

# **FINANCE AND RESOURCES COMMITTEE**

**Wednesday 5 October 2022 at 4.30pm  
via Teams**

## **FINANCE AND RESOURCES COMMITTEE**

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A meeting of the Finance and Resources Committee will be held on Wednesday 5 October 2022 at 4.30 pm via teams.

### **A G E N D A**

<b>22.35</b>	Welcome and Apologies			D Newall
<b>22.36</b>	Declarations of Interest			D Newall

#### **Minutes of Previous Meeting**

<b>22.37</b>	Minute of the Finance and Resources Committee of 1 June 2022	P	D	D Newall
<b>22.38</b>	Matters Arising Action Grid	P	D	D Newall

#### **Items for Discussion**

<b>22.39</b>	Draft Primary Financial Statements for y/e 31 July 2022	P	ND	T Elliott
<b>22.40</b>	Budget Update 2022/23	P	ND	T Elliott
<b>22.41</b>	Five Year Financial Plan Update	V		T Elliott
<b>22.42</b>	SFC Financial Forecast Return 2022/23	V		T Elliott
<b>22.43</b>	Estates, Capital Expenditure and Masterplan Update	P	D	J Thomson
<b>22.44</b>	Key Performance Indicators	P	ND	J Thomson
<b>22.45</b>	Commercial & External Funding Update 2021/22	P	ND	D MacDougall
	Outturn and 22/23 Plans			
<b>22.46</b>	College Strategic Risk Register	P	ND	J Thomson

#### **Items for Noting**

<b>22.47</b>	Procurement Update	P	ND	T Elliott
<b>22.48</b>	GCEF Update	P	ND	J Thomson
<b>22.49</b>	Audit Scotland Report: Scotland's Colleges	P	D	J Thomson
<b>22.50</b>	Schedule of Work 2022/23	P	D	K Mavor
<b>22.51</b>	Any Other Business			D Newall

Date of next meeting – 30 November 2022

## **FINANCE AND RESOURCES COMMITTEE**

Date of Meeting	5 October 2022
Paper Title	Estates, Capital Expenditure and Masterplan Update
Action	For discussion
Prepared by	Janet Thomson, Vice Principal Resources and College Development
Agenda Item	22.43, 22.43A, 22.43B
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 as an update on the capital projects progress against plan for 2021/22, 2022/23 and future years. Two update papers are attached with the first one being for 2021/22 and the second one is for 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 capital funding allocation to the College for 2021/22 was £2.82M 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

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team at Doig and Smith and with the tight timescale for projects' completion being worked to by all involved with projects prioritized accordingly. The first of the two papers attached to this report is the update showing the expenditure for 2021/22 through to July against the capital plan for the period. In summary all of the works for the 2021/22 capital plan use of SFC/GCRB funding are completed by end July.

- 3.1.4 In addition to the above for the main SFC/GCRB capital allocation the College undertook the Student Space project at Anniesland which was 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 completed by the end of June 2022. As can be seen from the attached update this project overspent against total and that funding will be transferred to meet these costs.

### **3.2 COLLEGE CAPITAL PLAN FOR 2022/23 AND FUTURE YEARS**

- 3.2.1 The College's SFC/GCRB capital funding allocation for 2022/23 is £3.036M of capital allocation, which is split into £946k of lifecycle maintenance and £2.089M of high priority maintenance.
- 3.2.2 The College are working with Doig & Smith, the appointed project manager team to progress all but one of the projects in the capital plan for 2022/23, who were previously appointed for a two-year period following a tender process. The College's capital plan from 2022/23 onwards was 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 fifteen priority areas to be progressed within the College's capital plans and the capital masterplan for 2022/23. The plans for 2022/23 are being worked upon in partnership with Doig and Smith who have a team progressing them. Fortnightly progress

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discussions with the College are taking place and the majority of works are about to go to tender shortly.

- 3.2.5 In addition, there are further projects for future years planned and as approved at the June 2022 Board of Management. These are outline timings and this stage and the 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 Head of Estates, Facilities and Energy.
- 3.2.6 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 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.
- 3.2.7 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 largely now completed and the College Learning Spaces project which is intended to be progressed through 2022/23 to 2023/24 which is anticipated to be in phases during the period. An update on the progress on this project to date is included within the GCEF paper 22.48 later in the Committee agenda.

**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 27 September 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 July 2022	2021/22 Capital Projects Plan Updated Forecast at July 22	Balance of project remaining	Comments
	Structure and Roof Works	SFC/GCRB very high priority works capital funding allocation 21/22	£0	£0	£0	£0	Any structure and roof works will now be in future years
1	Building Fabric Works/ Skills Centre Toilet refurbishment	SFC/GCRB very high priority works capital funding allocation 21/22	£358,643	£342,066	£342,066	£0	Mainly toilets refurbishment in Skills Centre building at Cardonald. Completed.
2	External Grounds & Drainage	SFC/GCRB very high priority works capital funding allocation 21/22	£522,266	£518,741	£518,741	£0	Anniesland and Langside campuses. Improvements to a range of external areas. Completed
3	Heating, Ventilation, Air Conditioning & Water/ Mechanical Works	SFC/GCRB very high priority works capital funding allocation 21/22	£423,120	£334,628	£334,628	£0	All three campuses. Includes air handling units, chillers replacement. Project completed.
4	Electrical Systems & Controls, Fire & Security/Electrical Works	SFC/GCRB very high priority works capital funding allocation 21/22	£489,541	£396,689	£396,689	£0	Anniesland and Langside campuses. Lighting, CCTV, fire panel upgrade. Project completed.
5	Balance of funding allocated to Small Works	SFC/GCRB very high priority works capital funding allocation 21/22	£146,430	£225,054	£225,054	£0	Other Small Works
	Project Fees across range of projects	SFC/GCRB very high priority works capital funding allocation 21/22		£72,276	£72,276	£0	

<b>Capital Masterplan 21/22 projects total</b>		<b>£1,940,000</b>	<b>£1,889,454</b>	<b>£1,889,454</b>		
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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	£649,543	£649,543	£0	Limited student space at Anniesland campus compared to the other two campuses. Project supported by GCCSA and using SFC Economic Downturn Recovery funding. (Total plan value was for the total economic downturn recovery funding which is £403k capital plus lifecycle of £196k i.e. £599k). Supply chain delays impacted timing of project particularly for steel. Project timescale amended to November 21 to end June 22. opened to students from August and launch event held at beginning of September.
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<b>TOTAL 21/22 CAPITAL PROJECTS SFC/GCRB</b>	<b>21/22 Capital Masterplan + Student Space Project b/fwd</b>	<b>£2,539,000</b>	<b>£2,538,997</b>	<b>£2,538,997</b>		
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**PLUS GCEF FUNDED CAPITAL PROJECTS**

	Cardonald Public Realm	GCEF Funded	£652,000	£259,290	£682,000	£422,710	Project progressed over summer of 2022. Awaiting final supplies of street furniture and some remaining landscaping
	Learning Spaces	GCEF Funded	£500,000	£0	£2,300,000	£2,300,000	Very initial estimate at this stage for the learning spaces redevelopment project at each campus

<b>OVERALL TOTAL CAPITAL PROJECTS PER 21/22 CAPITAL MASTERPLAN</b>		<b>£3,039,000</b>	<b>£2,538,997</b>	<b>£4,838,997</b>		
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**Glasgow Clyde College**  
**Capital Masterplan 2022/23 to 2023/24 and future years**

Project Ref	Project Description - Capital Projects	Project managed by	To be funded by	2022/23 Approved Capital Projects Plan	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	Doig & Smith	SFC/GCRB	£400,000	£400,000			<b>£400,000</b>	High priority to progress this project. Needs to be taken forward as soon as possible as current systems needing upgraded.
2	Cardonald Campus Lifts	Doig & Smith	SFC/GCRB	£300,000	£300,000			<b>£300,000</b>	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 pending lift report.
3	Cardonald Skills Centre Heating and Cooling	Doig & Smith	SFC/GCRB	£400,000	£400,000			<b>£400,000</b>	Significant issues with Heating system in the Skills Centre have been experienced over a long term basis. Works scoped and planned to proceed.
4	Cardonald Car Park Entrance Enlargement (amended from previously planned in 2022/23 to summer 2023)	Doig & Smith	SFC/GCRB	£70,000		£70,000		<b>£70,000</b>	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. Project needs to be done out of term hence now will be summer 2023.
5	Annieland campus - Render repair works	Doig & Smith	SFC/GCRB	£200,000	£200,000			<b>£200,000</b>	Render repair works required as there is significant deterioration which will become worse over time and create greater problems.
6	Annieland Water Ingress	Doig & Smith	SFC/GCRB	£80,000	£80,000			<b>£80,000</b>	There is water ingress at the southern elevation of the building which needs to be remedied.
7	Annieland external works re disabled/taxi pick up and drop off	Doig & Smith	SFC/GCRB	£40,000	£40,000			<b>£40,000</b>	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.
8	Annieland campus - Heating & Cooling in Library & Dance areas of the building	Doig & Smith	SFC/GCRB	£200,000	£200,000			<b>£200,000</b>	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	Annieland campus - Chillers Replacement	Doig & Smith	SFC/GCRB	£100,000	£100,000			<b>£100,000</b>	The chillers are reaching end of useful life and need replaced.
10	Annieland external drainage works	Doig & Smith	SFC/GCRB	£100,000	£100,000			<b>£100,000</b>	Drainage issues which require extensive underground works and which are causing ongoing problems. Needs further investigation to fully scope the works required.
11	Langside Campus - Fire Escape at Mary Stuart building (new line on plan - costing awaited)	Doig & Smith	SFC/GCRB				TBC	<b>TBC</b>	New line in plan - costing awaited. The access here is part of a fire escape and needs to be done out of term hence now planned for summer 2023. Will be in 2022/23 column.
12	Langside Campus - Intumescent paint to columns below Theatre building overhang (new line on plan - costing awaited)	Doig & Smith	SFC/GCRB			TBC		<b>TBC</b>	New line in plan - costing awaited. Deterioration in this area and needs repaired.
13	Langside - Litehouse Roof replacement	Doig & Smith	SFC/GCRB	£250,000	£250,000			<b>£250,000</b>	Profiled metal sheet roof on Litehouse building which is considered to be beyond its expected lifespan with significant corrosion and ongoing deterioration.
14	Langside campus - works to repair retaining wall at the Litehouse building (amended from previously planned in 2022/23)	Doig & Smith	SFC/GCRB	£75,000		£75,000		<b>£75,000</b>	There is cracking to the stone wall in this area and needs to be repaired.
15	All campuses - Building Management System Replacement/ Upgrade - College led project	College	SFC/GCRB	£250,000	£250,000			<b>£250,000</b>	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.
13	Cardonald campus Heating System Flue	To be planned for future years	SFC/GCRB			£400,000		<b>£400,000</b>	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	To be planned for future years	SFC/GCRB			£150,000		<b>£150,000</b>	CCTV cameras and other equipment needs to be upgraded.
15	Cardonald Campus Roof and structure repair	To be planned for future years	SFC/GCRB			£50,000		<b>£50,000</b>	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	To be planned for future years	SFC/GCRB			£80,000		<b>£80,000</b>	System elements need replaced including fan coil units, panels and distribution boards.
17	Future Projects Langside campus - Floors and Corridors Redecoration/ Replacement	To be planned for future years	SFC/GCRB				£150,000	<b>£150,000</b>	Range of areas of flooring and redecoration need replaced.
18	Annieland Air Handling Units	To be planned for future years	SFC/GCRB				£1,000,000	<b>£1,000,000</b>	From condition survey report the air handling units are indicated to be replaced. Major project and would need scheduling.
19	Annieland Fire Alarm System	future years	SFC/GCRB				£100,000	<b>£100,000</b>	Fire alarm system to be reviewed and upgraded.
20	Annieland External Fire Doors	future years	SFC/GCRB				£100,000	<b>£100,000</b>	External fire doors to be replaced.
21	Langside Campus Heating	To be planned for future years	SFC/GCRB				£240,000	<b>£240,000</b>	Laboratory units require replacement within the maintenance schedule.
22	Langside campus - Lifts	To be planned for future years	SFC/GCRB				£240,000	<b>£240,000</b>	The two passenger lifts require replacement within the maintenance schedule.
	Other future years projects to be prioritised (based on condition survey totals)	To be planned for future years				£2,500,000	£6,500,000	<b>£9,000,000</b>	Overall figures based broadly on condition survey. Further analysis to be undertaken and detail of future works specified.
<b>Capital Masterplan totals</b>				<b>£2,465,000</b>	<b>£2,320,000</b>	<b>£3,325,000</b>	<b>£8,330,000</b>	<b>£13,975,000</b>	
<b>plus GCEF projects</b>									
1	Cardonald Public Realm	Doig & Smith	GCEF	£652,000	£422,710			<b>£422,710</b>	Works completed from jne so some now billed prior to end July and in 2021/22 expenditure. Final phase to complete in Autumn 2022.
2	Learning Spaces	To be planned for future years	GCEF	£500,000	£500,000	£1,800,000		<b>£2,300,000</b>	Very initial estimate at this stage for the learning spaces redevelopment project at each campus.
<b>Capital Masterplan totals</b>				<b>£3,617,000</b>	<b>£3,242,710</b>	<b>£5,125,000</b>	<b>£8,330,000</b>	<b>£16,697,710</b>	

Plan amended figures since approved at June Board meeting in yellow

## FINANCE AND RESOURCES COMMITTEE

Date of Meeting	5 October 2022
Paper Title	Key Performance Indicators – Committee Monitoring
Action	For discussion
Prepared by	Janet Thomson, Vice Principal Resources & College Development
Agenda Item	22.44, 22,44A
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 October 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.
- 3.2 The Finance and Resources KPIs were supported by the Committee and an update on these is included in the attached annex 22.44A as at the end of the fourth quarter 2021/22. 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 The list of Finance and Resources KPIs is 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 22.44A.

#### 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.

<b>Contract Fulfilment (for Teaching Delivery Performance Indicators)</b>	<b>Basis of Information</b>
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.

<b>Sustainability and Recycling Performance Indicators</b>	<b>Basis of Information</b>
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
<b>FINANCIAL PERFORMANCE</b>								
Forecast/Actual annual operating financial position surplus/ (deficit)	Quarterly	Breakeven normally. Budget for 2021/22 was deficit of £450k	£125k	£107k	£267k	£571k	(£438k)	(£1,204k)
Number of days' expenditure fundable by cash balances	Quarterly	20 days	22	23	43	62	30	60 (note 1)
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
Commercial income (incl. FWDF) against target	Quarterly	£2.25M income in 2021/22	£1.9M	£2.4M	£1.9M	£1.7M	£702k	£1,419k
Commercial contribution level to overhead against target after all costs	Quarterly	£400k contribution in 2021/22	£445k	£680k	£248k	£250k	£281k	£553k
<b>CONTRACT FULFILLMENT (FOR TEACHING DELIVERY)</b>								
Percentage delivery against SFC Credit targets	Quarterly	SFC credits target	101.0%	100.6%	100.9%	98.5%	94.5%	94.89% (note 3)
Number of MA starts against target (where college is managing agent)	Quarterly	132 in 2021/22	98	107	112	123	22	79
Number of FA starts against target	Quarterly	114 in 2021/22	TBC	TBC	398	208	133	117
FWDF ytd income against target	Quarterly	£600k in 2021/22	£247k	£421k	£438k	£434k	£109k	£360k
<b>RESOURCE UTILISATION</b>								
Lecturer utilisation level	Quarterly	To be developed	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
Room utilisation level	Annually	To be developed	Not avail	Not avail	Not avail	Not avail	Not avail	Not avail
<b>SUSTAINABILITY AND RECYCLING</b>								
Tonnes of CO2 emissions	Quarterly.	Target to reduce by 3% to 5% annually	2,923	2,468	2,024	2,080 (note 4)	373	716
Volume of paper consumed	Quarterly	Target being developed	Not measured	Not measured	Not measured	Not measured	Requesting from paper supplier	Requesting 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
Tonnes of waste generated	Quarterly	Target to reduce by 3% to 5% annually	367	422	225	134	61	39

## 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) As per 27 Sept 22 Portfolio on MIS

(4) CO2 Emissions increased in 2020/21 due to a new metric for estimating the impact of Homeworking. The College has developed its reporting on emissions to put in place quarterly emission data reporting from 2021/22.

## **FINANCE AND RESOURCES COMMITTEE**

Date of Meeting	5 October 2022
Paper Title	College Strategic Risk Register
Action	For Discussion
Prepared by	J Thomson, Vice Principal Resources & College
Agenda Item	Development 22.46
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 Finance and Resources Committee and the Audit Committee and is submitted to the Board of Management on a quarterly basis. This report provides a new updated format of the College Strategic Risk Register following a review process as described in the paragraphs below.

### **2 ACTION FOR THE COMMITTEE**

- 2.1 Members are invited to discuss this paper.

### **3 BRIEF BACKGROUND INFORMATION**

- 3.1 The College's Strategic Risk Register as at 30<sup>th</sup> August is attached. The Strategic Risk Register is updated regularly and considered at least quarterly by College senior management.

### **4 SUPPORTING DOCUMENTATION/ FURTHER INFORMATION**

- 4.1 In late 2021 the Audit Committee requested that the College have a workshop to consider the Risk Register approach and it was agreed to undertake a comprehensive review of the risks in the previous Risk Register.
- 4.2 A workshop was held early this year involving College senior managers and Board members. The workshop considered the key risks for the College in achieving its five Strategic Plan themes with a lead for each theme summarising the areas of key risk. For ease of reference the five themes of the Strategic Plan as approved by the Board of Management are as below:

Theme 1 – Inspirational Learning and Teaching  
 Theme 2 – Partner of Choice  
 Theme 3 – Unrivalled Student Experience

Cross Cutting Theme 1 – Employer of Choice

Cross Cutting Theme 2 – Financial Resilience through Operational Excellence

- 4.3 After the workshop there were several further sessions with the theme leads, and the Principal and the Clerk to the Board to review the Risk Register. There was then a final session on 30<sup>th</sup> August including the Chair of the Board and the Chair of the Audit Committee.
- 4.4 Following this review period the updated version of the College Strategic Risk Register is attached which shows the final set of risks linked to the Strategic Plan themes and with updated mitigating actions.
- 4.5 There are thirteen risks in the updated Strategic Risk register of which three have a high residual risk score after mitigating actions, five have a medium residual risk score and five have a low residual risk score.
- 4.6 The three high risks in the College Strategic Risk Register are :

**Risk 1 – Implications of national bargaining and possible negative impact on employee relations**

This is a high risk given the potential financial impacts on the College, and the sector, of national bargaining and unfunded pay awards as well as employee relations and services risks if there is to be any disruption through industrial action.

**Risk 2 - Failure to achieve SFC credits target and clawback of funding**

The College (and many other Colleges) have not achieved their SFC credits target in each of 2020/21 and 2021/22 largely as an impact of COVID and effects on student retention. This is likely to remain a challenge and could also be impacted by the future financial landscape and ability to deliver support services.

**Risk 3 – Failure to manage financial sustainability through period of financial plan**

There are a range of impacts from the financial plan which will be challenging including pay awards and inflation issues against a backdrop of flat cash from SFC income. This is a significant risk as has been reported on to the Board of Management through many recent discussions. The three year financial forecast is currently being updated and will be presented to the next meeting of the Finance & Resources Committee and the Board of Management.

## **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 risks cause and potential consequences are shown within 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 risks in delivering the Strategic Plan which include student experience, legal, financial, and equality and diversity matters.

			Risk Score Before Mitigating Actions				Risk Score After Mitigating Actions								
Risk Ref	Risk Description - Risk Cause	Potential Consequences	Probability	Impact	Risk Score	Mitigating Actions	Probability	Impact	Risk Score	Score compared to College risk appetite (see key above)	Link to Strategic Theme(s)	Risk Owner ( to be agreed)			
1	Implications of national bargaining and possible negative impact on employee relations	Reputational risks Poor industrial relations Potential service disruption through removal of labour e.g. strikes, action short of strike Loss of goodwill	5	5	25	i) Engagement with national process. Representation made through College Employers Scotland, Colleges Scotland, Principals Forum, and GCRB, within national bargaining process. ii) Emphasis made on imperative of financial sustainability and affordability issues particularly given increased staffing costs and flat cash SFC funding. iii) Relationships locally to maintain and build communications on national negotiations. Focussed work with Trade Unions, specific and regular meetings with senior management, ensuring good flow of information, and ongoing communications on any national matters iv) Effective clear, consistent communications in College with unions and with wider stakeholders and related message management v) Ensure proper consultation and early engagement on any local changes vi) Business continuity planning used to ensure all stakeholders appropriately communicated with in any potential industrial action vii) Engage with awarding bodies on any potential service change	5	4	20	Higher than risk appetite (Hungry)	4 - Employer of choice 5 - Financial Resilience through Operational Excellence	Principal/ Assistant Principal HR			
2	Failure to achieve SFC credits target and clawback of funding	Reputational risk with SFC, GCRB Financial risk Not meeting needs of community and employers	5	5	25	i) Design and plan a curriculum that meets the needs of the community and attracts students ii) Deliver a curriculum portfolio that maximises SFC credits yield iii) Systematic monitoring of credits levels throughout the year iv) Efficient deployment of human and physical resources to deliver the curriculum and credits	4	4	16	As per Risk Appetite (Open)	3 - Unrivalled Student Experience 5 - Financial Resilience through Operational Excellence	Deputy Principal			
3	Failure to manage College financial sustainability through period of financial plan	Financial sustainability Inability to meet obligations and remain going concern Reputational risk Legal implications Not complying with SPFM Strained relationship with GCRB and SFC Pressures from national bargaining terms and conditions implications Implications for staffing	5	5	25	i) Revenue budget being prepared for 2022/23 and three year financial plan ii) 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 iii) Cost reduction plans continue to be implemented with reduction in staff levels and significant cuts in non-staff budgets across the College. First phases of VS Reductions and academic management restructure implemented. iv) Process of review of all areas to seek cost reductions, as well as seeking further efficiency through improved business processes. v) Successful bid to GCEF for additional funding support from November 2020 ongoing into 22/23.	4	4	16	As per Risk Appetite (Open)	5 - Financial Resilience through Operational Excellence	Principal/ Deputy Principal & Vice Principal			
4	High Impact Business Continuity incident for College e.g. cyber attack, pandemic, fire, long term power loss, power rationing	Business interruption Impact on ability to meet future obligations Impact on student outcomes Legal implications Data protection issues Potential loss of essential data	4	5	20	i) Health and safety risk assessments in place and required testing and audits completed on an annual cycle ii) Business Continuity Plan for College in place. iii) Business interruption insurance in place. iv) Many systems/services cloud based and using VPN/remote desktop for staff to access systems while home working. v) Infrastructure designed not to have single points of failure with all campuses operating a sophisticated dual-core network topology. vi) 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. vii) ICT backup procedures and Disaster Recovery planning. Cyber essentials+ status maintained. viii) Fraud response plan in place	3	5	15	As per Risk Appetite (Open)	5 - Financial Resilience through Operational Excellence	Vice Principal - Resources & College Development			
5	Failure to achieve the College Climate Change Action Plan and carbon reduction targets	Environmental impacts Financial impacts Failure to meet needs of customer base through carbon training/ carbon literacy Reputational risk Stakeholder relationships	5	5	25	i) College Climate Change Action Plan prepared and agreed by the Board ii) Carbon reduction target set over life of the climate change plan iii) College Climate Change group established and meets regularly iv) Glasgow Clyde College signed up to race to net zero pledge v) Carbon emissions data monitoring by campus on quarterly basis vi) Plans being developed to reduce utilities consumption through enhanced monitoring and targeted investment vii) Carbon literacy training for staff and students being developed viii) Plan to incorporate sustainability into wide range of College courses ix) Membership of Regional Green Team x) Annual Participation in Global Goals teach In	3	3	9	Lower than Risk Appetite (Minimalist)	1 - Inspirational Learning and Teaching 5 - Financial Resilience through Operational Excellence	Vice Principal Resources & College Development			
			Risk Score Before Mitigating Actions				Risk Score After Mitigating Actions								
Risk Ref	Risk Description - Risk Cause	Potential Consequences	Probability	Impact	Risk Score	Mitigating Actions	Probability	Impact	Risk Score	Score compared to College risk appetite (see key above)	Link to Strategic Theme(s)	Risk Owner ( to be agreed)			
6	Failure to deliver full range of support for all staff including for their health and well being.	Absenteeism Impact on student experience Impact on quality of service Low staff motivation Possible backfill costs Reputational risk	3	4	12	i) Modules on wellness available to staff via the VLE ii) Sessions held during staff development days iii) Employee assistance programme iv) Support for work life balance arrangements v) Commitment to blended working vi) College Healthy Working Lives Group vii) Occupational health reviews viii) Health and Wellbeing Officer and development of associated programme of activity ix) Creation of some staff networks being considered	3	3	9	Lower than Risk Appetite (Minimalist)	3 - Unrivalled Student Experience 4 - Employer of choice 5 - Financial Resilience through Operational Excellence	Assistant Principal HR			



7	Not achieving target levels of student success through retention, attainment and progression	Low pass rates Reputational risk Sustainability risk through low internal progression Financial risk e.g. Apps Employer relationship risk	4	4	16	i) Effective use of data to monitor student attendance and attainment ii) Implementation of more effective interventions in relation to "at risk" factors for student retention iii) Providing effective guidance for students iv) Providing effective monitoring of evaluation measures by course teams v) Provision of highly effective inspiring and engaging learning and teaching approaches vi) Provision of formative and summative assessment approaches vii) Effective student feedback mechanisms viii) Digital access to learning and teaching materials to support learning through use of the VLE	3	3	9	Lower than Risk Appetite (Minimalist)	1 - Inspirational Learning & Teaching 3 - Unrivalled Student Experience	Deputy Principal			
8	Risk of not having culture of effective, capable leaders who are motivated and have ability to take staff with them.	Not developing College leadership skills Not delivering on strategic themes Failure to deliver on values Potential legal action Reputational risk Loss of key expertise Lack of scrutiny across strategic areas of the College Failure to achieve College mission and vision	4	5	20	i) CPD for managers and leaders at all levels of the organisation ii) Leaders well sighted on any issues and escalator them if required iii) College Leadership Charter and Leadership Framework in place iv) Personal Development Review/Plan process for all College managers and their staff v) Effective modelling of leadership styles vi) Provision of advice and training to encourage resilient leaders vii) College networks to create sense of community viii) Appropriately qualified, skilled and experienced staff in key positions ix) Support for managers through FE & HE sponsorship x) Satisfied that have appropriate health, safety and safeguarding arrangements in place xi) Effective Board members who are engaged with the College	3	3	9	Lower than Risk Appetite (Minimalist)	3 - Unrivalled Student Experience 4 - Employer of choice 5 - Financial Resilience through Operational Excellence	Assistant Principal HR			
9	Failure to recruit, retain and maintain effective and skilled leaders and teaching and support staff	Retention and attainment Failure to achieve ROA targets	3	4	12	i) Identifying and strengthening the key staff skills that are based on evidence, practice, and employment driven skills and in terms of future needs ii) Ensuring that we have the curriculum, leadership, expertise, resources, space and time for staff to develop these skills iii) Delivery of a professional pathway and professional development iv) Bespoke comprehensive programme for CMs support & research & dev programme v) College Strategic Theme of Employer of choice with attractive overall terms and conditions e.g. pension schemes, work life balance vi) Further & higher sponsorship programme vii) Learning development days for staff viii) DELTA developing ELearning skills for staff to deliver effective on line learning & teaching ix) Learning and teaching strategy in place with key development areas x) Ensure all new teaching staff undertake appropriate induction xi) Plan to implement effective peer observation and sharing of practice xi) Review particular curriculum areas where market forces may impact on staff retention	2	3	6	Lower than Risk Appetite (Averse)	1 - Inspirational Learning & Teaching 3 - Unrivalled Student Experience 4 - Employer of Choice	Assistant Principal Quality & Performance, Assistant Principal HR			
10	Failure to provide a smooth effective pre entry experience for College students and in College student experience	Low student recruitment Poor student experience Reputational risks Retention and attainment impacts Loss of students to other providers Failure to deliver ROA targets	4	4	16	i) Ensure faculty staff get right students on right subject area at the right level ii) Responsive and timely admissions service, student funding, and student advice and guidance services iii) Providing students with appropriate digital support iv) Providing student support funding services including discretionary and hardship funding based on individual economic circumstances v) Ensure awareness of financial and pastoral support for students vi) Ensuring that students meet the minimum entry requirements and skills levels for courses and those skills will then be developed as they progress through their course vii) Quality and accuracy of marketing materials providing information to students to make right course choices. Effective and accurate communication to students prior to course during keep warm phase and through onboarding process viii) Systematically generate, analyse and action meaningful student feedback. ix) Providing accessible and inclusive student support services x) Collaboration between teaching and support teams to ensure improvements and efficiencies are delivered where possible across College business processes and to provide effective quality services for students	2	3	6	Lower than Risk Appetite (Averse)	2 - Partner of choice 3 - Unrivalled student experience	Assistant Principal Quality & Performance, Curriculum Assistant Principals			
11	Failure to maintain and develop appropriate accessible, dynamic, flexible learning and social spaces which is fit for purpose for teaching and learning and staff working environment.	Failure to recruit Retention impacts Reputational risk Less content students and staff	3	3	9	i) Provision of inspiring spaces for study and socialising. Learning spaces project planned. ii) Maintenance of the physical environment iii) Capital masterplan in place and related to need/estates condition survey. Funding for very high priority items allocated by GCRB to College. iv) Provision of attractive well maintained flexible indoor and outdoor spaces v) Work with GCRB, SFC and GCEF to ensure fully informed estates investment vi) Provision of appropriate locations for independent study vii) Work with GCCSA in developing and promoting use of student spaces viii) Explore potential for range of stakeholders to utilise College campus facilities	2	2	4		1 - Inspirational Learning & Teaching 3 - Unrivalled Student Experience	Vice Principal - Resources & College Development			
			Risk Score Before Mitigating Actions				Risk Score After Mitigating Actions								
Risk Ref	Risk Description - Risk Cause	Potential Consequences	Probability	Impact	Risk Score	Mitigating Actions	Probability	Impact	Risk Score	Score compared to College risk appetite (see key above)	Link to Strategic Theme(s)	Risk Owner ( to be agreed)			

12	<b>Failure to ensure the College is delivering the right curriculum portfolio to meet students and employers demand, and economic needs</b>	Not meeting credit target Low retention Reputational risk Negative impact on College finances Not achieve College financial plan Not maintain financial sustainability Diminishing relevance of commercial course areas Failing to meet the needs of the economy Failure to meet ROA targets	3	4	12	i) Assessment annually to match portfolio to economic needs/changes including emerging priorities e.g. environmental education ii) Annual review of portfolio also to ensure an accessible and inclusive curriculum (including digital provision) iii) Facilitating strong team of curriculum leadership group who are prepared and focus on evaluation to drive change iv) Raise commercial awareness with faculty staff and significant emphasis on commercial opportunities for faculties v) Revised commercial income/ surplus plan for 22/23 to 24/25 vi) Effective digital marketing used with analytics to drive promotion of commercial courses vii) Maintain strong partnership working with universities with high level of retention and progression viii) Maintain strong partnership working with schools in the delivery of the schools curriculum portfolio ix) Deliver a responsive apprenticeship and upskilling and reskilling course portfolio x) Effective working with disadvantaged communities in relation to curriculum design xi) Monitor feedback from students, employers and other stakeholders on student experience	2	2	4	Lower than Risk Appetite (Averse)	1 - Inspirational Learning & Teaching 2 - Partner of Choice 5 - Financial resilience through operational excellence	Deputy Principal			
13	<b>Failure to have data available to effectively inform operational and strategic decision making</b>	Poor management decision making Inefficient and ineffective operations Failure to achieve financial sustainability Failure to meet ROA targets Unresponsive to trends Reactive rather than proactive Poor horizon scanning ability Reputational risk	3	4	12	i) Accurate and timely reporting mechanisms for key business systems ii) Integration of data from multiple sources into accessible formats iii) Business process reviews regularly undertaken iv) Regular systematic reporting of student and staff data and key business metrics to improve decision making v) Development of dashboard reporting vi) Data Protection Officer in place to advise on General Data Protection Regulation/ Data Protection matters.	2	2	4	Lower than Risk Appetite (Averse)	3 - Unrivalled Student Experience 5 - Financial Resilience through Operational Excellence	Vice Principal Resources & College Development / Deputy Principal			

GLASGOW CLYDE COLLEGE - STRATEGIC RISK REGISTER										as at 16th February 2022									
										Key for Risk Appetite Residual Score Comparison: 1-6 = Averse, 7-9 = Minimalist, 10-14 = Cautious, 15-19 = Open, 20-25 = Hungry									
					Score Before Mitigating Actions			Score After Mitigating Actions											
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	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	<b>Short term</b> 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 utilising CBI support to promote FWDF to larger companies. iii) Greater use of digital marketing to promote course areas as effectively as possible <b>Long Term</b> 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.	4	5	20	Higher than risk appetite (Hungry)	F1	Short	20	No change			
F2	Failure to achieve contracted overall teaching delivery targets for any key partner (SFC/SDS/ESF)	Financial/ Organisations // COVID impacts	Theme 2 and 3 - Partner of choice and Unrivalled Student Experience	Deputy Principal	5	4	20	<b>Short Term</b> 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 <b>Long Term</b> 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	5	25	Higher than risk appetite (Hungry)	F2	Short	20	Increasing			
F3	Failure to reduce College cost base on managed basis to meet requirements of the three year financial forecast	Financial/ Organisations // COVID impacts	Theme 5 - Financial Resilience through Operational Excellence	Principal/ Deputy Principal & Vice Principal	5	5	25	<b>Short Term</b> 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. <b>Long Term</b> 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	Medium	15	No change			

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					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	Risk Timing Short / Medium/ Long Term	Risk Score at last report to the Board	Risk Increasing/ Decreasing/ No Change
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	<b>Short Term</b> 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. <b>Long Term</b> 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.	4	5	20	Higher than Risk Appetite (Cautious)	F4	Medium	12	Increasing

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					Score Before Mitigating Actions								Score After Mitigating Actions								
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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	<b>Short Term</b> 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. <b>Long Term</b> 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	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	<b>Short Term</b> 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. <b>Long Term</b> 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	As per Risk Appetite (Open)	O2a	Short	15	Increasing					
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	<b>Short Term</b> 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 <b>Long Term</b> 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	3	4	12	Lower than Risk Appetite (Cautious)	O2b	Short	12	No change					

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					Score Before Mitigating Actions				Score After Mitigating Actions																						
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	Risk Timing Short / Medium/ Long Term	Risk Score at last report to the Board	Risk Increasing/ Decreasing/ No Change															
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	<b>Short Term</b> 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 <b>Long Term</b> 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	Medium	12	No change															
O4	Failure in any area of College data management processes	Organisational/ Reputational/ COVID impacts	Theme 5 - Financial Resilience through Operational Excellence	Vice Principal Resources & College Development & Deputy Principal	4	5	20	<b>Short Term</b> i) Ongoing monitoring by ICT of any potential systems being targetted ii) Multi Factor Authentication being rolled out across College staff <b>Long Term</b> iii) Key business systems and processes contain range of controls with agreed practices and staff training and communication on practices/guidelines. Role based user access restrictions in place. iv) Procedures and guidance in place including guide for staff on information and data security with a list of key do's and don'ts v) Data protection officer works closely with managers on any data protection matters. Clear procedures and guidelines in place including process for any potential data breaches. vi) Data privacy notices for the College in place and published and data sharing agreements with other organisations are established. vii) Document retention scheme in place for all key record types viii) Member of HE/FE Shared Technology and Information Services (HEFESTIS) which provides information on data management and any sectoral updates. ix) Homeworking guidance in place for staff x) External agencies assurance & audit processes review areas of data management and any recommendations followed up.	3	4	12	Lower than Risk Appetite (Cautious)	O4	Medium	12	No change															
O5	High Impact Disaster for College e.g. fire, long term power loss	Organisational/ COVID impacts	Theme 5 - Financial Resilience through Operational Excellence	Vice Principal - Resources & College Development	3	5	15	<b>Long Term</b> i) Health and safety risk assessments in place and required testing and audits completed on an annual cycle ii) Business Continuity Plan for College in place. iii) Estates condition survey completed and prioritising projects through estates based on affordability. iv) Business interruption insurance in place.	3	4	12	Lower than Risk Appetite (Cautious)	O5	Medium	12	No change															
O6	Failure to achieve a sustainable fit for purpose College estate	Organisational/ Financial	Theme 1 & 5 - Inspirational Learning & Teaching & Financial Resilience through Operational Excellence	Vice Principal - Resources & College Development	4	4	16	<b>Short Term</b> i) Need to plan within College tight resources due to financially challenging budget and items rephased as required. ii) Monitor use of College estate as result of COVID impacts and updated cleaning regime in place. iii) Plans for projects for use of the estates high priority maintenance funding <b>Long Term</b> iv) Capital masterplan in place and related to need/estates condition survey. Funding for very high priority items allocated by GCRB to College. v) Work with GCRB and SFC to ensure fully informed of estates requirements. vi) Estates Strategy Review completed	3	3	9	Lower than Risk Appetite (Minimalist)	O6	Long	9	No change															

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 February 2022		
					Score Before Mitigating Actions				Score After Mitigating Actions									
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	Risk Timing Short / Medium/ Long Term	Risk Score at last report to the Board	Risk Increasing/ Decreasing/ No Change		
O7	Failure to recruit and retain an appropriately skilled and effective workforce	Organisational/ Reputational	Theme 1 & 4 - Inspirational Learning & Teaching & Employer of Choice	Assistant Principal HR	3	5	15	<b>Short Term</b> i) Maintain open channels of communication with trade unions, college managers and their staff, and effective attendance management process in place. ii) Cover arranged as required for absence of key staff members. iii) Need to manage to retain appropriate staff through challenge of restructures <b>Long Term</b> iv) College Strategic Theme of Employer of choice with attractive overall terms and conditions e.g. pension schemes, flexible working. v) All new staff have an induction process and annual training programme undertaken. vi) Appropriate CPD provided for staff to meet identified skills gaps vii) Managers work with their staff to consider any enhancements to skillsets and access to training e.g. webinars. General risk across staff in new levels of home working. viii) Recruitment and retention of staff for a few skills areas remains challenging and College continues to use a range of approaches as appropriate.	2	4	8	Lower than Risk Appetite (Minimalist)	O7	Medium	8	No change		



GLASGOW CLYDE COLLEGE - STRATEGIC RISK REGISTER										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 February 2022	
										Score Before Mitigating Actions			Score After Mitigating Actions								
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	Risk Timing Short / Medium/ Long Term	Risk Score at last report to the Board	Risk Increasing/ Decreasing/ No Change					
Governance Risks																					
G1	Failure to comply with Health and Safety and Safeguarding requirements	Organisational/ COVID Impacts	Theme 1 & 5 - Inspirational Learning & Teaching& Financial Resilience through Operational Excellence	Assistant Principal HR	4	5	20	<b>Short Term</b> i) COVID related operating arrangements discussed at SLT. ii) Full review of Health and Safety Policy and Procedures being undertaken <b>Long Term</b> iii) Glasgow Clyde College Health and Safety and Safeguarding Committee and Campus Forums meet regularly to monitor health and safety arrangements and any issues are raised. iv) Safeguarding officers and safeguarding forum on each campus v) Health and Safety Officers working across the three campuses and ensure annual cycle of health and safety audits are completed vi) Regular reporting on Health and Safety to Organisational Development Committee as part of their remit requirements	2	5	10	Lower than Risk Appetite (Cautious)	G1	Short	10	No change					
G2	Failure to meet all legislative and regulatory requirements and/or recommended guidance	Governance/ Reputational/ COVID Impacts	Theme 2, 4 & 5 - Partner of choice, Employer of Choice, & Financial Resilience through Operational Excellence	Principal/ Clerk to the Board	4	5	20	<b>Short Term</b> i) Close involvement in ongoing discussions on COVID 19 implications with SFC and representative forums to contribute towards sector input to seek support for current and future resultant challenges ii) Ongoing engagement at Board and Senior Leadership Team level with the SFC Review <b>Long Term</b> iii) Work within roles, responsibilities and legal implications of Legislation and associated related guidance. iv) Liaison with and maintaining ongoing dialogue with relevant bodies e.g. SFC, GCRB and Scottish Government. College ensure full knowledge and implementation of legislative, regulatory and guidance requirements including requirements of Financial Memorandum with GCRB. v) Individual managers required to keep up to date with legislation relating to their areas and implement appropriate controls vi) Ensure Board have appropriate training on key guidance and legislation and take proactive role in ensuring meet all requirements. vii) Modern Slavery statement in place viii) Quality audit process in place and DELTA project delivering greater levels of blended learning with staff. Internal audit review process considers range of areas annually. ix) Seek legal advice as required. x) Data Protection Officer in place to advise on General Data Protection Regulation/ Data Protection matters.	3	3	9	Lower than Risk Appetite (Minimalist)	G2	Medium	9	No change					
G3	Failure to recruit, train and retain an appropriately experienced Board of Management	Governance	Theme 1, 2, 3, 4 & 5 - inspirational Learning & Teaching, Partner of Choice, Unrivalled Student Experience, Employer of Choice, & Financial Resilience through Operational Excellence	Clerk to the Board	3	4	12	<b>Long Term</b> i) Continue to maintain membership of Board of Management at suitable level with the correct level and mix of skills. Succession planning taking place with the Nominations Committee considering future vacancies well in advance. ii) Recruitment of new Board members to consider diversity of membership (e.g. gender and ethnic background) iii) Annual self assessment for Board members and training provided as required. iv) Board effectiveness review completed. v) Induction provided for all new Board members. vi) Ensure Board undertake an ongoing programme of training to meet CPD needs. vii) Board member handbook in place and an annual review/update to be undertaken. viii) New Clerk to the Board has commenced in post.	2	3	6	Lower than Risk Appetite (Averse)	G3	Medium	6	No change					



Status	Agreement Title	Progress	Budget
In Progress	Occupational Health Services (GRPT)	ITT Published	TBC
Postponed	Security, CCTV, Alarm, Fire System Maintenance	Postponed	Approx. £90,000
In Progress	Supply of Bottled Water and Fountains	Desktop Exercise from FA in progress	Approx. £7,000 PA
In Progress	Supply, Delivery and Installation of Washroom Services and Associated Products and Services	Desktop Exercise from FA in progress	Approx. £7,000 PA
In Progress	Provision of Cleaning Service	ITT Published	Approx. £600,000 PA
In Progress	Catering Kits	ITT Published	Approx. £20,000 PA
Status	Agreement Title	Est. Project Commencement Date	Budget
Scheduled	Lift Maintenance	October 2022	Approx. £50,000 PA
Scheduled	Print & Associated Services	TBC	TBC
Scheduled	Winter Grounds Maintenance	TBC	£45, 000
Scheduled	Electric Vehicles	TBC	TBC

## **FINANCE AND RESOURCES COMMITTEE MEETING**

Date of Meeting	5 October 2022
Paper Title	Glasgow Clyde Education Foundation Update
Action	For noting
Prepared by	Janet Thomson, Vice Principal Resources and College Development
Agenda No	22.48
Status	Disclosable

### **1 PURPOSE OF THE REPORT**

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

### **2 ACTION FOR THE COMMITTEE**

- 2.1 Members are invited to **NOTE** 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 Board of Trustees.

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

1) **Cardonald Public Realm** – This project has approved funding of £652k 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 are being undertaken in summer to autumn 2022 with the remaining part of the project awaiting street furniture delivery, final landscaping, and completion of the planned mural at the base of the Tower building.

2) **Financial Sustainability Funding** – This approved fund was for a total of £2.3M, which was agreed to be increased by GCEF to £2.4M to include the previous business transformation project 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 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 in future years mainly for staffing to assist in the achievement of the commercial income plan. A restructure of the commercial and external funding team is underway with a revised focus in the structure into employer related commercial activities and into individuals' related training and funding activities.

3.3 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 to fund up to a total of £2.3M by 2024 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 next few months. There is a College Project Group for this and a number of site visits have been undertaken to other institutions. In addition the College Learning and Inspiration Committee considered the Learning Spaces project at a workshop in mid September with discussions on the purpose of the spaces and what success would look like, potential pedagogy changes which could be made possible, consideration of type and size of space that may be involved and discussion on the technology impacts. Further discussions are planned with wider staff groups over coming months to further inform the plans for the spaces.

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

## **FINANCE AND RESOURCES COMMITTEE MEETING**

Date of Meeting	5 October 2022
Paper Title	Audit Scotland Report: Scotland's Colleges 2022
Agenda Item	22.49
Paper Number	22.49A
Responsible Officer	Janet Thomson, Vice Principal – Resources and College Development
Status	Disclosable
Action	For Noting

### **1 REPORT PURPOSE**

- 1.1 The purpose of this report is to submit to Committee the recent Audit Scotland report which was published in July 2022 and provides an overview of the Scottish Colleges based on submitted financial information including financial statements and forecasts.

### **2 RECOMMENDATION**

- 2.1 Committee Members are invited to NOTE this paper.

### **3 BACKGROUND**

- 3.1 Audit Scotland prepare an annual review report on the Scottish College sector based on the financial statements of Colleges and any associated information they have available to them. The most recent report was published in July 2022 based on the 2020/21 financial statements and a copy of this report is attached.
- 3.2 The main points highlighted in the Audit Scotland Report for Colleges and summarised on page 2 of the report are as follows:
- i COVID funding contributed to the College sector reporting a healthier than expected financial position for 2020/21. This position is forecast however to deteriorate from 2021/22 and for future years;
  - ii There was a necessary move to online learning through COVID however the success rates of students have fallen which had a bigger proportionate impact on students who are socially disadvantaged or vulnerable; and
  - iii The report states that change is needed to ensure more students are successful and that the College sector is financially sustainable in the

long term. It references the recommendations made by SFC and that the Scottish Government is due to set out the future role of the College and university sectors in 2023.

3.3 In addition to the above, the main points highlighted in the report for College Boards and regional bodies are as follows:

- Colleges are increasingly reliant on public funding
- Challenges of maintaining financial sustainability with the indication in the report that based on the information available to them over half of Colleges are likely to consider reductions in staff;
- Effects on student outcomes from the move to on line learning and fewer positive student destinations
- Climate change priorities will require greater capital investment
- The pace of reform in multi – College regions needs to quicken

#### 4 **RISK ANALYSIS**

4.1 There are financial risks associated with the cost of national bargaining and other cost pressures which are reflected in the College's financial plans.

#### 5 **LEGAL IMPLICATIONS/FINANCIAL IMPLICATIONS/ REGIONAL OUTCOME AGREEMENT IMPLICATIONS**

5.1 The College needs to comply with the legislative and financial frameworks as referred to by Audit Scotland.

#### 6 **HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT**

N/A

# Scotland's colleges 2022



AUDITOR GENERAL 

Prepared by Audit Scotland  
July 2022

# Key messages

- 1** Covid-19 funding contributed to the college sector reporting a healthier than expected financial position in 2020-21. This is forecast to change for the current and next academic years. It will be difficult for Scotland's colleges to balance the delivery of high-quality learning at the volume currently expected and to contribute to other Scottish Government priorities while remaining financially sustainable.
- 2** Colleges have continued to deliver learning in unprecedented circumstances and responded well to the shift to online learning during the Covid-19 pandemic. However, the proportion of students successfully completing their course and achieving their intended qualification has fallen. And on average, socially disadvantaged and vulnerable students were less likely to successfully complete their course than their peers. High rates of student withdrawals may affect the life chances of individual students, impact on wider society, and risk not maximising public investment in the college sector.
- 3** Change is needed to ensure more students are successful and that the college sector is financially sustainable in the long term. Wide-ranging recommendations for change made by the Scottish Funding Council (SFC) in 2021 need to be implemented at the earliest opportunity. The Scottish Government is due to set out the future role of the college and university sectors in 2023, but it is important that the Scottish Government and the SFC support colleges to plan for change now to make best use of available funding.



# Scotland's colleges

## Scotland has 27 colleges across 13 regions

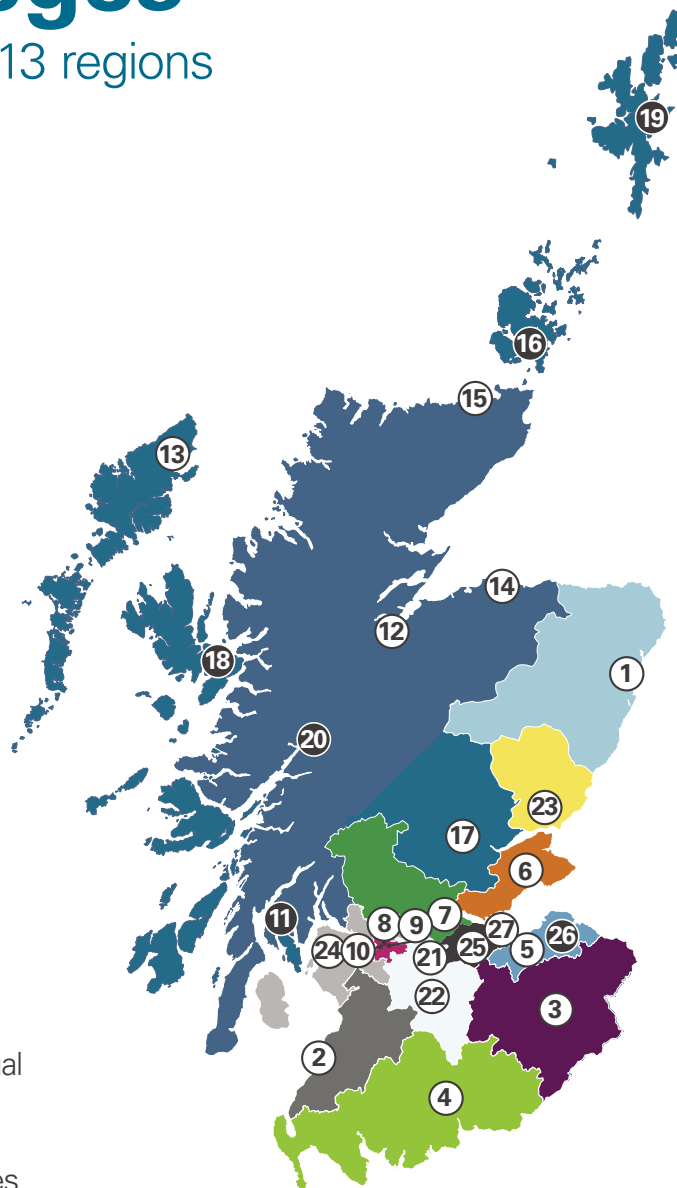
The map shows Scotland's 20 incorporated colleges and six smaller, non-incorporated colleges (in bold). Scotland's Rural College (SRUC) is classed as a higher education institution but counts towards the achievement of the national target for colleges.

Incorporated colleges are classified as public bodies and are subject to audit by the Auditor General for Scotland.

Scotland's colleges offer academic and vocational courses to develop skills and knowledge for work, continued study or general interest. Students can choose to study full-time, day release, evening, block release or on an open learning basis.

Colleges provide both further education (FE) courses – qualifications at [Scottish Credit and Qualifications Framework](#) level 6 and below – and higher education (HE) courses, including Higher National Certificates and Higher National Diplomas.

The Scottish Government sets national policies for learning and provides funding to the Scottish Funding Council (SFC), which is responsible for strategic investment in colleges and universities. The SFC allocates grant funding to college regions and individual colleges not part of a region, and holds them to account for what they deliver. Figures in this report relate to all 27 colleges. Data for the individual colleges is available on Audit Scotland's [learner journey eHub](#).



Region	College
Aberdeen and Aberdeenshire	1 North East Scotland College
Ayrshire	2 Ayrshire College
Borders	3 Borders College
Dumfries and Galloway	4 Dumfries & Galloway College
Edinburgh and Lothians	5 Edinburgh College
Fife	6 Fife College
Central	7 Forth Valley College
Glasgow	8 City of Glasgow College
	9 Glasgow Clyde College
	10 Glasgow Kelvin College
Highlands and Islands	<b>11 Argyll College</b>
	12 Inverness College
	13 Lews Castle College
	14 Moray College
	15 North Highland College
	<b>16 Orkney College</b>
	17 Perth College
	<b>18 Sabhal Mòr Ostaig</b>
	<b>19 Shetland College</b>
	<b>20 West Highland College</b>
Lanarkshire	21 New College Lanarkshire
	22 South Lanarkshire College
Tayside	23 Dundee and Angus College
West	24 West College Scotland
West Lothian	25 West Lothian College
n/a	<b>26 Newbattle Abbey College</b>
n/a	27 SRUC

# Covid-19 funding contributed to a healthier than expected financial position in 2020-21

This is forecast to deteriorate in the current and next academic years, meaning colleges face difficult decisions to ensure they remain financially sustainable

**Income 2020-21**  
**£792 million**

2.3% increase from 2019-20  
Real terms: No change

**Expenditure 2020-21**  
**£840 million**

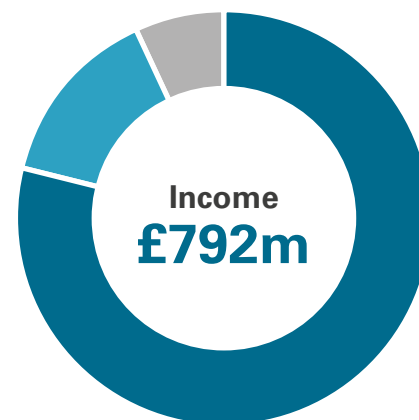
1.4% increase from 2019-20  
Real terms: 0.9% decrease

**Operating position 2020-21**  
**£47 million deficit**

£7m decrease from 2019-20

**Adjusted operating position 2020-21**  
**£20 million surplus**

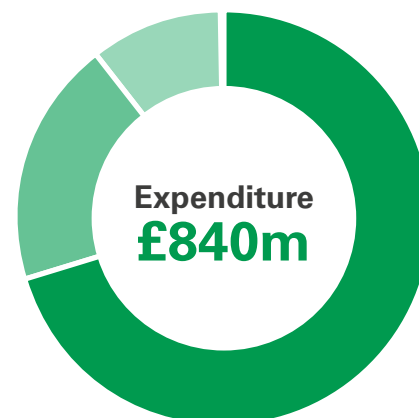
£16m increase from 2019-20  
Three colleges reported an adjusted operating (AOP) deficit in 2020-21. 12 colleges are forecasting AOP deficits in both 2021-22 and 2022-23, reducing to nine colleges in 2023-24.



**Income 2020-21**



● SFC grants	79%
● Tuition fees/education contracts	14%
● Other income	7%



**Expenditure 2020-21**



● Staff costs	71%
● Other operating expenses	19%
● Depreciation/interest	10%

Source: College annual accounts, 2020-21 and [Financial sustainability of colleges and universities in Scotland](#), SFC, March 2022

## Scotland's colleges are increasingly reliant on public funding

**1.** In 2020-21, the [Scottish Funding Council](#) (SFC) provided the college sector with an additional £15 million Covid-related grant. As colleges are not wholly publicly funded, they were eligible to apply for the UK Government's Coronavirus Job Retention Scheme (CJRS). They received £9.9 million of CJRS funding in 2020-21. This resulted in a healthier than expected financial position in 2020-21 and reversed the trend of a growing operating deficit across the sector.

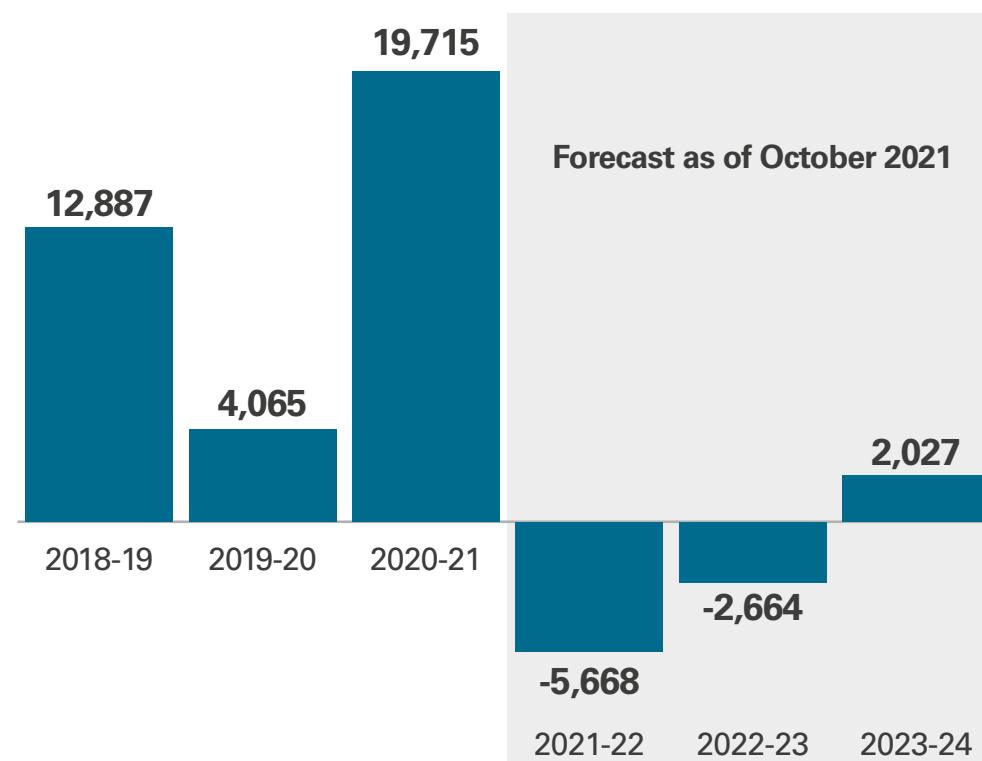
**2.** In contrast to colleges' increased grant funding, other income fell by £9.5 million/14 per cent (£11 million/16 per cent in real terms) mainly due to the loss of commercial income. As a result, incorporated colleges are increasingly reliant on SFC grants. In 2020-21, 79 per cent of colleges' income was from SFC grants, compared to just under 75 per cent in 2017-18.

**3.** As public bodies, incorporated colleges are not permitted to retain reserves. At college reorganisation in April 2014, they transferred any reserves to charitable arm's length foundations (ALFs). Colleges can apply to ALFs for funding for capital and revenue projects and can transfer any surplus to an ALF. Over time ALFs have become a reducing source of income, with most colleges having little or no access to ALF funding. In 2020-21, almost £19 million was held across 14 ALFs. Almost 90 per cent of this was concentrated in five ALFs and almost two-thirds (£12 million) within ALFs of the three Glasgow colleges.

## Colleges' financial position is forecast to deteriorate

**4.** Despite the relatively positive picture for 2020-21, the sector's financial position is forecast to deteriorate. Colleges' latest financial forecasts, from October 2021, predict an adjusted operating deficit for the whole sector in the current and next academic years ([Exhibit 1](#)).

### Exhibit 1. Adjusted operating position, 2018-19 to 2023-24 (£000)



Source: [Financial sustainability of colleges and universities in Scotland](#), SFC, March 2022

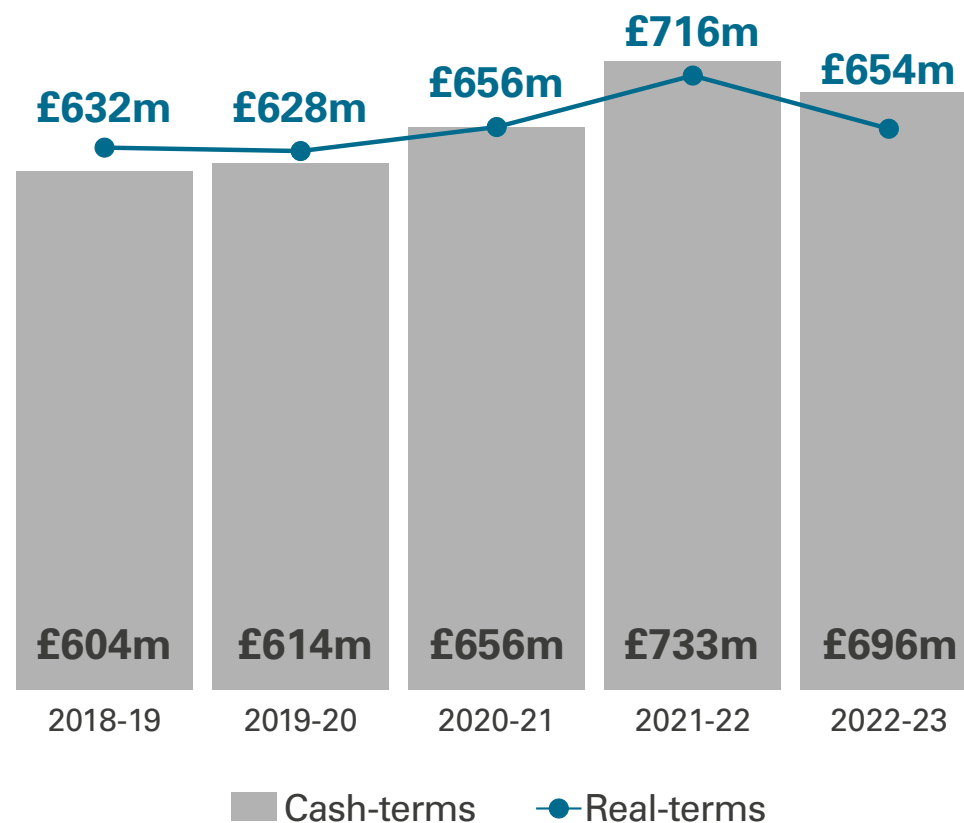
**5.** College sector funding for the upcoming academic year 2022-23 has fallen considerably, down five per cent to £696 million compared with the current academic year (a fall of nine per cent to £654 million in real terms) ([Exhibit 2](#)). Reductions in funding are exacerbated by inflationary pressures and rising costs, putting further stresses on college finances. Colleges spend around 70 per cent of their overall budget on staffing and this is increasing, with increases in employer pension contributions and cost of living pay awards driving up staff costs.

## Colleges face difficult decisions to achieve financial sustainability

**6.** Colleges face a challenge in balancing the delivery of high-quality learning at the volume currently expected with the financial decisions required to remain financially sustainable in the longer term. To balance their budgets, incorporated colleges are striving to increase non-SFC income and reduce costs. Auditors found that around half are considering or likely to consider reducing staff in 2021-22 to deliver savings. This has potential implications for the delivery of learning, student outcomes and the experience of remaining staff. It also heightens the risk of further industrial action within the sector.

**7.** In the context of growing financial challenges and uncertainties, medium-term financial planning based on as much information as possible is more important than ever. In May 2022, the Scottish Government announced its multi-year spending plans up to 2026/27. This shows a flat cash settlement for the SFC over the next four years, equating to an eight per cent reduction in real terms. The multi-year plan confirms that the college sector faces some really challenging years to come.

## Exhibit 2. SFC revenue funding for colleges



Source: College funding allocations, SFC, 2018 to 2022



## Staff

**10,849 staff (FTE)**

**50.8% teaching staff | 49.2% support staff**

Staff numbers fell by 132 (1.2%) in 2020-21

[College Staffing Data 2020-21](#), SFC, March 2022

# The pandemic has had a detrimental impact on learning and student outcomes

The impact has varied across different groups of students, exacerbating existing inequalities



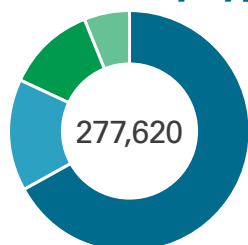
## Students

**213,135 students** (117,914 FTE)

who account for 277,620 enrolments on courses

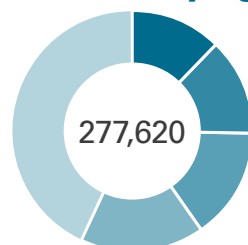
FTE student numbers remain above the Scottish Government's longstanding target of 116,269 FTE. The number of enrolments has continued to fall since peaking at 328,889 in 2018-19.

### Students by type



Part-time FE	67%
Full-time FE	15%
Full-time HE	12%
Part-time HE	6%

### Students by age



under 16	12%
16-17	13%
18-19	15%
20-24	17%
25 & over	43%



## Learning



**1,730,519 credits**

The amount of learning delivered by the sector (measured in credits) has continued to fall since 2017-18. In 2020-21 it was 2% below SFC's national target.



### Successful course completion

**FE Students: 61.3% full-time | 76.3% part-time**  
**HE Students: 72.1% full-time | 81.3% part-time**  
 successfully completed their course.



### Student withdrawals

**Full-time students: 27.7% FE | 17.7% HE**  
 failed to complete their courses.

Withdrawal rates increased in 2020-21 by 6.9 percentage points and 2.8 percentage points respectively from 2019-20.



### Student satisfaction

**Full-time students: 88.6% FE | 80.3% HE**

Student satisfaction is lower than before the Covid-19 pandemic but remains relatively high.

Source: SFC's [Infact database](#) and reports: [College Performance Indicators 2020-21](#) (April 2022); [College Statistics 2020-21](#) (January 2022); [Student Satisfaction and Engagement Survey 2020-21](#) (November 2021); and [College Leaver Destinations 2019-20](#) (October 2021)

## Student outcomes

Figures on students and learning are for 2020-21. In both 2019-20 and 2020-21, some, mainly practical, courses could not be completed due to Covid-19 restrictions and more students deferred their courses.

Rates for students successfully completing their course and achieving a qualification in 2020-21 do not include 13,074 full-time and part-time students who had deferred at least one of their college courses.

The SFC will revise statistics for 2020-21 in future to include the outcomes for students who have deferred their courses beyond 2020-21.

Due to alterations to exam and assessment arrangements during the Covid-19 pandemic, it is not possible to directly compare student success in 2019-20 and 2020-21 with previous years to examine a longer-term trend.



## Fewer students successfully completed their course and achieved a qualification

**8.** Before the pandemic, around one in four full-time further education (FE) students (24.7 per cent) failed to complete their college course. The proportion of students withdrawing from courses fell in 2019-20, to around one in five full-time FE students (20.8 per cent). Withdrawal rates increased noticeably in 2020-21 (to 27.7 per cent), with fewer full-time FE students successfully completing their course and achieving their intended qualification than before the pandemic. The destination of students not successfully completing their courses is not monitored, but the pathways they take and the impact on their life chances will vary. For example, some students may leave college early to enter employment, others may decide to pursue further education elsewhere,

and others may face unemployment. High rates of student withdrawals present a risk to the life chances of individual students and also to value for money, if public investment in colleges is not maximising the potential benefits for students or society more widely.

**9.** The reasons behind students not completing college courses will be wide and varied. Surveys by [NUS Scotland](#) and the [Scottish Government](#) of college and university students suggest that student poverty could be a contributing factor. The NUS has stated that around two-thirds of students have experienced mental ill health as a result of financial pressures and a third have considered dropping out of their course due to financial difficulties. Many colleges have highlighted that they are actively working to better support students in addressing poverty and mental health challenges ([Case study 1](#)).

## Case study 1. College support for students

### Food poverty



Several colleges provide free hot breakfasts and/or lunches to students. This provides an incentive for students to attend college, ensures that no one goes through the day hungry and helps with student mental health and wellbeing.

### Mental health support



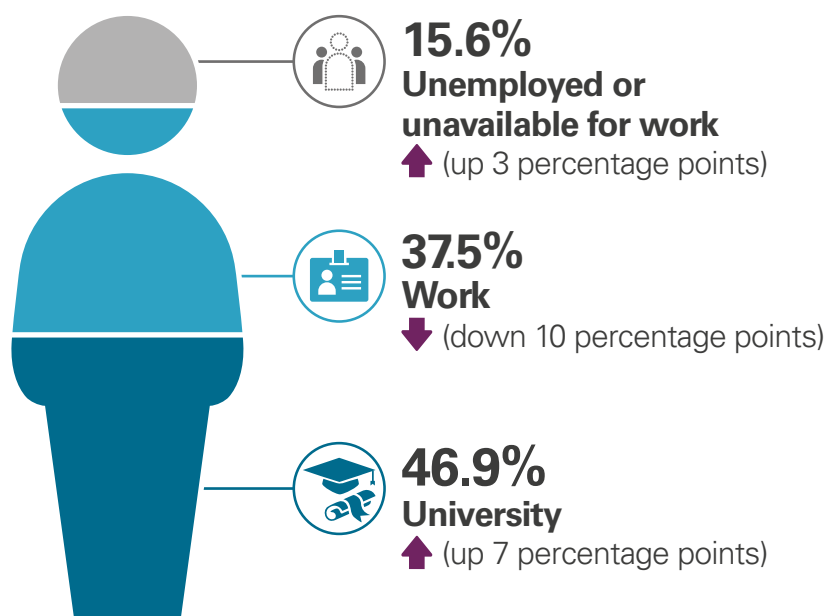
Most colleges introduced or expanded their mental health support for both students and staff during the Covid-19 pandemic. New developments introduced by colleges include an in-house mental health service and mental health counsellors; compulsory mental health training for managers; and specific spaces created for staff and students to allow quiet contemplation or to talk about issues affecting their mental health.



## Fewer college leavers went on to a positive destination after leaving college

**10.** In 2019-20, 84.4 per cent of full-time college leavers went on to positive destinations (down 3.4 percentage points from 2018-19) ([Exhibit 3](#)). For FE students, 74.5 per cent moved into a positive destination, compared to 90.3 per cent of HE college leavers. Fewer college leavers went into work but more went to university.

### Exhibit 3. College leaver destinations



Source: [College Leaver Destinations 2019-20](#), SFC, October 2021

## Covid exacerbated existing inequalities among students

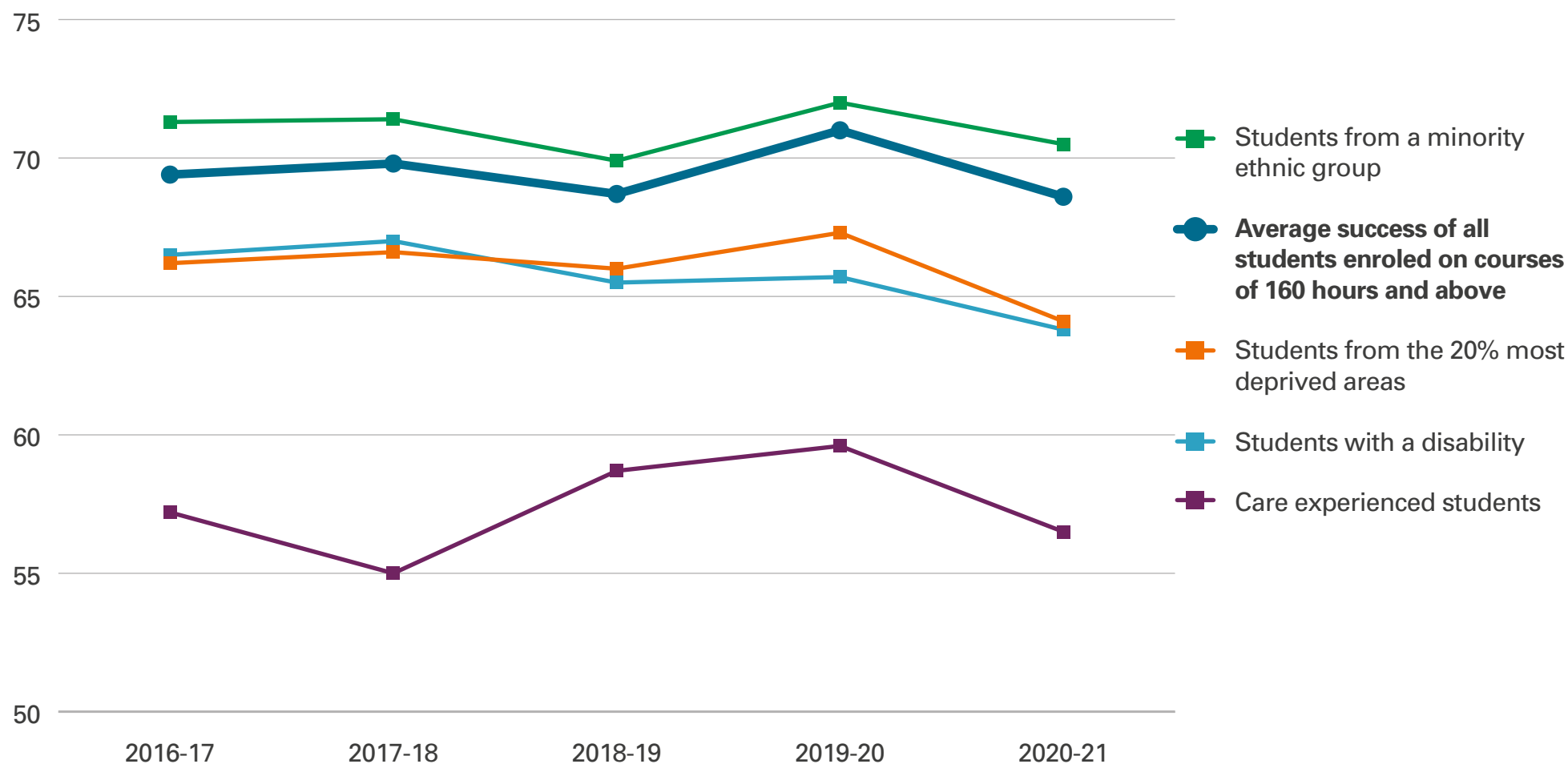
**11.** On average, just over two-thirds of students (68.6 per cent) successfully completed their course in 2020-21 ([Exhibit 4, page 10](#)). In comparison, just over half (56.5 per cent) of students who have been in care, and less than two-thirds of students from the most deprived background (64.1 per cent) or with a disability (63.8 per cent) successfully completed their course. The [SFC](#) highlights that these students are also less likely to go on to a positive destination than their peers after leaving college.

**12.** The [Commissioner for Fair Access](#) has highlighted that students from the most deprived backgrounds have been hardest hit by the impact of the Covid-19 pandemic, experiencing digital poverty, financial hardship and worse mental health. Acknowledging that progress towards fair access continued in 2020-21, the [Commissioner](#) warned that the full impact of disrupted learning due to the pandemic may become apparent in future years and the cost-of-living crisis will affect those who are disadvantaged hardest. The [Scottish Government](#) has also reported that the disruption to learning during the pandemic is likely to have adversely affected the most socially disadvantaged and vulnerable students. It also had a significant impact on those studying vocational and practical courses, with a potential knock-on effect on the pipeline of skills needed in the economy.

**13.** The SFC and colleges are committed to widening access to learning and to tackling all forms of inequality and promoting diversity among students. Colleges are demonstrating this commitment in some positive practical ways ([Case study 2, page 11](#)).

## Exhibit 4.

### Success rates (the proportion of students successfully completing their course) by characteristic group



Note: Average figures include all enrolments on recognised courses of 160 hours and above.

Source: [College Performance Indicators 2020-21](#), SFC, 2018 to 2022



## Case study 2.

### College initiatives to support inclusion

#### Rockpool podcasts – Ayrshire College

Rockpool Podcasts started during the period of Covid-19 restrictions to give music and sound production students a creative outlet in a blended learning environment. The podcasts feature a mix of interviews, special guests, stand-alone episodes and themed episodes. They have provided a platform to discuss several equality related issues, such as race, LGBT+ inclusion, mental health, women's rights and gender-based violence. The college reports that the podcasts are helping to mainstream equality, diversity and inclusiveness throughout the college community and beyond. They have around 1,300 listeners per week and are reaching audiences in 36 countries.

[Listen to Rockpool podcasts](#)



#### Neurodiversity in cybersecurity project – Fife College

The Neurodiversity in cybersecurity project was developed in response to Skills Development Scotland identifying a gap in support for neurodivergent students. Evidence suggests that people who are neurodivergent, in particular those with autism, are likely to have the aptitudes needed for cybersecurity roles. A fund was created to help run a short course on digital forensics and protecting computer systems and networks from information disclosure. The course was delivered by Fife College lecturers to a group of S3 pupils from Levenmouth Academy. The project also included the creation of an awareness training module with support from Autism Network Scotland. The college plans to extend it to other schools across Fife.



## Remote learning presented benefits and challenges for college staff and students

**14.** A significant feature of the Covid-19 pandemic was a shift to online learning. In June 2021, Her Majesty's (HM) Inspectors from Education Scotland reported that Scotland's colleges developed [remote learning](#) 'well and at pace' and in a number of [practical ways](#). The [Scottish Government](#) reported that remote learning brought a number of benefits, including flexibility for students in when, where and how frequently they accessed learning. Education Scotland's HM Inspectors highlight that remote learning has benefited learners who manage other responsibilities alongside their studies, such as caring for others, home schooling or work commitments. A [SFC survey](#) shows that students were fairly satisfied with online resources and communication about changes to their courses during the pandemic.

**15.** Remote learning also brought numerous challenges to college staff and students. For colleges, this included quickly providing digital equipment and access, developing digital skills, assessing the quality of remote learning, and supporting the wellbeing and mental health of staff and learners from a distance. Education Scotland's HM Inspectors found that digital poverty (including lack of access to IT equipment, the internet or a quiet space to work) and poor connectivity impacted on some learners' ability to engage with remote learning. Younger learners and students with additional support needs or poor mental health found engaging in remote learning challenging. This has been particularly evident in programmes that consist of large elements of practical work. Colleges report that remote learning was most effective in theory-based subjects and at an advanced level, and that overall learner engagement has been less positive on FE programmes in comparison to HE courses. Reduced face-to-face learning also impacted on opportunities for students to develop essential social skills. Over the past two academic years, the SFC has provided colleges with £5.7 million of dedicated funding to tackle digital poverty and support digital learning. It is providing a further £2.9 million in 2022-23.

# Change is needed within the college sector to improve outcomes and financial sustainability

The college sector needs clear strategic direction for the short and longer term

## Wide-ranging recommendations for change need to be implemented at the earliest opportunity

**16.** As we have reported in previous years, colleges were facing a number of challenges prior to the Covid-19 pandemic. These included ensuring long-term financial sustainability, reducing the proportion of students who do not complete their courses, increasing student success and closing the attainment gap for more disadvantaged students. Responding to these challenges, while continuing to deliver high-quality learning and contributing effectively to the delivery of wider Scottish Government priorities, may prove even more difficult in a post-Covid environment with increasingly challenging financial settlements for colleges.

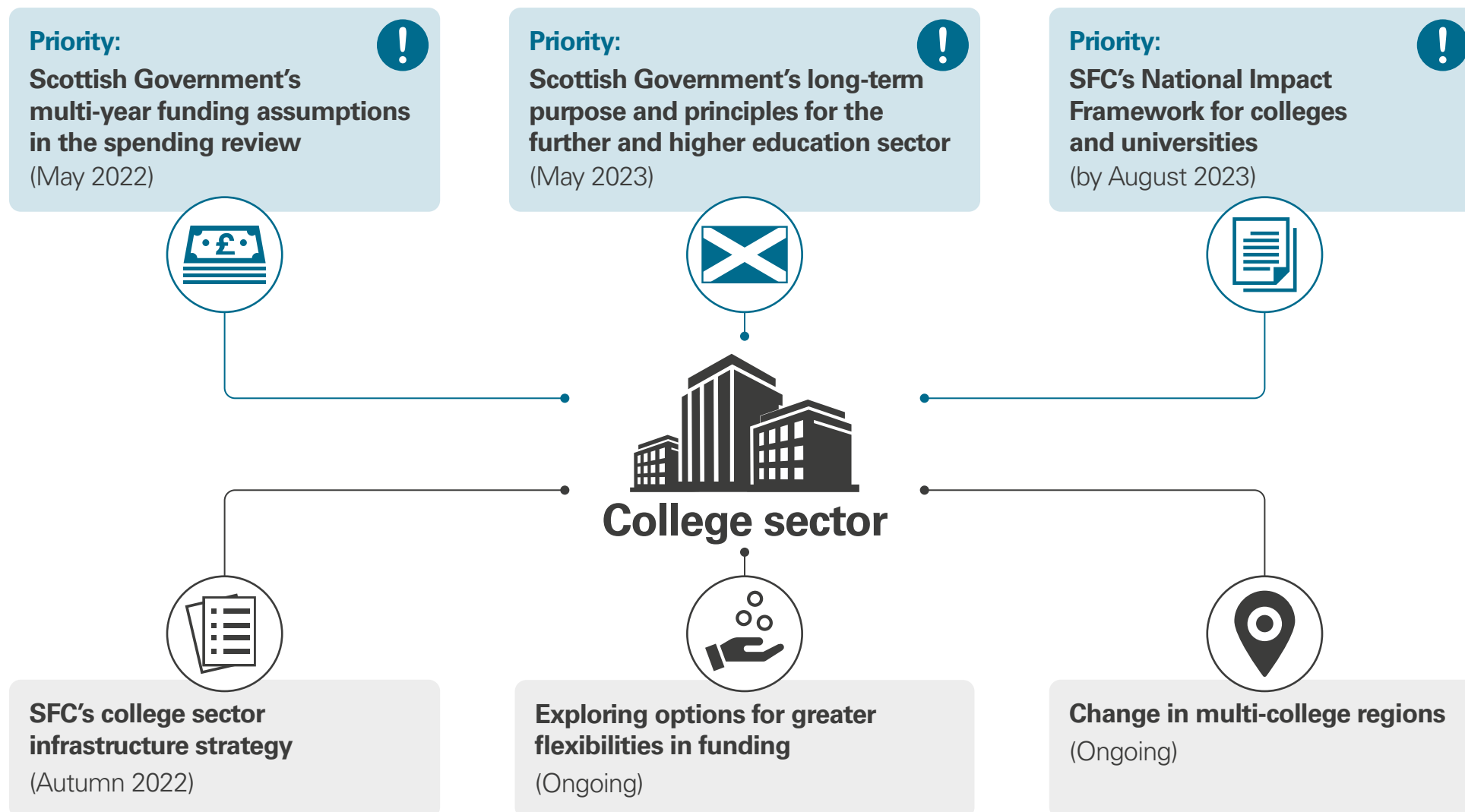
**17.** In June 2020, in response to the Covid-19 pandemic, the Scottish Government commissioned the SFC to carry out a review of the provision and sustainability of further and higher education and research across Scotland (the SFC review). The SFC's [final report](#) from this review, published in June 2021, is wide-ranging and includes over 50 recommendations aimed at securing coherent, good-quality, sustainable tertiary education and research. In October 2021, the Scottish Government [broadly accepted](#) the SFC's recommendations.

**18.** The Scottish Government and the SFC are starting to take forward the recommendations in the SFC review. They have prioritised a range of work, including publishing multi-year funding assumptions, setting out the future role for the college, university, skills and research system (known as the 'purpose and principles') and developing a new National Impact Framework, which is intended to clarify the outcomes expected from colleges and universities and how they will be assessed ([Exhibit 5, page 13](#)).

**19.** It is critical that changes in the college sector address the immediate financial sustainability challenges facing colleges and maximise opportunities for students. The recommendations from the SFC review need to be implemented at the earliest opportunity. It is important that the Scottish Government and the SFC consider how best to support colleges to prepare and plan for change now, ahead of the longer-term role of the sector being set out in 2023. This should include supporting colleges to develop realistic medium-term financial plans and forecasts to help mitigate immediate risks to their financial sustainability.

## Exhibit 5.

### The college sector is facing a period of change



Source: Audit Scotland

## The Scottish Government and the SFC need to provide clarity to support long-term plans for improvement

**20.** To support colleges in planning for and implementing proposed changes over the longer term, the Scottish Government and the SFC need to clarify expectations and priorities for the sector for the medium and long term, and the funding available to deliver them. In doing this, it will be important for:

- the Scottish Government's 'purpose and principles' and the SFC's National Impact Framework to set out clear and consistent expectations for the sector. These should reflect relevant objectives and outcomes in the [National Performance Framework](#) and other national strategies and plans (such as addressing inequality and disadvantage, developing a skilled workforce and securing a just transition to carbon net zero, which are priorities in the [National Strategy for Economic Transformation](#)).
- the SFC, in partnership with the college sector and Scottish Government, to determine the most appropriate model for funding colleges, and the targets underpinning it, that will allow colleges to deliver national policies and priorities and contribute to their long-term financial sustainability.
- the Scottish Government and the SFC to determine the evidence needed to demonstrate how the implementation of specific changes will contribute to a more sustainable college sector and improved outcomes for students and the economy, and the SFC to ensure information is available to monitor and measure performance and progress.
- the Scottish Government and the SFC to ensure that any future changes to governance, accountability, roles and responsibilities are clear and fully understood by key stakeholders.

## Climate change priorities will require greater capital investment

**21.** Capital funding from the Scottish Government/SFC has consistently fallen short of the level needed for both regular lifecycle maintenance of the college estate and to address the level of backlog maintenance identified in a [SFC condition survey](#) in 2017 ([Exhibit 6, page 16](#)). As such, maintenance needs have grown over time and pose a risk to colleges' ability to maintain the suitability and safety of their buildings. The Scottish Government did not announce any additional capital funding in its multi-year spending review in May 2022.

**22.** In [Scotland's Colleges 2019](#) we recommended that the SFC and Scottish Government agree and publish a medium-term capital investment strategy that sets out sector-wide priorities. Progress in developing an infrastructure strategy for the sector has been impacted by the Covid-19 pandemic and remains slow, but it is due for publication in autumn 2022. It is important that the strategy recognises the role of colleges in responding to climate change.

**23.** In February 2021, the college sector published its [commitment to tackling the climate emergency](#), including an ambition to achieve net zero by 2040, five years earlier than the national target of 2045. Individual colleges are taking a range of actions to reduce their environmental impact, but achieving net zero will require large and sustained capital investment in the sector over time ([Case study 3](#)).

## Case study 3. College activity to tackle climate change

### Renewable training centres

In June 2021, nine new **Renewable and Energy Efficiency Training Centres for Scotland** were launched within Scotland's colleges. These are funded by Scottish Power Energy Networks' £20 million Green Economy Fund. Relevant colleges will be at the forefront of training and upskilling for the future renewables and energy efficiency workforce in Scotland to accelerate the just transition to carbon net zero by 2045.



### Climate action roadmap for colleges

The Climate Commission for UK Higher and Further Education developed a **road map** to help colleges reach the net zero target. The road map is intended to be used by college principals and their leadership teams, students, and other members of the college community to explain their approach to reaching net zero emissions.



## Exhibit 6.

Since 2018-19, college capital funding has fallen £321m short of the amount required for lifecycle and backlog maintenance



### Backlog maintenance

**£93m**  
funding  
provided  
(26%)

↓ **£270m shortfall**

Requirement:  
**£363m**  
over 5 years  
(to 2022-23)



### Lifecycle maintenance

**£59m**  
funding  
provided  
(54%)

↓  
**£51m  
shortfall**

Requirement:  
**£110m**  
over 5 years (to 2022-23)

Source: College funding allocations, SFC, 2018 to 2022

## The pace of reform in multi-college regions needs to quicken

**24.** In [Scotland's colleges 2018](#) we recommended that the Scottish Government and the SFC assess and report publicly on the extent to which the regional strategic boards (RSBs) are meeting the aims of regionalisation in multi-college regions. The SFC reviewed the three multi-college RSBs and in October 2020 [recommended](#) that the Lanarkshire Board be dissolved, Glasgow consider other organisational options, and the University of the Highlands and Islands (UHI) consider consolidation and possible mergers. In October 2021, the [Scottish Government](#) endorsed these recommendations. Almost two years since the SFC made its recommendations, changes are still to be implemented. To date:

- The intention remains to dissolve the Lanarkshire RSB, with both colleges managing themselves as separate regional entities. A timetable for this is still to be agreed.
- Three colleges assigned to UHI – Lews Castle College and North Highland College (both incorporated) and West Highland College (non-incorporated) – are considering a merger (from 2023 at the earliest). Several other larger colleges in the UHI region are facing significant financial challenges, which this proposed merger will not address. Wider-ranging changes to the regional college structure may be needed to address the financial risks facing the other incorporated colleges.
- Glasgow Colleges' Regional Board (GCRB) and its three assigned colleges are exploring other organisational options but are finding it difficult to reach agreement on a way forward. GCRB needs to address this with a sense of urgency.

**25.** The significant challenges presented by the Covid-19 pandemic have inevitably impacted on progress towards implementing the SFC's recommendations for multi-college regions. RSBs now need to return to addressing these recommendations with a sense of urgency. The current inquiry by the Scottish Parliament's [Education, Children and Young People Committee](#) into what has been learned from college regionalisation will be an important source of evidence to help inform future change.

## We will continue to monitor changes in the college sector

**26.** We report annually on the audits of Scotland's 20 incorporated colleges and will continue to monitor developments across the college sector. Given the range and timing of proposed changes in the sector, we will consider the most appropriate point to report on their impact on the sector.

# Scotland's colleges 2022

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## Finance & Resources Committee Schedule of Work 2022/23

<b>STANDING ITEMS</b>
<b>For Discussion/Decision</b>
Key Performance Indicators
Estates, Capital Expenditure & Masterplan Update
Commercial & External Funding Update Outturn 2022/23 and Plan 2023/24
Restructure Update (if required)
<b>For information/Noting</b>
Procurement Update
Glasgow Clyde Education Foundation Update
College Strategic Risk Register – Financial Risks
Any relevant SFC or other publications
Committee Remit and Schedule of Work
<b>5 OCTOBER 2022</b>
<b>For Discussion/Decision</b>
Draft Primary Financial Statements for y/e 31 July 2022
2022/23 Budget Update
Update on Draft Five Year Plan
2022/23 SFC Financial Forecast Return ( <i>depends on SFC timescales</i> )
<b>30 NOVEMBER 2022</b>
<b>For Discussion/Decision</b>
Draft Financial Statements for Year ended 31 July 2022
Financial Report – Year to October 2022 and Forecast to July 2023
College Financial Regulations
Tuition Fee Approval
<b>15 MARCH 2023</b>
<b>For Discussion/Decision</b>
Financial Report – Year to January 2023 and Forecast to July 2023
SFC Indicative Funding Allocation for 2023-24
Update on Draft Five Year Plan
<b>7 June 2023</b>
<b>For Discussion/Decision</b>
Financial Report – Year to April 23 and Forecast to July 2023
Draft Revenue Budget for 2023-24
Financial Forecast Return