

FINANCE AND RESOURCES COMMITTEE

**Wednesday 26 September 2018
The Boardroom, Langside Campus**

FINANCE AND RESOURCES COMMITTEE

The nineteenth meeting of the Finance and Resources Committee will be held on Wednesday 26 September 2018 at 4.30 pm in The Boardroom, Langside Campus.

A G E N D A

- | | | | |
|--------------|--------------------------|--|----------|
| 18.36 | Welcome and Apologies | | R Fraser |
| 18.37 | Declarations of Interest | | R Fraser |

Minutes of Previous Meeting

- | | | | |
|--------------|---|---|----------|
| 18.38 | Minutes of the Finance and Resources Committee of the 30 May 2018 | P | R Fraser |
| 18.39 | Matters Arising Action Grid | P | R Fraser |

Items for Discussion

- | | | | |
|--------------|--|---|-------------|
| 18.40 | Remit of Committee (final) | P | R Fraser |
| 18.41 | Draft Primary Financial Statements | P | T Elliott |
| 18.42 | 2018/19 Cash Flow Forecast | P | T Elliott |
| 18.43 | Capital Expenditure & Masterplan Update | P | J Thomson |
| 18.44 | Commercial & External Funding Update | P | D McDougall |
| 18.45 | Estates Update | P | J Thomson |
| 18.46 | Letter to Principals from Scottish Funding Council | P | |

Items for Noting

- | | | | |
|--------------|---|---|-----------|
| 18.47 | Procurement Update | P | T Elliott |
| 18.48 | Student Support funds Report | P | T Elliott |
| 18.49 | Glasgow Clyde Education Foundation update | P | J Thomson |

Continual Improvement

- | | | | |
|--------------|---|--|----------|
| 18.50 | Equalities Impact Assessment on Decisions Made | | R Fraser |
| 18.51 | Review of Papers (including Disclosable Status) | | All |
| 18.52 | Any Other Business | | R Fraser |

Date of next meeting Wednesday, 5th December 2018
at 4.30pm, the Boardroom, Langside Campus.

NOTES OF THE NINETEENTH MEETING OF THE FINANCE AND RESOURCES COMMITTEE, HELD ON 30 MAY 2018, AT 4.30PM IN SEMINAR ROOM 4, CARDONALD CAMPUS, GLASGOW CLYDE COLLEGE

PRESENT:

R Fraser	Committee Chair
D Newall	Committee Member
J Vincent	Principal/Committee Member
S Henson	Committee Member
K Gasiorowska	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
G Heritage	Clerk to the Board (minute taker)

ACTION

18.18 WELCOME AND APOLOGIES

R Fraser welcomed everyone to the meeting. There were no apologies.

18.19 DECLARATIONS OF INTEREST

There were no declarations of interest.

18.20 MINUTES OF THE MEETING HELD ON 29 NOVEMBER 2017

Due to adverse weather on 28 February, this is the first meeting of the Committee since 29 November 2017. **GH**

A Committee member queried a sentence relating to the possibility of GCC donating to GCEF. After brief discussion it was agreed to remove this sentence.

The Minutes were approved as an accurate record of the previous meeting.

18.21 MATTERS ARISING

Progress was noted on all of the matters arising. Actions from November 2017 have been completed or superseded.

18.22 REMIT OF THE COMMITTEE

Proposed amendments from the last meeting were discussed. Clerk to make these amendments and circulate a revised Remit. **GH**

For financial chronological accuracy the following agenda items were taken in the order shown

18.25 FINANCIAL REPORT TO APRIL 18 AND FORECAST TO JULY 2018 INCLUDING CASHFLOW

T Elliott was invited to speak to the report issued with the agenda papers.

T Elliott gave details on the budget and variances to date and forecast. She informed the Committee that SFC Student Funding was now available, removing the predicted £130,000 adverse variance. A break-even position was therefore now anticipated for the year-end. This was reflected in an updated forecast that will be provided to the Board of Management and was also circulated to the Committee.

T Elliott explained the adverse and favourable variances and where offsets or risks occurred, some of which can be due to timing issues. Other risks related to salaries are a sector wide risk due to the potential outcomes of National Bargaining and pay awards.

J Vincent explained that a Voluntary Severance scheme proposal will go the Board of Management to utilise the restricted SFC funding held and which requires to be used by December 2018.

A Committee member queried the feasibility should the College wish to make a donation to GCEF.

T Elliott outlined options including if funds are not yet utilised, the possibility of re-phasing expenditure and that if GCC wished to donate the 'window' for this is in March.

After discussion the Committee agreed that this item should be discussed in January 2019, thus enabling any donation to GCEF to be made in March of that year.

A further discussion ensued around National Bargaining, what awards might be agreed and the estimates that Finance Officers have made. The Committee agreed the risks could be significant and impacted on all Colleges

18.24 DRAFT REVENUE BUDGET for 2018/19

T Elliott took the Committee through the detail of the draft budget for 2018/19. It was confirmed that allocations have now been advised by SFC and these will be reported to the Board of Management. The budget was for an overall break-even position, which included a contingency provision of £600,000.

The chair queried the absence of a carry forward figure from 2017/18 and was advised this was not usually included until the full budget is drawn up; this was an initial draft. After brief discussion it was agreed this can be included in earlier drafts in future.

The Committee discussed Voluntary Severance Scheme and options. The Committee accepted that the SFC allocation may be less than desired, and agreed that voluntary severance expenditure could exceed the £124,000 funded by SFC if the

TE

additional spend could be recovered through in-year salary savings.

D McDougall gave further detail on the estimated commercial activity and external income and agreed that, given GCC ambition to grow these areas, the estimates could potentially be revised upwards.

T Elliott gave further detail on utility costs, which were projected to rise by 14%, and advised that the Scottish Government expects efficiencies in operating costs of 3% per year to be made.

J Vincent underlined the serious issue of the need for increased efficiencies exacerbated by reducing funding levels, increasing costs, and potential pay awards impacting on financial sustainability. The committee discussed these points and noted the challenges

J Vincent also asked the Committee to note a new risk relating to two Employment Tribunal claims which had recently been lodged against GCC.

18.23 DRAFT FIVE YEAR FINANCIAL PLAN

T Elliott spoke to the Five Year Plan issued with the agenda papers.

She reiterated that the financial position deteriorates over the five year lifespan, largely because increases are anticipated in salary costs, while government grant is not forecast to increase. The Committee agreed that reasonable assumptions had been made in the Plan, and that it was important to reflect this realistic picture in the figures provided to GCRB and SFC.

T Elliott gave further details of the Plan emphasising that given the number of unknowns especially relating to future staff costs, this Plan could well change.

T Elliott confirmed that at this stage approval was not being sought for this early version.

A full Plan will be produced for this Committee and the Board later in the year.

Having discussed the Report, the Committee thanked T Elliott for her update.

18.26 CAPITAL EXPENDITURE & CAPITAL MASTERPLAN UPDATE

J Thomson was invited to speak to the papers issued with the Agenda.

J Thomson updated the Committee on progress against the 2017/18 Plan and circulated a copy of the updated Plan for 2017/18 to 2020/21.

In response to a query about the longer term master plan and progressing items from the condition survey J Thomson said that tenders were currently being sought to undertake consultancy work on options for the Cardonald campus.

ACTION

Depending on how soon this work is completed, it may be possible to have a paper in time for the October Board. It was noted that the updated master plan will include spending plans for all campuses.

J Vincent confirmed that GCRB are keen to see updated Estates Plans from the Colleges to ensure there are plans available for any opportunity which may arise.

The five year plan captures the priority areas identified. Should these proceed then other areas can be included for future funding.

The Chair enquired about aspirational work and the need to ensure there are always a higher number of 'asks' available should funds be identified. The Chair expressed the view that the plan lacked aspiration and should be expanded.

The Committee briefly discussed funding possibilities which could enable further works to be carried out.

18.27 COMMERCIAL AND EXTERNAL FUNDING UPDATE

D McDougall was invited to speak to the Report issued with the Agenda.

D McDougall took the Committee through the report highlighting the workstreams and timescales for the projects mentioned.

The Committee were asked to note a potential risk of clawback by Glasgow Caledonian University of £94,000 in respect of a payment for student fees which the University believed it had made in error. The Committee discussed how this arose and was calculated. The matter is being discussed with the University, and at this time the outcome is not known.

Interrogating the figures for project costs, a Committee member asked about the calculations. These were explained by D McDougall based on Full Cost Recovery (FCR) and therefore contributing to existing staff time and all resource implications. D McDougall explained the differences between the various workstreams and the manner in which they are funded. The business portfolio is a mix of commercial contracts and projects funded by earmarked public funds. D McDougall confirmed the ambition to grow and develop business income.

The Committee discussed the income and funding streams and how this relates to the figures shown in the budget detail where two or more streams may be combined to give an overall figure. T Elliott confirmed that these could be disaggregated to clarify the different income levels.

The Committee thanked D McDougall for the update.

18.28 ESTATES UPDATE

J Thomson was invited to speak to the report issued with the agenda.

J Thomson took the Committee through the detailed paper giving information and background to the paper presented.

A short discussion ensued concerning the lifts, some of which had been out of service, and issues with the contractor.

Langside Residencies: GCC are nearer to agreeing the proposal and this would include refurbishment of the properties. Authority has already been delegated to the Chair of this Committee and Chair of the Board to sign off, when appropriate, and so avoid any delay in completing the negotiations.

Works at Anniesland and the continuing issues were discussed briefly. The Committee complimented the College's officers on securing a contractor's commitment to address fire compartmentation and ceiling tile works at no additional cost to the College.

The Committee noted the update and thanked J Thomson for the paper.

18.29 GLASGOW CLYDE EDUCATION FOUNDATION UPDATE

J Thomson provided a brief report which was issued with the agenda papers.

J Thomson spoke to the report highlighting the two recently successful bids approved by GCEF. These projects can now be progressed.

The Committee thanked J Thomson for the update.

18.30 PROCUREMENT STRATEGY AND POLICY UPDATE

T Elliott was invited to speak to the report issued with the agenda papers.

The report details the reason for adopting a revised Procurement Strategy which reflects the template provided by APUC. This will expedite the Procurement Annual Report which is a requirement from 2018 onwards and also uses an APUC template.

T Elliott confirmed that there has been little change to the Policy document also issued with the agenda papers.

TE

The Committee approved the Procurement Strategy. In addition, it recommended to the Board of Management that it approve minor changes to the Procurement Policy. It was agreed that, before submitting the policy to the Board, it should be clarified whether a specific reference should be added regarding the Modern Slavery Act.

TE

18.31 PROCUREMENT UPDATE

The Committee noted the Procurement Update.

18.32 COLLEGE STRATEGIC RISK REGISTER – FINANCIAL RISKS

The Committee noted the Risk Register and the additional risk relating to Employment Tribunal claims.

The impact rating level allocated to SFC funding and to commercial activity was queried by a Committee member.

Subject to the above points, the Committee approved the Risk Register.

The Chair commented that an annual cycle of risk review could be included within the annual planning process in addition to regular overview from the relevant Committees throughout the year. It was agreed that, at the next review, consideration should be given to including a specific risk in relation to pension fund valuations.

18.33 EQUALITIES IMPACT ASSESSMENT ON DECISIONS MADE

None are applicable.

18.34 REVIEW OF PAPERS (INCLUDING DISCLOSABLE STATUS)

No variation to the disclosable status of papers as provided.

18.35 ANY OTHER BUSINESS

There was no other business.

DATE OF NEXT MEETING

Wednesday, 26th September 2018 at 4.30pm, The Boardroom, Langside Campus

FINANCE AND RESOURCES COMMITTEE
MEETING HELD ON 30 MAY 2018
ACTION GRID

ITEM	ACTION	LEAD	COMMENT
17.54	CAPITAL EXPENDITURE & CAPITAL MASTERPLAN UPDATE		
	It was suggested that the Senior Management Team create a more detailed Estates Strategy which would provide context and embed the priorities of the College. It was agreed that an Estates Strategy would be drafted and presented to the Board at a further Board Development Event to ensure the Board have an opportunity to discuss and input to the strategy before it becomes final	DN/JV/ JT/Clerk	The College have approved funding of £50k from GCEF to have an external review completed to feed into an updated Estates Strategy. The provider is being appointed and it is intended the outputs will be taken to Board at its meeting in December 2018.
18.22	Remit of the Committee		
	Proposed amendments to be made by the Clerk and circulated to Committee members.	Clerk	Amended and on agenda
18.24	Draft Revenue Budget 2018/19		
	It was agreed by the Committee that carry forward figures can be included in early drafts of the Revenue budget in future.	TE	This will be considered when preparing early drafts of the revenue budget in future.
18.26	Capital Expenditure and Capital Masterplan update		
	The Committee Chair asked that the Plan demonstrates aspiration and should be expanded to include further 'asks' of available funding.	JT	The updated capital masterplan was presented to the Board in June.
18.30	Procurement Strategy and Policy Update		
	In approving changes to the Policy, the Committee asked for clarification whether a specific reference should be added regarding the Modern Slavery Act.	TE	A College Modern Slavery Statement was prepared and approved by the Board of Management in August.

FINANCE AND RESOURCES COMMITTEE

REMIT OF COMMITTEE

These functions are delegated by the Board of Management to the Finance and Resources Committee

REMIT

Having regard to the need for financial stability of the College:

- To ensure the maintenance of a robust long-term financial strategy
- To ensure the capital masterplan is aligned with the College's estates strategy
- To monitor financial performance on a regular basis
- To review the performance against target of commercial activities
- To monitor expenditure against the agreed capital masterplan

To fulfil this function the Committee will

Make recommendations to the Board of Management on:

- the annual revenue budget
- the financial statements
- capital expenditure and the capital masterplan
- the estates strategy
- financial policies
- any other issues relating to the management of finance and physical resources

The Finance and Resources Committee will liaise as appropriate with the Audit Committee, Board of Management and all other Committees

MEMBERSHIP

The membership of the Committee is six Board members including the Principal, with one of the Board members providing the role of Chair of the Committee, and one to act as Vice Chair as elected. The Chair of the Committee is elected by the Board and the Vice Chair is elected by the Committee. There should be no overlap of Board members with membership of the Audit Committee. The Board reviews the membership every four years.

The Vice Principal, Resources and College Development and the Assistant Principal Finance and Infrastructure attend the Committee as advisers. The Committee meets four times per year.

QUORUM

The quorum set by the Committee is three members.

FINANCE AND RESOURCES COMMITTEE MEETING

Date of Meeting	26 September 2018
Paper Title	2017-18 Draft Primary Financial Statements
Agenda Item	18.41
Paper Number	18.41A
Responsible Officer	Tracy Elliott, Assistant Principal - Finance and Infrastructure
Status	Non-Disclosable
Action	For Discussion

1 REPORT PURPOSE

- 1.1** The purpose of this paper is to submit to the Committee for review and discussion the Glasgow Clyde College draft primary financial statements for the twelve month period ending 31 July 2018. It should be noted that the statements are draft at this stage and, as such, may be subject to change although no material adjustments are anticipated. The year-end audit is scheduled for early October and the full financial statements will be reported to the Financial and Resources Committee on 5 December 2018.

2 RECOMMENDATION

- 2.1** Committee Members are invited to discuss the draft primary financial statements which are attached to this paper.

3 BACKGROUND AND COMMENTARY

- 3.1** The draft financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) 2015: Accounting for Further and Higher Education and in accordance with Financial Reporting Standards FRS 102. Where applicable, the Report and Financial Statements also comply with the 2017/18 Government Financial Report Model (FReM) issued by the Scottish Government. The financial statements conform to the Accounts Direction and other guidance issued by the Scottish Funding Council.

- 3.2** The attached draft primary financial statements consist of:

- Statement of Comprehensive Income and Expenditure
- Balance Sheet

- 3.3** Overall for the twelve month period from August 2017 to July 2018, Glasgow Clyde College is reporting a deficit of £435k (2016/17 surplus: £39k). Actuarial gains/(losses) on Defined Benefit Pension Plans for the period were £11,273k (2016/17: £1,176k). Therefore, the Total Comprehensive Income for the period is reported as £10,838k (2016/17:19,641k).
- 3.4** The reported deficit for the period includes a range of adjustments and the underlying operating position is outlined in the table below.

	2017-18 £'000	2016-17 £'000
Surplus/(deficit) before other gains and losses	(435)	39
Add back:		
Depreciation (net of deferred capital grant release)	1,704	921
Exceptional non-restructuring costs (e.g. impairment)	0	4
Non-cash pension adjustments	1,442	1,324
Donation to Arms-length Foundation	0	0
Deduct:		
Non-Government capital grants (e.g. ALF capital grant)	2,527	(2,084)
Exceptional income	0	(4)
Revenue funding allocated to loan repayments and other capital items	0	0
Underlying operating surplus/(deficit)	184	200

- 3.5** The underlying operating surplus for 2017/18 of £184k is in line with the 2017/18 budgeted underlying operating position. This represents the balance of ring-fenced cash for budget priorities which was not utilised in academic year 2017/18. It should be noted that the full amount of such cash is fully utilised by the College in the April to March fiscal year cycle in line with government budgeting requirements and, as such, this balance has been ring fenced to support expenditure in fiscal year 2018/19. Explanations for movements between 2016/17 and 2017/18 are outlined in Appendix 1.

4 RISK ANALYSIS

- 4.1** There are no specific risks associated with this paper.

5 LEGAL IMPLICATIONS

- 5.1** There are no specific legal implications associated with this paper.

6 FINANCIAL IMPLICATIONS

- 6.1** Financial implications have been outlined earlier in this report.

7 REGIONAL OUTCOME AGREEMENT IMPLICATIONS

- 7.1** The College will continue to work with regional and other sector partners to secure a funding model which maintains a financially stable position in the short, medium and longer term.

8 HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT?

- 8.1** Not applicable.

FINANCE AND RESOURCES COMMITTEE

APPENDIX ONE

DRAFT PRIMARY FINANCIAL STATEMENTS ANALYSIS

- 1 Explanations for significant movements between 2016/17 and 2017/18 are outlined in below.
- 2 **Income and Expenditure Variances**
 - 2.1 SFC income has increased by £1,615k largely due to additional SFC Main Grant funding, SFC European funding and SFC Flexible Workforce Development funding.
 - 2.2 Tuition Fees and Education Contracts income has reduced by £414k due to a reduction in commercial activity. This occurred as a result of reductions in SDS Employability income, Energy Sector Cash back for Communities income, International Technical Vocational Training Corporation (TVTC) income and Scottish Textiles Project income. This reduction in income has been partially offset by SFC Flexible Workforce Development funding of £248k which is reported in the SFC income line. The nett reduction in income of 166k is largely offset by the related reduction in staff and non-staff delivery costs.
 - 2.3 Other Grant income has reduced by £100k largely due to a reduction in the release of non-cash deferred capital grants.
 - 2.4 Other Operating income has increased by £196k due to additional funding received from Glasgow Clyde Education Foundation (GCEF) to support capital projects which is partially offset by a reduction in GCEF funding to support revenue projects.
 - 2.2 Staff costs have increased by £1,399k largely due to additional national bargaining costs for teaching staff pay migration, cost of living pay awards for all staff and a non-cash FRS102 pension adjustment based on actuarial reports which are commissioned by the College on an annual basis. In addition 2016/17 costs were reduced due to deductions in respect of strike action.
 - 2.3 Other Operating expenses have decreased by £478k largely due to a reduction in estates maintenance costs and GCEF funded revenue projects. Estates maintenance costs can vary year on year dependent on the timing of estates works and the related available budgets.

FINANCE AND RESOURCES COMMITTEE

- 2.4 Depreciation charges have increased by £802k largely due to the full year impact of the March 2017 asset revaluation.

3 **Balance Sheet Movements**

- 3.1 The College continues to have a strong asset base with fixed assets remaining relatively stable. The movement of £2,045k represents the annual non-cash depreciation charge partially offset by in year capital additions.
- 3.2 The net current asset position has remained relatively stable since July 2017 and although the balance sheet appears to indicate that the College has negative net current assets of £2,357k this, in reality, is not the case as short term creditors include deferred capital grants of £3,490k which are non-cash in nature and are gradually released to the College income and expenditure account to partially offset related depreciation costs.
- 3.3 Debtors have decreased by £580k due to the timing of related receipts. Short term creditors have reduced by £613k due to the timing of payments to such creditors and movements in short term deferred capital grants. As a result of movements in debtors and creditors and the fact that approximately £600k was paid during 2017/18 to reduce the HMRC Lennartz liability, cash balances have reduced by £277k. The College is not anticipating any cash flow difficulties during AY 2018/19.
- 3.4 Longer term creditors have reduced by £3,122k due to movements in longer term deferred capital grants and the Lennartz liability.
- 3.5 Pension provisions have decreased by £9,829k due to non-cash FRS102 pension adjustments which are based on the related annual actuarial reports commissioned by the College. These liabilities are out with the control of the College and are effectively underwritten by the Scottish Government.

Tracy Elliott
Assistant Principal – Finance and Infrastructure
telliott@glasgowclyde.ac.uk

FINANCE AND RESOURCES COMMITTEE MEETING

Date of Meeting	26 September 2018
Paper Title	2018/19 Cash Flow Forecast
Agenda Item	18.42
Paper Number	18.42
Responsible Officer	Tracy Elliott, Assistant Principal - Finance and Infrastructure
Status	Non-Disclosable
Action	Review and discuss

1 REPORT PURPOSE

- 1.1** The purpose of this report is to present to the Committee the 2018/19 Cash Flow Forecast.

2 RECOMMENDATION

- 2.1** Committee Members are invited to discuss this paper.

3 BACKGROUND

- 3.1** The 2018/19 cash flow forecast is attached to this paper and outlines the month end forecast cash balances for the period August 2018 to July 2019.
- 3.2** The actual July 2018 cash balance has also been included in the attached chart to demonstrate the movement of £0.3M between the July 2018 and July 2019 cash position as a result of the forecast 2018/19 payments to service the Lennartz liability and other movements in debtors and creditors.
- 3.3** Cash balances throughout the forecast period vary from £2.7M to £2.3M due to the timing of the related forecast cash inflows and outflows. It should be noted that as a minimum the College aims to hold baseline cash of approximately 15 days plus ring fenced cash to service the outstanding Lennartz obligation which reduces over time. The College submits monthly cash flow returns to the Scottish Funding Council (SFC) at the beginning of each month to draw down SFC funding and those funds are received around the middle of each month.
- 3.4** Cash flow monitoring reports which outline the actual cash position versus the forecast are included in the Financial Forecast Outturn reports which are submitted to the Committee throughout the year.

4 RISK ANALYSIS

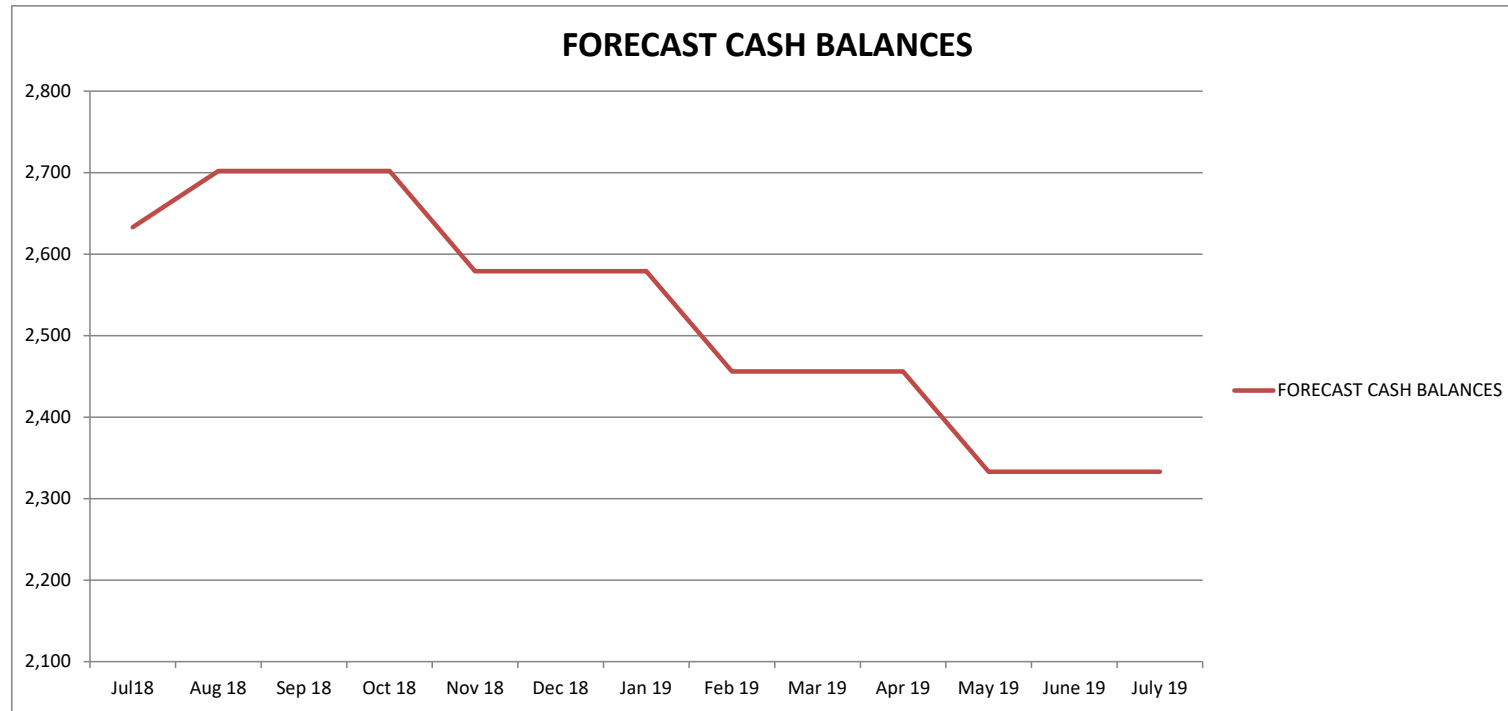
- 4.1** There are no specific risks associated with this paper.

5 FINANCIAL IMPLICATIONS

- 5.1** The College closely monitors its cash position on an ongoing basis and is not anticipating any cash flow issues during 2018/19.

6 HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT?

- 6.1** N/A

AY 2018/19 Cash Flow Forecast

MONTH	Jul18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	June 19	July 19
FORECAST CASH BALANCES	2,633	2,702	2,702	2,702	2,579	2,579	2,579	2,456	2,456	2,456	2,333	2,333	2,333

FINANCE AND RESOURCES COMMITTEE MEETING

Date of Meeting	26 September 2018
Paper Title	Estates Update
Agenda Item	18.45
Responsible Officer	Janet Thomson, Vice Principal Resources & College Development
Status	Non-Disclosable
Action	For Discussion

1 REPORT PURPOSE

The purpose of this report is to provide a summary of the main current estates matters for Glasgow Clyde College.

2 RECOMMENDATION

- 2.1 Committee Members are invited to discuss this paper.

3 CURRENT PROJECTS

- 3.1 The College's major Capital works are based on the College's Estates Capital Masterplan, the College Estates Condition Survey of all the College buildings (completed in 2014), and on College planning discussions with the Faculties and Units plus any emerging needs. A range of works has and continues to be undertaken and this report provides an update since the last report to the Committee.
- 3.2 There are three main estates projects, which have been progressing since the last report to Committee. The first of these is the major refurbishment of the five lifts in Tower Block building at the Cardonald Campus, which started on site in May 2017 and was originally due to complete in March 2018. There have been difficulties with the contractor, Clyde Valley Lifts, in the agreement of the final stages of this process and associated milestone documentation handover. There has been a range of correspondence on this over recent months and finally in August there was agreement that there had been sufficient handover and final milestone progress to pay the main outstanding invoice. It was essential that this was concluded prior to the start of term to enable all five lifts to be in place for the students commencing. There is still one smaller invoice to be concluded which links to some electrical works undertaken by another contractor and some disagreement over previously agreed payment of College weekend working. However apart from these two elements, this project is now effectively concluded. The College is now

considering some new more vibrant decoration of the lift lobbies to compliment the new modern lift interiors.

- 3.3 The second main project which is ongoing is the refurbishment of the Cardonald campus car park. This is a complex project which has required significant project planning and for which the funding from GCRB was only approved in June 2018. The project therefore did not commence on site until August and is being completed over four phases due to complete by mid-October. The Car park was in a very poor state of repair with significant flooding issues and had been highlighted in the recent report from our insurer as below standard, with potential future legislative issues therefore it was a very high priority estates item to refurbish it. This project will make a significant difference to this campus and will benefit many users, both staff and students.
- 3.4 The refurbishment and upgrade of the Cardonald campus sports teaching and staff changing rooms is the third main project, which is progressed at this stage. This area was not at an industry standard and provided poor facilities for students in the sports area of the curriculum. There were issues of security and access due to the awkward layout in place. The layout has been completely revisited and has been streamlined in the new design to provide much improved facilities for both female and male sports students including improved accessible changing, and also for the staff and other students who use these facilities for leisure purposes.
- 3.5 As previously advised to the Committee, the College had some improvement works needing to be undertaken in respect of fire compartmentation at the Anniesland campus, which related to issues from the original building of the new build campus in 2009/10. These fire integrity works were being pursued by the College through a legal route against the architect for the Anniesland new build. Also in September 2017, the ceiling tiles within the Anniesland campus were removed, as there were concerns over the fixing mechanism in place which was installed at the time of the new build. The only ceiling tiles, which remained, were those containing lighting, smoke detectors, etc. and these had all had additional fixings added. The College were corresponding with BAM who were the contractor for the build of the new campus to seek for them to undertake the remedial works.
- 3.6 The College were following both of the above issues up through BDP and BAM respectively. In April 2018 after a fairly lengthy process, it was agreed that BAM would complete both the fire integrity works and the ceiling tile amendment works over the summer of 2018 and both of these works have now been completed. The fire integrity works were verified throughout the project by the consultants in this area, Cushman and Wakefield who prepared the original reports on these required works for the College.
- 3.7 In addition to the above there have been some smaller summer works undertaken.

- 3.8 The issue of the assignation of the lease for the Langside Residences remains ongoing although has been near conclusion at several points since last reported to the Board in June. The current leaseholder has been in administration since February 2013 and the administration period has now been extended for a further year until April 2019. As previously reported there is a proposed assignee for the lease and work has been progressing on agreeing an assignation of the lease with an attached refurbishment schedule to address the key works requiring to be completed with a 27 month period. The party involved are A3 properties and they had approached the College in March with a proposal which is a Joint Venture relationship with an investor who are Tracey Investments Ltd. There has been extensive correspondence on this matter over the last few months and some changes have been requested from A3 and their solicitors, the most significant of which is that Tracey Investments will provide a guarantee for the refurbishment works period however do not plan to be involved after that. After some consideration of this in discussion with our solicitors and in agreement with the Chair of the Board the College have agreed on behalf of the Board to move forward on this basis. The final documentation is being prepared. In the meantime, there are students in the residences from the 2018/19 cohort and some works appear to have been undertaken.
- 3.9 The final report on the cladding on the Mary Stuart building at Langside is still awaited and it is not yet clear whether they definitely need to be replaced. The replacement of the cladding panels is within the capital masterplan and has been highlighted to GCRB as priority works. Given the scale of these works, it is now likely they would not be able to be completed until the summer of 2018.

4 ESTATES FUNDING AND PLAN FOR 2018/19

- 4.1 The SFC Estates Condition Survey was published in February 2018, which for Glasgow Clyde College was based on a desk exercise using the College's Estates Condition Survey completed in 2014, and indicated £8.5M excluding VAT and professional fees of backlog maintenance for the College over the five-year period covered by their survey. This figure is split £1.19M for Anniesland, £4.85M for Cardonald and £2.45m for Langside. Gardiner and Theobald report estimated that these costs will increase to 222% of the stated figure once VAT, professional fees, contingencies, optimism bias and inflation allowances are included. This survey was used to influence the 2018/19 capital allocation for the Region and is likely to be used to influence future capital allocations as far as there may be funding available to meet those priority needs. It should also be noted that the SFC condition survey only covers the first 5 years (from 2014 for Glasgow Clyde College) and there are significant works in the twenty years from that point within the College's condition survey for all three of the College's campuses.
- 4.2 The final funding allocation for 2018/19 was received from GCRB in June which is £1.25M of funding to address very high priority backlog maintenance

based upon Condition Survey information and £906k for capital life cycle maintenance i.e. £2.156M in total.

- 4.3 The College has reviewed the Estates Condition Survey and assessed what was included in the very high priority items in 2014. There will be elements within that survey which the College has undertaken since that point and for which the College have used earlier funds hence there has been an update undertaken of what is required from 2018/19 funding for current very high priority works.
- 4.4 The College submitted a list of high priority items to GCRB in June which totalled £1.925M and which have been included in the College's capital masterplan. The sum of £1.215M was allocated to the College in June for high priority items and this will fund the high priority works at the Cardonald campus car park refurbishment and the changing rooms upgrade. The College are seeking to have some of the other high priority works funded if there are any GCRB funds remaining from the total regional 2018/19 amount. However as it is now September being able to complete any projects within the SFC financial year i.e. by March 2019 will be very difficult, hence the College would request from GCRB if there were any available funds that these could be committed for expending by the end of the summer of 2019.

5 RISK ANALYSIS

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

6 LEGAL IMPLICATIONS/FINANCIAL IMPLICATIONS/REGIONAL OUTCOME AGREEMENT IMPLICATIONS

There are legal implications from this paper in relation to the ongoing issue of the assignation of the lease for the Student Residences at the Langside campus.

7 HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT?

- 7.1 N/A.



1 August 2018

To: Principals of Incorporated Colleges

copied to: College Finance Directors/Managers
Andy Witty, Colleges Scotland

Dear Principal

Review of Financial Monitoring Returns

As a result of the reclassification, by the Office for National Statistics (ONS), of incorporated colleges as arms-length central government bodies in April 2014, and Scottish Government budgeting and accounting requirements, colleges have been required to provide the Scottish Funding Council (SFC) with monthly cash flow and quarterly resource information (monthly in the last quarter) to 31 March each year to ensure that they balance their books on a resource basis and in order that cash is not paid out in advance of need. In addition, SFC's own resource returns to the Scottish Government incorporate the consolidated sector resource position based on the returns received from colleges.

SFC and the Scottish Government have recently undertaken a review of the college reporting processes, taking into account experience over the last four years, to identify whether a more streamlined approach could be achieved.

Review conclusions

The main conclusions from the review were:

- Changes could be made to the existing system to bring about a more efficient and less resource intensive process for both colleges and SFC;
- With the addition of some more detail captured in the cash flow returns, the information collected through the cash flow returns, in addition to the Financial Forecast Returns (FFRs) and annual accounts, would be sufficient to enable SFC to monitor the financial health of colleges during the year and report colleges' spend against Scottish Government budget limits in the SFC monthly resource returns; and

- To enable monitoring of the outturn for the academic year, an additional mid-year Financial Forecast Update (FFU) will be requested showing the expected outturn for the year by 31 January. It is expected that this will require minimal extra work from colleges as the information is on the same basis as that already being reported to the college board of management and colleges are familiar with the format.

Resource returns

Based on the outcome of the review, SFC and the Scottish Government have agreed that, with effect from FY 2018-19, colleges will no longer be required to submit resource returns to SFC. However, colleges are still required to submit the final resource return for FY 2017-18 by September 2018.

New procedure

Colleges will continue to provide cash flow forecasts to SFC on a regular basis for the purposes of establishing the drawdown required and also to enable their liquidity position to be closely monitored. The cash flow template is being updated to collect the additional information required, such as information on the disposal of fixed assets, and a copy of the revised template will be shared with the Financial Returns Working Group for their comments and agreement prior to it being finalised.

Although colleges are no longer required to send in resource returns, it is still imperative that colleges operate within the cash resource budget given as any overspends will have a direct impact on the overall resource position. It is expected that college cash balances will remain steady year on year on the basis that colleges report a balanced operating position (subject to working capital movements). Any significant cash movements will be identified and colleges will be asked to give an explanation for the variances.

Due to the importance of having accurate and robust cash flow information, we will require Directors of Finance to sign off the spreadsheet and confirm that the opening balance shown for the month is in agreement with the college's bank reconciliation(s).

Cash balances reported on the cash flow at the end of the academic year should be reconcilable to the audited financial statements.

Details of Annual Managed Expenditure (AME) transactions will be collected separately following the Academic year-end as this is the point when impairments

and pension valuations are identified. In addition, as highlighted above, colleges will also be asked to provide an FFU return in January each year.

Donations to Arms-Length Foundations (ALFs)

As colleges are aware, donations can only be made to ALFs where budget cover is available from net college surpluses arising from commercial activity. Government funds cannot be donated in this way.

It is important that colleges maintain robust records and back-up documentation that justify donations, in particular evidencing that there is sufficient budget cover within the FY to make the donation. SFC reserves the right to request further information from colleges in relation to ALF donations.

If your college is considering an ALF donation, we would request that you contact SFC in the first instance so that we can confirm the source of surplus funds.

Financial Forecasts and Annual Accounts

Colleges will be required to submit an FFR in June¹, together with an FFU in January, the latter giving the projected outturn for the academic year.

There will be no change to the annual accounts process, with colleges submitting their audited financial statements and supporting documents by 31 December each year.

Further Information

Please contact Dorothy Carson, Senior Financial Analyst (Tel: 0131 313 6607; Email: dcarson@sfc.ac.uk) or Andrew Millar, Assistant Director, Institutional Sustainability & Governance (Tel: 0131 313 6538; Email: amillar@sfc.ac.uk) to discuss any aspect of this letter.



Lorna MacDonald
Director of Finance

¹ 2018 FFR is due to be returned by 28 September 2018

FINANCE AND RESOURCES COMMITTEE MEETING

Date of Meeting	26 September 2018
Paper Title	Procurement Update
Agenda Item	18.47
Paper Number	18.47A
Responsible Officer	Tracy Elliott, Assistant Principal - Finance and Infrastructure
Status	Non-Disclosable
Action	For Noting

1 REPORT PURPOSE

- 1.1 The purpose of this report is to provide an overview of recent, current and future procurement related activities within Glasgow Clyde College.

2 RECOMMENDATION

Committee Members are invited to note this paper.

3 BACKGROUND

- 3.1 The attached paper provides an update on the following areas:

- Glasgow Region Procurement Team (GRPT)
- Notable Tender Activity
- Procurement Annual Report
- Contracts

4 RISK ANALYSIS

- 4.1 There are no specific risks associated with this paper.

5 LEGAL IMPLICATIONS/FINANCIAL IMPLICATIONS/REGIONAL OUTCOME AGREEMENT IMPLICATIONS

- 5.1 There are legal implications in terms of the College's procurement which has to comply with the relevant legislation and the procurement staff ensure this is in place. The financial implications are as shown in the contract list which states the contract values and annually the College receives a benefits statement to indicate the total benefits achieved through procurement.

6 Has an Equality Impact Assessment been carried out?

- 6.1 N/A

Glasgow Clyde College

Procurement Update, September 2018

1. Procurement Services

1.1 Glasgow Regional Procurement Team (GRPT)

The GRPT is continuing to adopt a collaborative approach to procurement and joint tender exercises with regional and sector wide College partners are explored as opportunities arise and implemented where possible.

1.2 College's Contract Register

In accordance with [Section 35](#) of the Procurement Reform (Scotland) Act 2014 the College has a legal obligation to publish a Contracts Register as a statement of current and future opportunities. Section 35 states that 'the contracts that must be registered are any contracts entered into as a result of a regulated procurement'.

A public facing version of the College's contract register can be found at:

<http://www.apuc-scot.ac.uk/#!/institution?inst=45>

2. Notable Tender Activity since last report (above £50k)

Cleaning Services

The tender process was completed and ISS were appointed. The contract started on 18th June 2018 and is currently running well. Formal contract management procedures are beginning this month.

Provision of Personal Protective Equipment (GRPT)

The tender process was completed at the end of July and Bunzl Greenham were appointed. The contract was not formally signed until 28th August, as there were a few issues around the agreement of terms and conditions.

Summer Works 2018

The procurement process for the appointment of the contractor for the Summer Works took place during late June/early July. A Crown Commercial services framework agreement was utilised during this process.

The contract was awarded at the beginning of July with most works either underway or completed. The works covering some decoration and flooring at the Cardonald Campus have yet to commence.

Mechanical Services 2018

The tender was published on Public Contracts Scotland on 17th July 2018 with the contract being awarded on 14th August 2018 to Richard Irvin. A mobilisation meeting with estates and Richard Irvin is scheduled for week commencing 10th September 2018.

3. Procurement Annual Report

The College is currently preparing its first Procurement Annual Report which is due for publication in November 2018. A link to the report will be issued to the Board of Management on publication.

4. Contract update:

Please see below for a summary of contracts that are contracted, in progress for Glasgow Clyde, in progress collaboratively via GRPT, and planned.

Status	Agreement Title	Contract Start Date	Contract Duration	Extension Option	Current Contract End Date	Contract Value (excluding VAT)	Supplier
Contracted	HR Payroll system	31/03/2014	30/03/2019	None	30/03/2019	£160,609	Midland HR
Contracted	Consultant to Develop Specification for Cleaning Services	06/03/2015	Project Specific	None	None	Stage 1 £14,695	Gardiner & Theobald
Contracted	RFID Tagging Licenses	20/03/2018	19/03/2020	19/03/2022	19/03/2020		Bibliotheca Ltd.
Contracted	Multi-Function Devices	09/06/2015	08/06/2018	08/06/2020	08/06/2018	£710,331	Danwood Scotland
Contracted	Enterprise Level Storage And Backup Solution To Support Our Teaching Repository Project.	23/12/2015	22/12/2018	22/12/2019	22/12/2018	£80,006	Dell
Contracted	Legal Services – People Matters	07/01/2016	06/01/2019	06/01/2020	06/01/2019	Dependent on College requirements	Anderson Strathern
Contracted	WebsiteTech	11/05/2016	11/05/2017	10/05/2021	Depending on Website Go-Live Date	£81,520	TicToc Family
Contracted	Electric Vehicles	08/06/2016	08/06/2018	None	08/06/2018	£15,947	Daimler Fleet Management
Contracted	Water Quality Testing	20/07/2016	20/07/2018	20/07/2019	20/07/2018	£10,870 per annum	Severn Trent Services
Contracted	Finance System	22/07/2016	21/07/2019	21/07/2023	21/07/2019	£303,400(over 7 years)	Technology One
Contracted	Waste Management	15/08/2016	15/08/2019	14/08/2020	15/08/2019	£69,417 per annum	William Tracey Group
Contracted	Catering Equipment Maintenance	01/09/2016	01/09/2017	01/09/2019	01/09/2018	£4,935 per annum	Catering Supplies and Repairs

Contracted	Public Relations Services	26/09/2016	26/09/2018	25/09/2020	26/09/2018	Approx. £30,000	Clark Communications
Contracted	Architect, Civil Engineer, Traffic Consultant and Electrical Engineer	19/10/2016	Project Specific	None	None	Dependant on which option college takes forward	PUNCH Consulting Engineers
Contracted	Provision of Project Management Services	17/11/2016	Project Specific	None	None	Approx. £40,000	Mott MacDonald
Contracted	Provision of Project Management Services	17/11/2016	Project Specific	None	None	Approx. £37,000	Building & Surveying Solutions Limited
Contracted	Lift Refurbishment Cardonald	24/11/2016	Project Specific	None	None	£979,325	Clyde Valley Lifts
Contracted	Clerk of Works	12/01/2017	14/03/2017	Project Specific	Project Specific	Approx. £10,000	Ross Quality
Contracted	Library Management System	07/02/2017	06/02/2019	07/02/2020	06/02/2019	£15,596 Over 2 Years	PTFS Europe Ltd
Contracted	Replacement Power Factor Correction Unit	17/02/2017	None	None	None	£11,220	Skanska Facilities Services
Contracted	Furniture for Costa at Anniesland	27/03/2017	Project Specific	None	None	£4,386	Atlas Furniture
Contracted	Furniture for Business Centre	05/04/2017	Project Specific	None	None	£ 16,960	Azzurro
Contracted	Executive Recruitment	10/04/2017	Project Specific	None	None	£15,500	Aspen People Ltd
Contracted	Mechanical Services	15/04/2017	01/04/2018	14/04/2020	01/04/2018	Approx. £36,000 per annum plus reactive costs	Mears Ltd
Contracted	Staff Survey	02/05/2017	02/05/2018	02/05/2020	02/05/2018	£19,430 YR 1, £10,209 YR 2, £10,209 YR 3	Hive HR Limited
Contracted	Supply of Bottled Water and Water Fountains	08/05/2017	07/05/2020	07/05/2021	07/05/2020	£15,270	Water Cooler Scotland
Contracted	Project B: Electrical Works Cardonald	01/06/2017	30/11/2017	30/11/2017	None	£125,596	Arthur McKay
Contracted	Supply and Delivery of Sports Kits	05/06/2017	04/06/2020	04/06/2021	04/06/2020	Approx. £16,000 per annum	Kukri Sports Ltd

Contracted	SSSNA Storage and Server Upgrade 17	03/07/2017	02/07/2019	02/07/2019	02/07/2019	£89,628	Dell Computers Corporation Ltd
Contracted	The Supply and Delivery of Catering Kits	10/07/2017	09/07/2018	09/07/2018	09/07/2018	£20,578	E. Russum & Sons Ltd
Contracted	Maintenance Services (PPM & Reactive) on Doors, Shutters and Access Barriers	11/07/2017	10/07/2019	10/07/2020	10/07/2019	£24,000	Connect A.D
Contracted	The Provision of Shared Storage Upgrade	28/08/2017	27/08/2019	27/08/2021	27/08/2019	£36,304	Root 6 Ltd
Contracted	Internal Audit	09/10/2017	08/10/2020	08/10/2020	08/10/2021	£48,000	Henderson Loggie
Contracted	Fan assisted Incubator	06/10/2017	Project Specific	None	None	£3106.44	Wolf Laboratories
Contracted	Safety Cabinet	17/10/2017	Project Specific	None	None	£4653.50	Appleton Woods Ltd
Contracted	Local Area Network Upgrade (Cardonald Campus) and Cross-Campus Maintenance Support Contract (GRPT)	01/02/2018	31/01/2021	31/01/2022	31/01/2021	£251,100.70 Hardware £37,727.40 maintenance per annum	Insight (Direct) Ltd
Contracted	Mobile Voice and Data Services	01/12/2017	30/11/2019	30/11/2021	30/11/2019	£27,340.80 for 24months	Daisy Communications Ltd
Contracted	HPLC	15/01/2017	14/01/2019	14/01/2021	14/01/2019	£15,000 Goods £500 per annum maintenance services	Conex CS Ltd
Contracted	Uninterrupted Power Supply (UPS)	01/02/2018	31/01/22020	31/01/2022	31/01/22020	Hardware and Project management £44,905.00; annual service cost£840.00	Robert M Donaldson Ltd
Contracted	Security services – CCTV, Security alarm & Fire System Maintenance	15/02/2018	14/02/2020	14/02/2022	14/02/2020	£10,854.00 plus reactive service costs	FES Ltd
Contracted	Provision of GDPR and Associated Services	16/02/2018	15/6/2018	N/A	15/6/2018	£25,000	Scott Moncrieff
Contracted	Photographic Equipment	8/3/2018	7/3/2021	N/A	7/03/2011	£49,000	CVP

Contracted	Benchmarking	23/04/2018	23/04/2019	23/04/2020	23/04/2019	Approx. £25,000 per report year	Tribal
Contracted	Student Records (GRPT)	24/03/2014	23/03/2019	N/A	23/03/2019	Approx. £100k per annum	Capita
Contracted	Water Quality Management Services (Including Legionella) for GCC	21/7/2016	20/7/2017	20/7/2018	20/7/2018	£10,869	Severn Trent Services
Contracted	PPE (GRPT)	3/8/2018	2/8/2021	2/8/2022	2/8/2021	Approx. £50k per annum for GCC	Bunzl Greenham
Contracted	ART Supplies/Kits (GRPT)	1/8/2018	31/7/2021	31/7/2022	31/7/2021	Approx. £40k per annum for GCC	Abucus
Contracted	Organisational Culture Development Services	1/6/2018	Project Specific	Project Specific	Project Specific	£18,700	The Pacific Institute
Contracted	Catering Kits (GRPT)	1/8/2018	31/7/2021	31/7/2022	31/7/2021	Approx. £20k per annum for GCC	Russums
Contracted	Microscopes	7/8/2018	Project Specific	N/A	N/A	£14,937.80	Nikon
Contracted	Langside Refectory Furniture	30/7/2018	Project Specific	N/A	N/A	£27,991.00	Claremont Office Furniture
Contracted	Electric Vehicles	21/8/2018	2 Year Lease	N/A	2 Years from date of delivery	£19,216.68	Leaseplan

Status	Agreement Title	Progress	Budget
In Progress	Occupational Health Services (GRPT)	On hold (TBC)	TBC
In Progress	Media Buying	Strategy + ITT Development	Approx. £25,000
In Progress	Promotional Products (GRPT)	Strategy + ITT Development	TBC
In Progress	Lift Maintenance	Strategy + ITT Development	TBC
In Progress	Summer Works 2018	Award to be signed off	Approx. £100,000
In Progress	Make Up Kits 2018	Being Published on PCS W/C 10/9/2018	Approx. £45,000
In Progress	Student Records System	Strategy	£100k per annum
In Progress	Creative Agency (Marketing)	Strategy + ITT Development	TBC
In Progress	Anniesland Minibus (Hire v Purchase)	Awaiting Return of Quotations	TBC

Status	Agreement Title	Est. Project Commencement Date	Budget
Scheduled	Provision of Student Funding Software	01/10/2018	TBC
Scheduled	Confectionery	TBC	TBC
Scheduled	Provision of Pest Control Services to Cardonald Campus	TBC	TBC
Scheduled	Provision of Telephony System	TBC	TBC
Scheduled	Market Research	August 2018	TBC
Scheduled	The Provision of VAT Services	TBC	TBC
Scheduled	Filming & Photography	01/08/2018	TBC
Scheduled	Licenses and Software	TBC	TBC
Scheduled	Food Purchases (Hospitality Faculty) - including meat, fish, chilled, frozen, fresh, bakery.	TBC	TBC
Scheduled	Search Engine Optimisation	TBC	TBC
Scheduled	Sign Language Interpreters	TBC	TBC
Scheduled	Non-digital Advertising - Various methods (GDPR) -YD	TBC	Approx. £50,000 per annum
Scheduled	Teambuilding	TBC	Approx. £15,000 per annum
Scheduled	Catering Equipment Maintenance	TBC	£5,000 per annum
Scheduled	Similarity Detection System	TBC	TBC
Scheduled	Multi Trades (GRPT)	TBC	TBC

FINANCE AND RESOURCES COMMITTEE MEETING

Date of Meeting	26 September 2018
Paper Title	Student Support Funds
Agenda Item	Report
Paper Number	18.48
Responsible Officer	18.48
Status	Tracy Elliott
Action	Non-disclosure

For Noting

1 REPORT PURPOSE

- 1.1 The purpose of this paper is to provide an update on the financial position in respect of student support funding for the year 2017/18 and the current forecast position for 2018/19

2 RECOMMENDATIONS

- 2.1 Committee Members are invited to note this paper.

3 BACKGROUND AND COMMENTARY

- 3.1 Each year the College distributes a significant sum of funding in respect of student support on behalf of the Scottish Funding Council (SFC) and Student Awards Agency for Scotland (SAAS). The overall allocation of SFC funding is divided into different categories: FE Bursary Fund, FE & HE Childcare Fund and FE Discretionary Fund.

The allocations for 2017/18 and 2018/19 are outlined in the table below.

SFC Student Support Funding	2017/18	2018/19
Bursary	£7,167,805	£7,106,064
FE & HE Childcare	£1,505,294	£1,618,655
FE Discretionary	£870,505	£600,000
Total	£9,543,604	£9,324,719

Note: 2017/18 allocations include ESF funding and in year allocations

3.2 Each year the SFC arranges for an in-year redistribution of funding to be carried out wherein Colleges may either relinquish funds that they have been initially allocated for that year or request additional funds in line with their student profile and forecast demand. In addition due to recent changes to guidance in respect of supporting care experienced students which will result in additional costs SFC have agreed that any related funding gap will be addressed through the in-year redistribution process.

3.3 The funding received from SAAS supports HE Discretionary awards and the allocations for 2017/18 and 2018/19 are outlined in the table below.

SAAS Funding	2017/18	2018/19
HE Discretionary Funding	£317,324	£286,174

3.4 The current practice of the College is to issue Bursary and Childcare awards at a level of approximately 10% higher than the Bursary and Childcare funding allocated by SFC. This is due to the fact that non-attendance results in award payments being stopped temporarily or permanently thus reducing the related expenditure. As a counter risk measure the FE Discretionary Fund is not fully opened for applications from all students until later in the academic year.

3.5 The College is forecasting a small underspend for 2017/18. Forecasts are currently being prepared for 2018/19 which will help inform any in year request for additional funding.

4 RISK ANALYSIS

4.1 In light of recent changes to SFC guidance around attendance there is a potential risk that the volume and value of awards being stopped may reduce in 2018/19 and, as such, the College is currently reviewing the value of awards it will make over and above the SFC funding allocation with a view to reducing this to circa 8%. The funds will be closely managed and monitored throughout the academic year in line with usual practice.

5 LEGAL IMPLICATIONS

5.1 The College does not anticipate any legal implications in terms of this report; however, will seek legal advice where necessary.

6 FINANCIAL IMPLICATIONS

6.1 Financial implications have been outlined earlier in this report.

7 REGIONAL OUTCOME AGREEMENT IMPLICATIONS

- 7.1 The College will continue to work with regional and other sector partners to secure a funding model which maintains a financially stable position in the short, medium and longer term.

8 Has an Equality Impact Assessment Been Carried Out?

Not applicable.

FINANCE AND RESOURCES COMMITTEE

Date of Meeting	26 September 2018
Paper Title	Glasgow Clyde Education Foundation Update
Agenda Item	18.49
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 provide an update on the activity of the Glasgow Clyde Education Foundation since last reported.

2 RECOMMENDATION

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

3 BACKGROUND

3 BACKGROUND

- 3.1 The Glasgow Clyde Education Foundation (GCEF) is a separate independent charitable organisation from the College.
- 3.2 The Foundation has three strategic funding priorities which are as follows :
- Strategic Priority 1 Improved Pedagogy
Strategic Priority 2 Effective Learning
Strategic Priority 3 Capability and Capacity
- 3.3 A sum of £14.4M was transferred to the Foundation from the College as at the end of March 2014, which was the College cash backed reserves. A further sum of £600k was transferred at end of March 2015. There have been no further donations since that time.
- 3.4 To date, the College has had over thirty applications supported by the Foundation which total over £8M between capital and revenue projects. The Foundation had their most recent meeting on 11 September, which was followed by their AGM.

3.5 The two most recently College approved bids by the Foundation are being progressed as follows :

- Business improvement programme for the College – Approved bid for £175k. The first stage of this project has been to look at some examples of other organisations' to developing business improvement techniques and embedding that within their approach to future change areas. The next step is to appoint a suitable training programme provider on this for the College. It is proposed that this is an eighteen month project; and
- Funding to support an external review of the College long-term estates needs to feed into the planned update to the Estates Strategy. Approved bid for £50k. This will particularly focus on the future needs for the Cardonald campus. It is proposed that this is reported to the Board of Management at its December Board meeting.

3.6 There are also two proposed pipeline College bids to the Glasgow Clyde Education Foundation for the future which are as follows:

- Student Space at Anniesland Campus – a design team are looking at the early design for this area and this will be likely to be a project bid to the Foundation: and
- Learning and Teaching Transformation – this project will aim to deliver a new more embedded digital approach to the learning and teaching of the College with a more engaging use of the Virtual Learning Environment.

4 RISK ANALYSIS

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

5 LEGAL IMPLICATIONS/FINANCIAL IMPLICATIONS/REGIONAL OUTCOME AGREEMENT IMPLICATIONS

5.1 The GCEF is a separate charitable organisation and hence is a separate legal entity. The financial implications related to this paper are that potential future projects will be dependent on future funding applications to the Foundation being approved by the Foundation.

6 HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT?

N/A

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
YEAR ENDED 31 JULY 2018

	<u>Note</u>	<u>Year to</u> <u>31 July</u> <u>2018</u>	<u>Year to</u> <u>31 July</u> <u>2017</u>
		£'000	£'000
INCOME			
Funding Council Grants	1	36,053	34,438
SFC Exceptional restructuring income	1	0	4
Tuition Fees and Education Contracts	2	7,124	7,538
Other Grant Income	3	1,629	1,729
Other Operating Income	4	4,483	4,287
Investment Income	5	1	7
Total Income		49,290	48,003
EXPENDITURE			
Staff Costs	6	33,174	31,775
Exceptional restructuring costs	6	0	4
Other Operating Expenses	8	11,074	11,552
Depreciation	11	5,194	4,392
Donation to Arm's-Length Foundation		0	0
Interest Payable	9	283	241
Total Expenditure		49,725	47,964
Surplus/(deficit) on Continuing Operations before tax		(435)	39
Taxation		0	0
Surplus/(deficit) on Continuing Operations before tax		(435)	39
Unrealised surplus on revaluation of land and buildings		0	18,526
Actuarial gains/(losses) on defined benefit pension plans		11,273	1,076
Total Unrestricted Comprehensive Income for the year		10,838	19,641

BALANCE SHEET
YEAR ENDED 31 JULY 2018

	<u>Note</u>	<u>31 July</u> <u>2018</u> £'000	<u>31 July</u> <u>2017</u> £'000
FIXED ASSETS			
Tangible Fixed Assets	11	158,976	161,021
Total Fixed Assets		158,976	161,021
CURRENT ASSETS			
Stocks	12	24	19
Debtors	14	1,830	2,410
Investment	13	0	0
Cash at Bank and in Hand	18	2,636	2,913
Total Current Assets		4,490	5,342
Less: Creditors – amounts due within one year	15	(6,847)	(7,460)
NET CURRENT ASSETS		(2,357)	(2,118)
TOTAL ASSETS LESS CURRENT LIABILITIES		156,619	158,903
Less: Creditors – amounts due after more than one year	16	(84,321)	(87,443)
NET ASSETS BEFORE PENSION ASSET/LIABILITY		72,298	71,460
Funded Pension Provision	21	(223)	(9,764)
Unfunded Pension Provision	17	(3,051)	(3,339)
NET ASSETS AFTER PENSION LIABILITY		69,024	58,357
UNRESTRICTED RESERVES			
Income and expenditure – unrestricted		8,256	(3,226)
Revaluation Reserve		60,768	61,583
TOTAL		69,024	58,357

FINANCE AND RESOURCES COMMITTEE MEETING

Date of Meeting	26 September 2018
Paper Title	Capital Expenditure Report and Masterplan Update
Agenda Item	18.41
Paper Number	18.41A
Responsible Officer	Janet Thomson, Vice Principal Resources and College Development
Status	Disclosable
Action	For Discussion

1 REPORT PURPOSE

- 1.1 This report provides an update on capital expenditure against plan for the period from 1 April 2018 to 31 August 2018 against original and updated capital plan for 2018/19.

2 RECOMMENDATIONS

- 2.1 The Finance and Resources Committee is asked to discuss the capital expenditure report against plan and updated capital plan.

3 BACKGROUND

- 3.1 The Scottish Funding Council (SFC) provides formula capital funding to Colleges which can be used towards estates or equipment and this funding is provided on a fiscal year basis, i.e. April to March.
- 3.2 The Regional capital funding allocation for 2018/19 is £6.25Million. GCRB allocated £5.57M of this total in June which was split as follows :

	Glasgow Clyde College	City of Glasgow College	Glasgow Kelvin College	Total
Life cycle maintenance	£906,569	£1,286,586	£566,342	£2,759,497
Very high priority maintenance (allocated at June)	£1,250,534	£0	£1,563,265	£2,813,799
Very high priority maintenance (not allocated at June)				£681,000
	£2,157,103	£1,286,586	£2,129,607	£6,254,296

3.3 Glasgow Clyde College submitted total projects for the use of very high priority maintenance funding totalling £1.925M to GCRB in June however the allocation remained at £1.251M and the College have been progressing the top priority projects to this stage. A report has recently been submitted to GCRB which indicates the College plans are now £1.975M as updated and it is hoped that the majority of the remaining allocation of £681k above for very high priority items can be accessed. There is a GCRB Performance and Resources Committee on 26 September and it is hoped that a decision will be available at the Finance and Resources Committee.

3.4 The capital expenditure from 1 April 2018 to 31 August 2018 against capital plan is attached which shows expenditure against the latest capital masterplan as approved at the June Board of Management meeting and against updated plan.

3.6 The capital masterplan is being updated following recent information from the funding council and GCRB and will be sent out to members before the meeting.

4 RISK ANALYSIS

4.1 There is a risk that if the capital masterplan is not achieved then the correct level of investment is not made to maintain a suitable educational experience for the students of Glasgow Clyde College.

5 LEGAL IMPLICATIONS

5.1 There are no specific legal implications associated with this capital expenditure update.

6 FINANCIAL IMPLICATIONS

6.1 The financial values of each of the capital masterplan projects are highlighted within the report.

7 REGIONAL OUTCOME AGREEMENT IMPLICATIONS

7.1 The Regional Outcome Agreement implications are that each of the Colleges in Glasgow needs to have a suitable, fit-for-purpose estate and this is being emphasised in the funding allocation discussions.

8 Has an Equality Impact Assessment been carried out?

8.1 Not applicable.

Glasgow Clyde College - Capital Masterplan

Expenditure against plan 1st April 2018 to 31st August 2018 against 2018/19 Capital projects plan

Paper 18.41A

Priority	Project Description - Capital Projects	Funded by	2018/19 Capital Projects Plan as approved at June Board of Management	2018/19 Capital Projects Plan update	2018/19 Capital Expenditure April 18 to August 18	Variance/ Balance remaining	Comments
Completed, retentions remaining	Landscaping and Horticulture Teaching Accommodation including glasshouses	Foundation Approved.	£58,873	£58,873	£11,986	£46,887	Permanent relocation of landscaping and horticulture teaching provision previously based at Langside's Woodburn campus, including glasshouses. Project completed October 2017. Foundation funded.
1	Large Scale Plant Upgrade/ Replacements from condition survey Part 1 - Cardonald Campus Lifts, Heating and Ventilation, Switchgear	Foundation Approved	£474,822	£474,822	£197,928	£276,894	Funding approved from Foundation for total three part large scale plant upgrade project at £2.75Million. Part of total bid (£600k) deferred to consider phase 2 of heating and ventilation works. Lifts project progressed from May 2017 and concluded August 2018. Phase 1 of heating and ventilation, and mechanical and electrical services completed in summer 2017.
2	Cardonald Campus Car Park Upgrade	SFC/GCRB very high priority works capital funding	£800,000	£800,000	£3,600	£796,400	Works being progressed on site. Due to complete by November 2018. Cardonald campus car park had significant drainage issues and is not fit for purpose. Three options were costed at business case and decided to go for medium option.
2a	Replacement Lighting at Cardonald Campus car park	SFC/GCRB very high priority works capital funding	£200,000	£50,000		£50,000	Lighting is inappropriate old installation which does not provide required coverage.
3	Changing rooms upgrade at Cardonald campus	SFC/GCRB very high priority works capital funding	£440,000	£440,000	£12,177	£427,823	Full refurbishment of the Sports changing rooms at the Cardonald campus. The previous facilities were not fit for purpose and did not support the College in providing a modern facility in which to offer an industry standard experience for users. The project will also improve the disabled changing facilities.
4	Summer Works - Annual Estimate	SFC/GCRB lifecycle maintenance capital funding allocation	£534,000	£534,000		£534,000	Lifecycle maintenance works which are ongoing. Projects undertaken on a prioritised basis following planning discussions with all faculties and units. Projects at design stage.
5	Boiler installation	SFC/GCRB very high priority works capital funding	£75,000	£125,000		£125,000	Replacement of boilers. Third boiler at Cardonald plus nursery boiler. Final estimate awaited.
N/A	Interactive Whiteboard replacement programme - Anniesland and Langside campuses	Revenue Funding	£311,000	£0		£0	Interactive whiteboards which were greater than 7 years old were in need of replacement and modernisation. This replacement has been ongoing since summer of 2017 and now final stages planned to be funded from revenue.
6	Redecoration/Flooring	SFC/GCRB very high priority works capital funding	£200,000	£240,000		£240,000	High priority redecoration and flooring required across the three campuses.
7	Mary Stuart Building Cladding Replacement	SFC/GCRB very high priority works capital funding	£210,000	£320,000		£320,000	Cladding panels replacement.
8	Migration to new Wi-Fi Solution	TBC. Possible SFC/GCRB lifecycle maintenance capital funding allocation	£200,000	£200,000		£200,000	Replacement Wi-Fi solution required as current provider is moving out of Wi-Fi market
9	Student Space Extension at Anniesland	TBC. Possible GCEF Bid	£300,000	£300,000		£300,000	Limited student space at Anniesland campus compared to the other two campuses. Design of possible option being completed.
10	Storage Area Network	TBC	£200,000	£200,000		£200,000	Replacement of current data storage solutions with an Enterprise class solution with advanced and optimised storage techniques which maximise performance and balance costs through effective and efficient use of tiered storage.
11	Resurface Sports Pitches	TBC	£40,000	£40,000		£40,000	Currently sports pitches at Langside and Anniesland can only be used for football. Review option for resurfacing to make them fit for multi sport pitches.
	Capital projects sub-total		£4,043,695	£3,782,695	£225,691	£3,557,004	