

**NOTES OF THE TWENTIETH MEETING OF THE FINANCE AND RESOURCES COMMITTEE, HELD ON 05 DECEMBER 2018, AT 4.30PM IN THE BOARDROOM, LANGSIDE CAMPUS.**

**PRESENT:**

D Newall	Committee Member (Chaired meeting)
J Vincent	Committee Member/ Principal
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 (for previous minutes and item 18.58 only)
G Heritage	Clerk to the Board (Minute Taker)
G Murray	Clerk to the Board (Observing)

**ACTION**

**18.51 WELCOME AND APOLOGIES**

D Newall welcomed everyone to the meeting. Apologies were received from Robert Fraser and Stephen Henson. It was noted at this point by the Chair that Finance & Resources Committee requires an additional member and that Board member recruitment was scheduled to commence early in 2019.

**18.52 DECLARATIONS OF INTEREST**

There were no declarations of interest.

**18.53 MINUTES OF THE MEETING HELD ON 26 SEPTEMBER 2018**

The Committee accepted the minutes of the meeting held on 26 September 2018.

**18.54 MATTERS ARISING**

Progress was noted on all of the matters arising. Note: whilst items on the agenda were taken in different order to that planned, for clarity, the Board agreed minutes should maintain the chronological order.

**18.55 DRAFT FINANCIAL STATEMENTS YEAR ENDING 31 JULY 2018**

T Elliott gave an overview of the Annual Report and Financial Statements taking the Committee through each section.

The Committee were informed that the financial statements were prepared on the 'going concern' basis, however it was noted that there were challenges in future financial forecasts. The External Auditor's opinion was unqualified, and the Committee were asked to note that the auditors had expressed appreciation of the work of the Finance team in the preparation of the financial statements.

Since this version was printed some adjustments were noted as already being made by the Audit Committee and there were further final amendments and narrative to be included prior to a finalised version for eventual submission and publication. A final version will be presented at the Board of Management meeting on 12<sup>th</sup> December.

T Elliott explained those sections either added or extended following the requirements of Audit Scotland, and these were duly noted.

J Thomson asked the Committee to note the discussion at Audit Committee around assurances which members asked in relation to the Board Chair signing the Letter of Representation. The Certificate of Assurance provides this annually, and relevant senior management are able to give assurances for the intervening period.

The related party transactions section was discussed, and it was agreed that the wording would be revised to provide some clarification detailing, for example, the requirement of the Chair to sit on the Regional Board. The Committee agreed this could prevent misinterpretation and that potential rewording would be discussed with the external auditor prior to the Board of Management.

**JT**

After discussion the Committee agreed that they had reviewed the Report and Financial Statements and subject to comments and to further amendments identified at Audit Committee, this Committee were comfortable with the content and financial statements as within the Report.

**18.56 FINANCIAL REPORT YEAR TO OCTOBER 18 & FORECAST TO JULY 2019**

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

This report outlined the position to October 2018 and the Committee were informed that the budget and forecast were overall in alignment.

A brief overview of the variances analysis was provided and the Committee were asked to note three areas which have been updated since the original budget being the reduced SFC grant for national bargaining, the inclusion of the Flexible Workforce Development Fund, and the impact of the STSS increased employers' contribution costs from April 2019.

This risk should be flagged to the Board given the potential cost risk level in the region of circa £800k per annum from the increased employers' pension contribution costs for the teachers scheme..

The Committee noted the content of the report.

**18.57 CAPITAL EXPENDITURE AND MASTERPLAN UPDATE**

J Thomson gave an overview of the report.

The Committee were asked to note the additional £681k allocation which has been approved for allocation from GCRB and work relating to this must be undertaken or committed by the awarding of contracts before the end of the fiscal year.

Additional work is therefore reflected within the Capital Masterplan to be met from this allocation, as well as further projects which may be the subject of proposals to Glasgow Clyde Education Foundation.

J Thomson updated the Committee on the capital projects and the current progress. A further updated report will be provided to the Board. The provision of additional student space at Anniesland is also a Board agenda item as part of the GCEF update report.

The Committee noted the contents of the update.

**18.58 COMMERCIAL AND EXTERNAL FUNDING UPDATE**

D McDougall was invited to speak to the Report issued with the Agenda. This item was taken first at the meeting and D McDougall left the meeting after this item.

The Committee were informed that BDU and Finance had worked jointly to ensure that the information could be presented in a format which was accessible, and which reflected the information required. The Committee were invited to comment on the presentation of information.

D McDougall explained that the table now in the report presents both direct and indirect costs as well as actuals against budget. Timing means that income actuals can appear low but these are influenced by the timing of receipts and drawdowns which vary by contract.

In response to a query the Committee were assured that this information could be produced on a quarterly basis and a process was in place. There was however, a need to be assured that estimated figures provided by the faculties were as accurate as possible and these will be checked on an ongoing basis in the reporting.

It was explained that figures may be collated by 'term' but can be reported quarterly.

There were discussions around how the figures were calculated and the mechanisms used. It was agreed that two additional columns should be provided, so as to show the year-

**DMcD**

## **ACTION**

to-date budget and the full-year projections of income and costs. This will be included, and the format is to be emailed to F&R Chair and then to the F&R Committee for agreement.

The Committee noted that the Board has approved and SLT have signed off the Commercial Income Growth Plan previously discussed. The income targets set in the plan should be included in future reports to Finance and Resources Committee.

D McDougall also gave a brief overview of the Flexible Workforce Development Fund and External Funding Unit (EFU) current projects.

FWDF is reporting positive progress with increased take up. It was reported that External funding is on target and some discussion took place around risks of those funds which were not guaranteed to continue or not guaranteed at current rates beyond project end dates. It was agreed that project end date information should be included. The Committee were assured of close joint work with Finance and the commercial team.

**DMcD/TE**

For each of the three reporting sections information will reflect and reconcile back to management accounts thus giving congruency across the presentation.

**DMcD/TE**

The Committee thanked D McDougall for the update.

### **18.59 ESTATES UPDATE**

J Thomson was invited to speak to the report issued electronically and circulated at the meeting.

A brief overview was given. It was highlighted that the work in assigning the lease for the residences to A3 has progressed. Both the assignment and the guarantee have now been signed. The refurbishment and furnishings work is scheduled to take place by November 2020. J Thomson also updated the Committee on the new cladding to be installed at the Mary Stuart building which is due to complete in summer 2019 and may extend into the new term creating a need to relocate students for a temporary period.

The Estates Strategy is an agenda item for the Board meeting with a presentation by Gardiner and Theobald. This is at an early stage and views of the Board will be sought.

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

### **Items for Noting**

### **18.60 PROCUREMENT UPDATE**

T Elliott gave a brief overview of the report previously circulated.

The report was noted by the Committee.

**18.61 GLASGOW CLYDE EDUCATION FOUNDATION UPDATE**

J Thomson provided a brief overview of the update issued with the agenda papers.

The Committee were informed of two proposed College bids. Of these the student space at Anniesland is on the Board agenda for 12<sup>th</sup> December, and once approved to be submitted to GCEF by 19<sup>th</sup> December.

The Learning and Teaching Transformation project is now potentially to be proposed to GCEF in spring 2019.

Under this item the Committee discussed that any potential donation to GCEF would be considered in early 2019. It was proposed that if there was a donation that Board approval for an amount up to a certain level, with a final decision to be taken in the context of financial scenario planning was appropriate. The Chair noted a desire to consider making a donation which would then need to be notified to SFC in January. Any donation should complement growth in commercial income.

The Committee agreed that Board approval within a limited figure was an appropriate approach.

The Committee noted the contents of the update.

**TE**

**18.62 EQUALITIES IMPACT ASSESSMENT ON DECISIONS MADE**

None are applicable.

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

Items 18.55, 18.56, 18.58, 18.59 and 18.60 are non-disclosable and will be redacted under the FOISA section 33(b).

**18.64 ANY OTHER BUSINESS**

There was no other business.

**DATE OF NEXT MEETING**

Wednesday, 6<sup>TH</sup> March, 2019 at 4.30pm, The Boardroom, Langside Campus