

# **FINANCE AND RESOURCES COMMITTEE**

**Wednesday 05 December 2018  
The Boardroom, Langside Campus**

## **FINANCE AND RESOURCES COMMITTEE**

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The nineteenth meeting of the Finance and Resources Committee will be held on Wednesday 05 December 2018 at 4.30 pm in The Boardroom, Langside Campus.

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

- |              |                          |  |          |
|--------------|--------------------------|--|----------|
| <b>18.51</b> | Welcome and Apologies    |  | R Fraser |
| <b>18.52</b> | Declarations of Interest |  | R Fraser |

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

- |              |   |   |          |
|--------------|---|---|----------|
| <b>18.53</b> | Minutes of the Finance and Resources Committee of the 26 September 2018 | P | R Fraser |
| <b>18.54</b> | Matters Arising Action Grid   | P | R Fraser |

#### **Items for Discussion**

- |              |   |   |             |
|--------------|---|---|-------------|
| <b>18.55</b> | Draft Financial Statements year ending 31 July 2018           | P | T Elliott   |
| <b>18.56</b> | Financial Report year to October 18 and Forecast to July 2019 | P | T Elliott   |
| <b>18.57</b> | Capital Expenditure & Masterplan Update                       | P | J Thomson   |
| <b>18.58</b> | Commercial & External Funding Update                          | P | D McDougall |
| <b>18.59</b> | Estates Update  | P | J Thomson   |

#### **Items for Noting**

- |              |   |   |           |
|--------------|---|---|-----------|
| <b>18.60</b> | Procurement Update                        | P | T Elliott |
| <b>18.61</b> | Glasgow Clyde Education Foundation update | P | J Thomson |

#### **Continual Improvement**

- |              |   |  |          |
|--------------|---|--|----------|
| <b>18.62</b> | Equalities Impact Assessment on Decisions Made  |  | R Fraser |
| <b>18.63</b> | Review of Papers (including Disclosable Status) |  | All      |
| <b>18.64</b> | Any Other Business                              |  | R Fraser |

Date of next meeting Wednesday, 6<sup>th</sup> March 2019 at 4.30pm, the Boardroom, Langside Campus

**NOTES OF THE NINETEENTH MEETING OF THE FINANCE AND RESOURCES COMMITTEE, HELD ON 26 SEPTEMBER 2018, AT 4.30PM IN THE BOARDROOM, LANGSIDE CAMPUS.**

**PRESENT:**

R Fraser	Committee Chair
D Newall	Committee Member
S Henson	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**

**18.36 WELCOME AND APOLOGIES**

R Fraser welcomed everyone to the meeting. Apologies were received from Karolina Gasiorowska and Jon Vincent

**18.37 DECLARATIONS OF INTEREST**

There were no declarations of interest.

**18.38 MINUTES OF THE MEETING HELD ON 30 MAY 2018**

Two amendments are required under Item 18.25. SFC funding should read 'to be committed by' replacing 'to be used by' and the phrase 'in respect of the Voluntary Severance Scheme' to be added clarifying the query raised about a potential College donation to GCEF. The Clerk will recirculate in revised form.

**GH**

The Committee accepted the minutes, with above amendments, to be an accurate reflection of the meeting held 30 May 2018.

**18.39 MATTERS ARISING**

Progress was noted on all of the matters arising. One item to be added, referencing 18.25 will be included. Actions 18.22, 18.24, 18.26 and 18.30 are complete. Progress will be notified at the next meeting on 17.54.

**18.40 REMIT OF THE COMMITTEE**

The final draft was approved by the Finance & Resources Committee.

**GH**

**18.41 DRAFT PRIMARY FINANCIAL STATEMENTS**

T Elliott was invited to speak to the report issued with the agenda papers. Annexe 1 was circulated at the meeting.

T Elliott reported a slight movement since this report to year end accruals, taking the underlying operating surplus figure from £184k to £175k. Due to the difference in reporting against academic and fiscal year, this is ring-fenced for spend during the budget year.

The pension liability has significantly improved with liability reduced from £9.7m to £223k. This resulted from changes in the financial assumptions used by the pensions actuary and adjustments which are outwith the control of the College.

The Committee queried the level of Lennartz liability remaining and it was clarified this is a reducing liability which will be paid within the next 2 – 3 years.

The annual Lennartz figure is approximately £600k.

The Committee noted the content of the primary financial statements.

**18.42 2018/19 CASHFLOW FORECAST**

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

The Committee's attention was drawn to the graph which represents gradually reducing balances over the year.

T Elliott advised that no short term issues were predicted, and monthly cash-flow is closely monitored. The College has the ability to vary its draw down from SFC Main Grant within the year and can thus respond to any issues which may arise in any particular month.

The Committee were assured that this position is very closely monitored.

The Committee noted the contents of the 2018/19 Cash-flow forecast. Ongoing cash-flow forecasts and actuals are reported to the Committee throughout the year.

**18.43 CAPITAL EXPENDITURE & CAPITAL MASTERPLAN UPDATE**

J Thomson was invited to speak to the papers circulated at the meeting.

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.

J Thomson explained the background to the capital funding available. Of the total £6.25 million capital allocation to the Region for 2018/19, £2.76M is for lifecycle maintenance and these funds are allocated based on the credits targets for each

## **ACTION**

College. The remaining £3.5M is for very high priority backlog maintenance however, Glasgow Kelvin College have indicated that they will not be able to spend all of their original allocation for 2018/19. GCC presented a case for this funding to be transferred to this College and this is to be considered by GCRB. However, it is thought this may need to have to wait to be approved by GCRB Board in October. This would equally create challenges for GCC to spend within the timescale by end of July 2019, if not end of March 2019 as originally notified.

J Thomson informed the Committee we have high priority works which need to be carried out, and approval at the earliest possible date is a necessity for us to move forward with tendering processes.

The senior management are maintaining close contact, and progressing this to seek early confirmation. The Committee supports the efforts being made to secure the funding and to achieve earliest possible agreement.

J Thomson gave the Committee detail on the 2018/19 Masterplan. In response to queries it was explained that Cardonald Car park costs had now been confirmed as being a tender for combined work lower than had been originally estimated and that this work should be completed at the end of October. J Thomson also explained that work on the Mary Stuart Building remained in the design phase.

The Finance & Resources Committee approved the paper. A decision was made to take this paper to the Board meeting on 5<sup>th</sup> October. The Clerk and J Thomson will liaise to ensure the paper is available as an additional paper.

**JT/Clerk**

### **18.44 COMMERCIAL AND EXTERNAL FUNDING UPDATE**

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

D McDougall explained that some typing errors occurred on the figures presented. Table 1 final income figure of £400k was partly carried forward from 2017-18 to 2018-19 therefore the surplus reduces by £69k but the projected surplus for 18-19 should show an increased figure of £241k.

The total figure for 2017-18 on table 2 should show £960,075, and the College Managed MA figure £326,000.

There was a lengthy discussion around how figures are calculated and presented. This referred to the method of calculating full cost recovery, of including core running costs, and the net or gross contribution basis to be used to present as a further analysis to the Committee. There were also questions about how permanent and temporary (project employed) staff were shown and how this can be monitored through the correct coding of activity codes, which are reliant on the timesheet submissions for temporary staff.

**ACTION**

The Committee were assured that Business Development and the Finance team work together to validate figures and review for coding accuracy.

Following this discussion AP's from Finance and Infrastructure and Business Development will review and revise the presentation and detail to ensure the Committee receives this information and can demonstrate the net contribution from commercial activities to GCC.

The Committee congratulated D McDougall and his team on gaining the tendered work with North Lanarkshire Council, and were informed that further tenders had been announced for which GCC will be making bids. Tenders in progress are not reported to the Committee or included in projections until outcomes are known.

**DMcD/TE**

The Committee thanked D McDougall for the update.

**18.45 ESTATES UPDATE**

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

J Thomson took the Committee through the detailed paper highlighting the fire integrity works at Anniesland Campus which have now been completed, and progress on the Langside Residences which await final documentation but the process is almost complete.

In respect of the cladding of the Mary Stuart Building whilst it is believed that the current cladding does not pose a specific risk, GCC is minded to carry out the works and upgrade this older cladding. This would not be completed until summer 2019.

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

**18.46 SCOTTISH FUNDING COUNCIL LETTER TO PRINCIPALS**

T Elliott spoke to this paper circulated with the agenda.

The letter introduces some change in that quarterly resource returns will no longer be required from each College.

The requirement to report against the academic and the fiscal years remains in place, so budgets will still need to be managed across both these accounting years. The letter results in a marginal reduction in reporting.

The Committee noted the contents of the letter.

**Items for Noting**

**18.47 PROCUREMENT UPDATE**

T Elliott spoke to the report previously circulated with the agenda. A full contract update was provided, and the current status of tenders and contracts.

## ACTION

The Committee were asked to note that a full procurement report is required to be published in November but does not require full Board approval. This report can be agreed at senior management level. T Elliott assured the Committee that no issues were anticipated and the link to the report would be shared with the Board.

The Committee agreed that a shared link should be circulated when available for all Board members.

The Committee was asked how useful this full information was and informed T Elliott that it was useful information.

Following a short discussion the Committee noted the contents of the update.

TE

### 18.48 STUDENT SUPPORT FUNDS REPORT

T Elliott gave an overview of the student support funds as presented in the report circulated with the agenda papers.

The Committee was advised funding is distributed on behalf of both SFC and SAAS (Student Awards Agency for Scotland).

The reports shows some movement between the 2017-18 and 2018-19 years due to ESF student support funding no longer being available for FE students after 2017-18 due to the change of ESF programme.

SFC student support funding funds FE Bursary funds, FE & HE Childcare and FE Discretionary funding. SAAS funding is for HE discretionary payments..

T Elliott also explained how GCC factor in drop out levels to avoid any funding awards shortfall for students.

The Committee were asked to note the risk analysis. Changes in SFC guidance around attendance could potentially result in the volume and value of funds stopped being reduction in 2018-19 hence leaving less available to distribute to others. The Committee were assured this is being closely managed and monitored to mitigate risk by reducing the value GCC awards above the SFC funding allocation to no more than 8%. .

The Committee noted the contents of the report.

### 18.49 GLASGOW CLYDE EDUCATION FOUNDATION UPDATE

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

The Committee were advised of two bids recently approved and there are two pipeline bids for future submission.

The Committee asked that bid proposals are shared with the Board prior to submitting to GCEF. J Thomson will check meeting dates to ensure this can be achieved. The Committee responded that the bids could be shared by email if meeting dates posed a difficulty.

It was commented that the recent GCEF AGM showed a higher balance of funds than expected. J Thomson felt there had been

JT

some growth in their funds but also noted that all allocations may not yet have been drawn down which would impact on the GCEF balances.

The Committee noted the contents of the update.

**18.33 EQUALITIES IMPACT ASSESSMENT ON DECISIONS MADE**

None are applicable.

**18.34 REVIEW OF PAPERS (INCLUDING DISCLOSABLE STATUS)**

The disclosable status of papers was as as provided plus item 18.44 was also deemed non disclosable.

**18.35 ANY OTHER BUSINESS**

The Committee asked if an assessment of the impact of teaching pensions increases had been assessed. T Elliott responded that information on increases had not yet been provided however . there remained the potential for significant impact.

**DATE OF NEXT MEETING**

Wednesday, 5<sup>TH</sup> December, 2018 at 4.30pm, The Boardroom, Langside Campus



**FINANCE AND RESOURCES COMMITTEE  
MEETING HELD ON 26 SEPTEMBER 2018  
ACTION GRID**

<b>ITEM</b>	<b>ACTION</b>	<b>LEAD</b>	<b>COMMENT</b>
<b>17.54</b>	<b>CAPITAL EXPENDITURE &amp; CAPITAL MASTERPLAN UPDATE</b>		
	Progress on the Estates Strategy to be notified at the December meeting	<b>JT</b>	Gardiner & Theobald have been appointed to complete the Estates Strategy Review funded by GCEF and this is now underway. They will present their findings to date to the December Board of Management meeting.
<b>18.25</b>	After discussion the Committee agreed that this item (potential donation to GCEF) should be discussed in January 2019, thus enabling any donation to GCEF to be made in March of that year.	<b>TE</b>	For January / February meeting agenda
<b>18.43</b>	Capital Masterplan to be taken to Board meeting on 5 <sup>th</sup> October	<b>JT</b>	Completed
<b>18.44</b>	Commercial and External funding update. AP's from Finance and Infrastructure and Business Development will review and revise the presentation and detail to ensure the Committee receives the requested information and can demonstrate the net contribution from commercial activities to GCC.	<b>DMcD/TE</b>	This information is included in the Commercial and External Funding paper on the agenda.
<b>18.47</b>	Procurement Update. The Committee agreed that a shared link should be circulated when available for all Board members.	<b>TE</b>	This will be shared when available at end of November.

<b>ITEM</b>	<b>ACTION</b>	<b>LEAD</b>	<b>COMMENT</b>
<b>18.49</b>	GCEF Update. The Committee asked that bid proposals are shared with the Board prior to submitting to GCEF. J Thomson will check meeting dates to ensure this can be achieved. The Committee responded that the bids could be shared by email if meeting dates posed a difficulty.	<b>JT</b>	It is intended that the two proposed upcoming GCEF bids be submitted to the Board of Management on 12 <sup>th</sup> December before going to the GCEF Board on 19 <sup>th</sup> December.

## FINANCE AND RESOURCES COMMITTEE MEETING

Date of Meeting	5 December 2018
Paper Title	Capital Expenditure Report and Masterplan Update
Agenda Item	18.57
Paper Number	18.57A
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 October 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. The Glasgow Regional capital funding allocation for 2018/19 is £6.25Million. GCRB allocated £5.57M of this total in June split as follows (and retained £681k at that stage):-

	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

3.2 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 to the College remained at £1.251M at that point. The College have submitted further paperwork to GCRB indicating the College's updated estimates of plans for projects 2, 2a, 3, 5, 6 and 7 of the attached capital masterplan. The remaining allocation of £681k above for very high priority items in the Region has now been approved to be allocated to Glasgow Clyde College and the challenge now is working within the timescales available.

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

#### **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 October 2018 against 2018/19 Capital projects plan

Paper 18.57A

Priority	Project Description - Capital Projects	Funded by	2018/19 Capital Projects Plan as approved at October Board of Management	2018/19 Capital Projects Plan update	2018/19 Capital Expenditure April 18 to October 18	Variance/ Balance remaining	Comments
Completed, retentions remaining	Landscaping and Horticulture Teaching Accommodation including glasshouses	Foundation Approved.	£58,873	£58,873	£54,867	£4,006	Permanent relocation of landscaping and horticulture teaching provision previously based at Langside's Woodburn campus, including glasshouses. Project completed October 2017. Foundation funded. Retentions in 2018/19.
1	Large Scale Plant Upgrade/ Replacements from condition survey Part 1 - Cardonald Campus Lifts, Heating and Ventilation, Switchgear	Foundation Approved	£474,822	£474,822	£212,733	£262,089	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. Retentions and lift lobby redecorations remaining.
2	Cardonald Campus Car Park Upgrade	SFC/GCRB very high priority works capital funding	£800,000	£800,000	£473,967	£326,033	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. Works completed late October. Final payments and retentions remaining.
2a	Replacement Lighting at Cardonald Campus car park	SFC/GCRB very high priority works capital funding	£50,000	incl within above		£0	Lighting is inappropriate old installation which does not provide required coverage. Being replaced by end December and included in total tender package for car park above.
3	Changing rooms upgrade at Cardonald campus	SFC/GCRB very high priority works capital funding	£440,000	£440,000	£342,240	£97,760	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. Project complete October 2018 with final payments and retentions remaining.
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 being undertaken on a prioritised basis following planning discussions with all faculties and units.
5	Boiler installation	SFC/GCRB very high priority works capital funding	£125,000	£125,000		£125,000	Replacement of boilers. Third boiler at Cardonald plus nursery pipework. Final estimate awaited.
6	Redecoration/Flooring	SFC/GCRB very high priority works capital funding	£240,000	£265,000		£265,000	High priority redecoration and flooring required at the Cardonald campus.
7	Mary Stuart Building Cladding Replacement	SFC/GCRB very high priority works capital funding	£320,000	£451,000		£451,000	Cladding panels replacement. Report now received and replacement planned for summer 2019.
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 prepared and being costed.
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.
	<b>Capital projects sub-total</b>		<b>£3,782,695</b>	<b>£3,888,695</b>	<b>£1,083,807</b>	<b>£2,804,888</b>	

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## FINANCE AND RESOURCES COMMITTEE

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Date of Meeting	5 December 2018
Paper Title	Glasgow Clyde Education Foundation Update
Agenda Item	18.61
Responsible Officer	Janet Thomson, Vice Principal Resources and College Development
Status	Disclosable
Action	For Noting

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### 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. Their next meeting is 19 December.

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 define some improvement projects to be considered and then to find a training programme provider on business improvement techniques 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. Following a procurement process Gardiner & Theobald have been appointed to undertake this review which will particularly focus on the future needs for the Cardonald campus. They will report their findings to date following document review and sessions with College key stakeholders 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 as already indicated to the Committee which are planned to be submitted to the College Board of Management in December and then to the GCEF Board later that month 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