

**NOTES OF THE MEETING OF THE FINANCE AND RESOURCES COMMITTEE,
HELD ON 30 NOVEMBER 2022 AT 4.30PM.**

The meeting was held remotely.

PRESENT:

D Newall	Chair
W French	Committee Member
A Chaudhry	Committee Member (from 5:15 onwards)
L Paterson	Committee Member
J Vincent	Committee Member

IN ATTENDANCE:

J Thomson	Vice Principal, Resources & College Development
T Elliott	Assistant Principal, Finance & Infrastructure
D McDougall	Assistant Principal, International and Business Development (for Item 22.60)
K Mavor	Clerk to the Board (Minute Taker)

ACTION

22.52 WELCOME AND APOLOGIES

The Chair welcomed everyone to the meeting and noted there were no apologies.

22.53 DECLARATIONS OF INTEREST

There were no declarations of interest.

**22.54 MINUTES OF THE FINANCE AND RESOURCES COMMITTEE
MEETING HELD ON 5 OCTOBER 2022**

The draft Minute was approved as an accurate record of the meeting held on 5 October 2022.

22.55 MATTERS ARISING GRID

The Committee noted that all the actions on the grid were complete or on the agenda.

**22.56 DRAFT FINANCIAL STATEMENTS FOR YEAR ENDED 31 JULY
2022**

T Elliott presented this paper and provided an overview of the Financial Statements for year ended 31 July 2022. The year-end audit of the draft financial statements has been completed and the related auditor's report outlines an unqualified opinion in respect of the financial statements

For the twelve-month period from August 2021 to July 2022, the College is reporting a deficit of £3,873k. Actuarial gains on Defined Benefit Pension Plans for the period were £35,647k and there was an unrealised surplus of £2,685k on Revaluation of Land and Buildings.

ACTION

Therefore, the Total Comprehensive Income for the period is reported as £34,459k.

After adjusting for non-cash items that are outside the control of the College, such as pensions and net depreciation, the adjusted operating position for 2021/22 is a surplus of £786k, the equivalent of 1.5% of total income.

TE

T Elliott referred the Committee to the change in the pension position and advised that the Audit Committee had paid particular attention to this aspect of the Financial Statements. It was agreed that copies of the detailed Actuary Report papers provided to the Audit Committee should be shared with the Committee.

T Elliott detailed the information considered by the Audit Committee, including discussions with both the external auditor and the actuaries, before it reached the position that the pension asset should be recognised. The Committee was reassured by the steps taken by the Audit Committee and accepted the position that the pension asset should be recognised. However, it was noted by the Committee that the accounts may suggest to external stakeholders, who may not read the finer detail, that the financial position of the College is stronger than it actually is.

After considering each section of the financial statements the Committee agreed that they should be submitted to the Board for approval. Also, the Committee recognised and welcomed the improved cash reserves position and passed on its thanks to T Elliott and the College Finance Team for all their work in reaching this point.

TE

Following a recommendation from the external auditors, it was agreed that an updated narrative setting out the College's policy approach to cash reserves should be circulated to the Committee. It was appropriate to review the College's policy on cash reserves given the College has been able to improve on the previous 15-day baseline.

22.57 FINANCIAL REPORT TO OCTOBER 2022 AND FORECAST TO JULY 2023

T Elliott spoke to the Report and the Appendices, which provided an update on the financial position and cash position of the College for the three-month period to October 2022 and the Forecast Outturn to July 2023

It was noted that the Board approved the 2022/23 budget deficit of £478k on the basis that the College's management would seek to make further savings and reduce the scale of the budget deficit.

The Committee noted that forecast outturn position for 2022/23 has improved against the budgeted position with a forecast adjusted

operating deficit of £205K compared to a budgeted adjusted operating deficit of £478k.

The Committee welcomed the improved forecast adjusted operating deficit of £205K but recognised that the support from GCEF had ensured a healthier financial position than what is likely to be the position in the long term. The Principal assured the Committee that the scale of the financial challenges ahead was understood and the College remained committed to taking all possible action to reduce costs and improve the College's financial position.

22.58 SAVINGS PLAN REPORT – STAFF COSTS AND NON STAFF COSTS

J Thomson presented this report. This additional report was requested by the Committee after the Board approved a Revenue Budget for 2022/23 with an adjusted operating deficit of £478k. The Committee wished to closely monitor the impact of cost savings measures particularly in relation to staff costs.

J Thomson confirmed that a report on financial stability will also be submitted to the December Board meeting.

The Committee thanked J Thomson for the report setting out the target savings from staff cost measures. It was agreed that whilst it was useful to see the likely target savings the Committee would like to reach the position where actual savings are being reported and monitored. The Committee agreed that this style of report was useful and should be provided at each meeting.

22.59 CAPITAL EXPENDITURE, ESTATES AND MASTERPLAN UPDATE

J Thomson spoke to this report providing a summary of the main current estates matters and an update on the capital projects progress against plan for 2022/23 and 2023/24. The College's capital funding allocation for 2022/23 is £3,036K of capital allocation which is split into £946K lifecycle maintenance and £2,089K of high priority maintenance.

J Thomson drew the Committee's attention to two projects that have significant increased budget costs (i) Cardonald campus lifts and (ii) Anniesland render repairs. The increases are due to the review of scope and design.

The Committee emphasised the importance of completing as much of the scheduled work as possible by end of March 2023 and was reassured by the regular progress meetings with Doig Smith. It was agreed that a paper on the Learning Spaces project should be added to the Board agenda for March.

KM/JT

22.60 COMMERCIAL AND EXTERNAL FUNDING UPDATE

ACTION

D McDougall spoke to the report which provided the Committee with an update on commercial and external funded activity to 31 October 2022 with forecasts to the end of July 2023. The initial budget set is to achieve £2.25M in commercial income and £750k commercial income from the Flexible Workforce Development Fund.

D McDougall advised the Committee that the current actual total commercial income to 31 October 2022 is £1,034K and there is £152k in the pipeline.

The Committee was reassured to hear that the recent restructure of the Commercial Team should ensure a focussed approach to securing pipeline work. Overall, D McDougall reported that, based on current figures, he is optimistic the 2022/23 targets will be met.

The Committee thanked D McDougall for his report detailing other opportunities available to the College and noted he was optimistic of reaching the ambitious target set for commercial and externally funded activity.

22.61 KEY PERFORMANCE INDICATORS

J Thomson spoke to the KPI Report. The Committee noted that no red areas were reported but the following areas were classified as amber (i) percentage delivery against SFC targets (ii) number of modern apprenticeships starts (where the College is the managing agent) and (iii) sustainability related indicators including the number of printed copies.

It was agreed that the KPI paper should be discussed in more detail at the March meeting where it should be one of the first items discussed.

KM

22.62 TUITION FEE UPDATE.

The Committee has delegated authority from the Board to approve the 2022/23 Tuition Fee Schedule. The Committee noted the slight increase in fees for part time students and approved the 2023/24 Tuition Fee Schedule.

22.63 PROCUREMENT UPDATE

The Committee approved the updated Procurement Strategy subject to the section referring to SFC's strategic aims being reviewed prior to publication.

TE

The Committee noted the Procurement Update.

22.64 GLASGOW CLYDE EDUCATION FOUNDATION UPDATE

The Committee noted the Report on GCEF projects as at end of November 2022.

22.65 COLLEGE STRATEGIC RISK REGISTER

ACTION

The Committee noted the Report.

22.66 SCHEDULE OF WORK AND REMIT

The Committee noted the schedule of upcoming agenda items for 2022-23 and agreed that no changes were required to the Committee's current remit.

22.67 ANY OTHER BUSINESS

There was no other business.

DATE OF NEXT MEETING

15 March 2023