defined as being willing as an organisation to consider all potential delivery options and choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward. The risk appetite process is based on the HM Treasury of Management method.
- 4.2 There is a column in the Risk Register which shows the comparison of the residual risk score for each risk against the risk appetite scoring mapping, and indicates where the risk score is higher than, equal to or lower than the College Risk Appetite of Open (which is the score range of 15 to 19 for the residual risk). An additional column has been added to indicate actions the College is taking and involved with where the residual risk score is higher than the risk appetite. This is the case for two risks which are F2 and O2a.

- 4.3 Overall, there are four risks where the risk score has decreased following the latest review of the Strategic Risk Register, of which three are financial related risks. The four risks for which there are decreased scorings are:

F1 – Failure to achieve surplus targets for commercial activity/ Failure to achieve /maintain planned levels of non-SFC income

As there are some signs of greater demand for non-SFC activity the risk scoring of this risk has been amended with the probability slightly reduced for 2021/22 and anticipated for the future.

F2 – Failure to achieve contracted overall teaching delivery targets for any partner (SFC/SDS/ESF)

Although the College is forecasting underachieving its SFC credit target for 2021/22 it is possible that the clawback mechanism will take some account of this impact as the College (and sector) have been significantly impacted by restrictions imposed on its operations because of the Covid-19 pandemic. These restrictions have had a limited impact on recruitment but a more profound impact on student retention, which is a common picture across the Scottish college sector. Discussions are ongoing between the sector, SFC and Scottish Government regarding the financial impact on colleges of under-performance against contracted delivery targets and consequences for financial sustainability. At a local level the College is in regular contact with GCRB.

F4 – Adverse funding changes in 2021/22 (SFC/SDS/ESF) and future years

As the indicative SFC funding allocation for 2022/23 has now been received and there are no significant funding changes overall (with the exception of Foundation Apprenticeships) this scoring has been amended to have a lower probability than the previous scoring. However the future SFC allocation is a 'flat-cash' settlement for the college sector which means a 'real-terms' cut to college sector income due to inflationary pressures, pay settlement increases, National Insurance rises and the end of Covid-related funding initiatives. The 5yr financial forecast is currently being updated and will be presented to the next meeting of the Board's Finance & Resources Committee and the Board of Management.

O2a – Negative impact on employee relations at a local College level (e.g. local consultation)

Agenda Item 22.29

The risk score for this risk has been reduced in its probability from a 3 to a 2 on the basis of maintaining good and constructive dialogue locally with the union representatives.

- 4.4 At the October Audit Committee there was a request to have a workshop to consider the Risk Register approach both in terms of its risks compared to current College activity and future planning and in relation to whether it was the most appropriate to use the same risk appetite level across each risk area.

- 4.5 A workshop was held in mid January involving College senior managers and Board members. The workshop considered how risk scoring and the risk appetite could be re-considered including the possibility of introducing different risk appetite levels across the different risk areas. In addition, the workshop reviewed the Risk Register in detail against the Strategic Plan themes and it was agreed that the key risks should be mapped against the objectives contained in the Plan. Finally, because of the detailed discussion it was agreed that a comprehensive review of the current risks would be undertaken.

- 4.6 This work to review the Risk Register is ongoing and there have been further discussions on the risk areas considering the key risks of achieving the five themes within the Strategic Plan. A further meeting is planned to be held in June to further consider the final set of risks and mitigating actions and the Register will be submitted to the October Audit Committee and will thereafter be used for reporting to Finance and Resources Committee and the Board of Management. The current version of the Risk Register remains appropriate and hence will continue to be used until the new Register is completed at the next cycle of meetings.

5 RISKS

- 5.1 The College Strategic Risk Register is a key part of the College's risk management framework.
- 5.2 The College is required to have a risk register as part of the Financial Memorandum and the financial implications are detailed within the financial risks section of the College Strategic Risk Register.

6 ANY OTHER SIGNIFICANT IMPACT e.g. STUDENT EXPERIENCE/ LEGAL / FINANCIAL/ EQUALITY& DIVERSITY

- 6.1 Each of the risks in the College Strategic Risk Register reflect the current assessment of the key areas of College activity across the financial, organisational and governance risks, which include student experience, legal, financial, and equality and diversity matters.

Agenda Item 22.29

GLASGOW CLYDE COLLEGE - STRATEGIC RISK REGISTER								Key of abbreviations : SFC = Scottish Funding Council, GCRB = Glasgow Colleges Regional Board, GCG = Glasgow Colleges Group, SDS = Skills Development Scotland, ESF = European Social Fund, JISC = Joint Information Steering Committee, FWDF = Flexible Workforce Development Fund, VLE = Virtual Learning Environment, DELTA project = Delivering Excellence in Learning, Teaching and Assessment, VPN = Virtual Private Network			Key for Risk Appetite Residual Score Comparison: 1-6 = Averse, 7-9 =Minimalist, 10-14 = Cautious, 15-19 = Open, 20-25 = Hungry					as at 16th May 2022		
					Score Before Mitigating Actions				Score After Mitigating Actions									
Risk Ref	Risk Description	Risk Category	Link to Strategic Plan Themes	Risk Owner	Proba bility	Impact	Risk Score	Mitigating Actions	Probabili ty	Impact	Risk Score	Score compared to College risk appetite (see key above)	Risk Ranking after mitigating actions	Actions for risks scored higher than College risk appetite level	Risk Timing Short / Medium/ Long Term	Risk Score at last report to the Board	Risk Increasing/ Decreasing/ No Change	
Financial Risks																		
F1	Failure to achieve surplus targets for commercial activity/ Failure to achieve/ maintain planned levels of non-SFC income	Financial / COVID impacts	Theme 2 and 5 - Partner of Choice and Financial Resilience through Operational Excellence	Assistant Principal International and Business Development	5	5	25	Short term i) Revised commercial income/surplus plan now for 2021/22 and plan to rebuild for future years by each sector area based on medium and long term impacts following COVID 19 virus. ii) FWDF key element of total activity and increased level during 2021/22 utlisiing CBI support to promote FWDF to larger companies. iii) Greater use of digital marketing to promote course areas as effectively as possible Long Term iv) Regular monitoring between Business Development Unit, External Funding Unit and Faculty Management of commercial activity/non-SFC activity and future replacement activity will be identified as far as can be estimated however significant impacts from COVID through 2020/21 at least. v) Pipeline of activity being re-established as much as possible based on on-line or on-site delivery vi) Costing templates completed for all commercial activity. In year staff costs transfers of permanent staff costs. vii) Increased engagement and marketing effort during COVID to try to maintain as much of business as possible and to open and grow new income streams e.g. for retraining. viii) Spread of activity across a range of activity areas to reduce risk of one large contract failure to overall surplus. ix) Review and develop market opportunities through business development strategy and growing new markets. x) Keep informed of constitutional change implications of Brexit and impact on non-SFC activity for the College. Involvement in College sector Brexit forum. xi) Continued work with key partners to ensure successful projects delivered and funding maintained as much as possible.	3	5	15	As per Risk Appetite (Open)	F1	N/A	Short	20	Decreasing	
F2	Failure to achieve contracted overall teaching delivery targets for any key partner (SFC/SDS/ESF)	Financial/ Organisational / COVID impacts	Theme 2 and 3 - Partner of choice and Unrivalled Student Experience	Deputy Principal	5	4	20	Short Term i) Regular analysis and reporting of progress against SFC credits target for teaching delivery which is discussed at each Senior Leadership Team and Curriculum Assistant Principals meetings. ii) Continue to seek clarity on different SFC credits streams for 2021/22 & impacts for College iii) Focussed support for students to deliver student experience and to ensure stated teaching activity targets are met. iv) Closely monitor tuition fees income to assess potential COVID impacts on income Long Term iv) Annually plan and deliver portfolio to required quality standards, ensuring appropriate recruitment, and improved retention of students. v) Discussions within Glasgow Colleges Group and with other partners to plan curriculum and make changes annually to meet market needs and Government and SFC guidance vi) Work closely with relevant partners to ensure programmes implemented as planned vii) Aim to ensure annually all relevant agency (e.g. SDS) milestones and documentation requirements achieved viii) College undertake effective competitor analysis, clear branding and focused marketing to maintain effective student recruitment. Again significant COVID impacts on ongoing basis.	5	4	20	Higher than risk appetite (Hungry)	F2	Following national updates from SFC closely. Managing impacts for current year. Detailed planning for future portfolio.	Short	25	Decreasing for 21/22	
F3	Failure to reduce College cost base on managed basis to meet requirements of the three year financial forecast	Financial/ Organisational / COVID impacts	Theme 5 - Financial Resilience through Operational Excellence	Principal/ Deputy Principal & Vice Principal	5	5	25	Short Term i) Revenue budget approved for 2021/22 ii) Cost reduction plan implemented in 2020/21 with reduction in staff levels and significant cuts in non-staff budgets across the College. VS Reductions and academic management restructure implemented. Long Term iii) Process of review of all areas to seek cost reductions, as well as seeking further efficiency through improved business processes. iv) First staff restructure from October 2019 through use of VS scheme with required agreement with GCRB and SFC. v) Successful bid to GCEF for additional funding support from November 2020. vi) Discussion on future potential changes being taken forward. vii) Zero based budgeting from 19/20 onwards for non-staff costs. viii)Three year Financial Forecast Return approved by the Board of Management and submitted to SFC	3	5	15	As per Risk Appetite (Open)	F3	N/A	Medium	15	No change	

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F4	Adverse Funding changes in 2021/22 (SFC/SDS/ ESF) and future years	Financial / COVID Impacts	Theme 5 - Financial Resilience through Operational Excellence	Principal/ Deputy Principal & Vice Principal	4	5	20	Short Term i) Financial plans developed by College Senior Leadership Team and monitored within framework of available activity through Glasgow Regional funding for teaching, student support funds and capital. Portfolio planning key element of cost base and monitored on ongoing basis. Portfolio for 2020/21 being monitored with blended/ on line activity where possible. ii) College working to achieve Flexible Workforce Development Fund target levels however this was impacted by COVID 19 arrangements and number of the related areas now moved to on line delivery. iii) SFC Funding allocations for 2021/22 now finalised. Long Term iv) Continue to aim to inform and influence funding allocations through Principals' Forum, Glasgow Colleges Regional Board, MSPs, and other appropriate bodies. v) Work with Colleges Scotland and Scotland's Colleges Partnership on lobbying regarding impact on ESF funding and development of future alternative resources. Closely monitor ESF delivery levels and suitable record keeping. vi) Projects progressed to address priority items as per College Capital masterplan based on affordability.	3	5	15	As per Risk Appetite (Open)	F4	N/A	Medium	20	Decreasing			

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Risk Ref	Risk Description	Risk Category	Link to Strategic Plan Themes	Risk Owner	Probability	Impact	Risk Score	Mitigating Actions	Probability	Impact	Risk Score	Score compared to College risk appetite (see key above)	Risk Ranking after mitigating actions	Actions for risks scored higher than College risk appetite level	Risk Timing Short / Medium/ Long Term	Risk Score at last report to the Board	Risk Increasing/ Decreasing/ No Change
Organisational Risks																	
O1	Failure of College operational processes/ systems/ ICT infrastructure including risk of cyber attack or fraud	Organisational / COVID impacts	Theme 5 - Financial Resilience through Operational Excellence	Vice Principal Resources & College Development & Deputy Principal	4	5	20	Short Term i) Monitoring systems in place across College and feedback from relevant staff. Any issues addressed as necessary and action taken. Plans ensure key systems security / performance not impacted during periods of financially challenging budget. Many systems/services cloud based and using VPN/remote desktop for staff to access systems while home working. Delivered laptops and wireless devices to staff and students who need them within the available resources levels. Long Term ii) Business system improvement process in place iii) Infrastructure designed not to have single points of failure with all campuses operating a sophisticated dual-core network topology. iv) Virtualisation infrastructure which improves server resilience with two main data centres at different campuses with tape/offsite and cloud backups of critical systems. v) Member of HE/FE Shared Technology and Information Services (HEFESTIS) which provides support to secure against cyber attack and regular ICT network penetration testing undertaken by external bodies. vi) ICT backup procedures and Disaster Recovery planning. Cyber essentials+ status maintained. vii) Enterprise Malware detection and Web filtering technology and room based uninterruptable power supply in place with ICT climate monitoring facilities. viii) Fraud response plan in place	4	4	16	As per Risk Appetite (Open)	O1	N/A	Medium	16	No Change
O2a	Negative impact on employee relations at a National level (e.g. national bargaining, industrial action)	Organisational / Reputational	Theme 4 - Employer of Choice	Principal/ Assistant Principal HR	4	5	20	Short Term i) Focussed work with Trade Unions, specific and regular meetings with senior management, ensuring good flow of information, and ongoing communications on any national matters. ii) Negotiations continuing at a national level. Unison ballot concluded without industrial action and now continuing with communication and engagement strategy. Long Term ii) Representation made through Employers Association Group, Colleges Scotland, Principals Forum, and GCRB, within national bargaining process. iii) Emphasis being made nationally on imperative of financial sustainability and affordability issues particularly given increased staffing costs and challenges of the Glasgow Regional context. iv) Business continuity planning used to ensure all stakeholders appropriately communicated with in any potential industrial action.	4	5	20	Higher than risk appetite (Hungry)	O2a	Closely follow national updates, continued representation on groups.	Short	20	No Change
O2b	Negative impact on employee relations at a local College level (e.g. local consultation)	Organisational / Reputational	Theme 4 - Employer of Choice	Principal/ Assistant Principal HR	4	5	20	Short Term i) Focussed work with Trade Unions, specific and regular meetings with senior management, ensuring good flow of information, and ongoing communications. ii) Regular direct communication with staff e.g. staff briefings, focus groups. iii) COVID 19 related communication sent regularly to all staff from the Principal and union involvement in risk assessment discussions Long Term iv) Discussion with unions on impact on College financial sustainability and organisational impacts. v) Business continuity planning used to ensure all stakeholders appropriately communicated with in any potential industrial action. vi) Ensure transparency of College consultation process to maximise opportunities for enhanced communications with Trade Unions	2	4	8	Lower than Risk Appetite (Cautious)	O2b	N/A	Short	12	Reducing
O3	Failure to achieve acceptably high standard quality of teaching delivery and support for students and suitable student experience	Organisational / Financial/ COVID impacts	Theme 1 & 3 - Inspirational Learning & Teaching & Unrivalled Student Experience	Deputy Principal	5	5	25	Short Term i) Regular monitoring of teaching KPIs across relevant curriculum measures and actions implemented to develop improvement strategies . ii) Quality Assurance processes undertaken through annual cycle of activities including self evaluation, verification, feedback and audit. iii) Heads of Curriculum and Unit Managers monitor quality and delivery of service and implement actions for improvement. Extensive training on Teaching, Assessment and E learning ensure staff are updated and enabled to deliver a high quality learning experience. iv) Faculty staff work with students association, class reps and student feedback mechanisms to monitor feedback on quality and follow up on any issues v) Monitor feedback from student focus groups on student experience Long Term vi) Significant deployment of digital resources to learners and staff in areas of need to enhance delivery of blended learning approaches as well as the enhanced use of the VLE vii) A range of student feedback mechanisms are used to gather and inform improvement activities to improve the wider student experience. Development of classroom observation protocol as intimated in national bargaining. viii) Collaboration between teaching and support teams to ensure improvements and efficiencies are delivered where possible across College business processes and to deliver quality of services. ix) The DELTA E-Learning project and Research & Development Programme support a significant number of staff through capacity building, training and mentoring focused on delivering effective learning & teaching.	3	4	12	Lower than Risk Appetite (Cautious)	O3	N/A	Medium	12	No change

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FINANCE AND RESOURCES COMMITTEE MEETING

Date of Meeting	1 June 2022
Paper Title	Glasgow Clyde Education Foundation Update
Action	For discussion
Prepared by	Janet Thomson, Vice Principal Resources and College Development
Agenda No	22.31
Status	Disclosable

1 PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to provide to the Committee an update on the College Glasgow Clyde Education Foundation (GCEF) projects as at May 2022.

2 ACTION FOR THE COMMITTEE

- 2.1 Members are invited to **DISCUSS** this paper.

3 BRIEF BACKGROUND INFORMATION

- 3.1 The Glasgow Clyde Education Foundation (GCEF) is a separate independent charitable organisation from the College. The College can apply for funds to the Foundation providing they meet GCEF's charitable objectives and following full consideration by the Foundation are approved by the Board of Trustees of GCEF.

- 3.2 As at August 2021 there were five remaining approved GCEF funded projects from those previously approved as follows :-

- 1) **Cardonald Public Realm** – This project has approved funding of £652k and was approved for the redevelopment of the Cardonald campus to provide an upgraded environment for students and staff through improvements to the external areas of the campus. The project team commenced from January 2022 and the works will be undertaken in summer 2022.
- 2) **Financial Sustainability Funding** – This approved fund was for a total of £2.3M, which was recently agreed to be increased by GCEF to £2.4M to include the previous business transformation project

Agenda Item 22.31

remaining funding and another small balance from the on line care courses project. Of this total funding £900k was utilised in 2020/21.

3) **Business Transformation Funding** – now included in 2) above

4) **DELTA Project (Delivering Excellence in Learning, Teaching & Assessment)** - There was £188k of the funding for this project remaining at August 2021 and GCEF have recently agreed to allocate a further £500k to the DELTA project to extend it over an additional 2 year period.

5) **Supporting Commercial Income Growth** - There was £271k of GCEF funding remaining for this project from August 2021 and this is planned to be utilised over in 2021/22 and future years mainly for staffing to assist in the achievement of the commercial income recovery plan.

3.3 A paper was prepared for GCEF on the above ongoing projects and their expenditure and progress to end December 2021, which was reported to the previous meeting of the Committee. The College continues to progress each of these projects and to provide monitoring information as required by GCEF.

3.4 In addition to the above projects there have been discussions with the Foundation on the College's intended **Learning Spaces Project** which is to invest in the refurbishment of internal areas on all three campuses to create high quality informal learning spaces. The current stage of planning and feasibility work has been noted by GCEF and they have agreed at a recent meeting to fund up to a total of £2.3M by summer 2023 for this programme, subject to further reporting on the detailed proposals. The initial planning for this work is ongoing and it is intended to have the detail for these proposals during the first few months of academic year 2022/23.

4 **SUPPORTING DOCUMENTATION/FURTHER INFORMATION**

N/A

5 **RISKS**

5.1 There are no specific risk implications associated with this paper.

6 **ANY OTHER SIGNIFICANT IMPACT e.g. STUDENT EXPERIENCE/LEGAL/EQUALITY AND DIVERSITY**

6.1 GCEF is a separate charitable organisation and hence is a separate legal entity. The financial implications of each project are indicated above. All

Agenda Item 22.31

GCEF funded projects will be progressed to enhance the student experience where possible, and take account of any equality and diversity matters.