

**NOTES OF THE MEETING OF THE BOARD OF MANAGEMENT HELD ON 28 AUGUST 2019 AT 4.30 PM IN ROOMS 3.24/3.25, ANNIESLAND CAMPUS, GLASGOW CLYDE COLLEGE.**

David Newall	Chair
Jon Vincent	Board Member
Sandra Heidinger	Vice Chair
Fiona Godsman	Board Member
Gordon McGuinness	Board Member
Clare Walker	Board Member
David Watt	Board Member
Mary Docherty	Board Member
Michael Payne	Board Member
Keith Rosser	Board Member
Robert Fraser	Board Member
Stephen Henson	Board Member
Aranka Szilassy	Board Member

**IN ATTENDANCE:**

Brian Hughes	VP Curriculum and External Relations
Janet Thomson	VP Resources and College Development
Tracy Elliott	AP Finance and Infrastructure
Scott Renton	Head of ICT
Gary McKeown	ICT Service Delivery Co-ordinator
Sheila White	CLD Manager
Eunice Robertson	(Minutes)

**19.48 WELCOME AND APOLOGIES**

The Chair welcomed everyone to the meeting and introduced Student President A Szilassy as a new Board Member and E Robertson as Minute-taker.

Apologies were **NOTED** from S Rasmussen and G Whiteford.

With the agreement of Board Members, the meeting started with Item 19.50.

**19.49 DECLARATIONS OF INTEREST**

A Declaration of Interest was **NOTED** from F Godsman in relation to GCEF.

The Chair advised Members of one AOB item relating to an additional Budget paper.

**19.50 GIFT-TECH PRESENTATION**

S Renton introduced this item and provided background context. The aim of the initiative is to overcome student hardship and barriers to learning by gifting refurbished IT

equipment. Many student applications had been received already.

*[K Rosser and R Fraser joined meeting at 16:45 hrs.]*

G McKeown advised that IT equipment becomes out of date due to obsolete firmware but is still useable. Hard drives are removed, refurbished and cleaned with the assistance of volunteer staff and students. Estates staff had been retrained to carry out PAT testing.

The college had gained official Microsoft Refurbisher status. All work was GDPR compliant and all legal requirements were in place. Fundraising events were being held to support the initiative.

S White detailed the benefits to community learners and referred Members to the Gift-Tech packs which included a copy of the presentation. An electronic copy was available on request.

Gift-Tech had launched internally in January 2019 and a community launch had recently taken place. The initiative had over 40 partners including Local Authorities, Housing Associations, voluntary organisations, Apogee and Hewlett Packard.

The Gift-Tech initiative links to the Scottish Government's family learning agenda and supports the college's vision, mission and values. The following examples of external recognition were provided:

- Education Scotland had confirmed its endorsement of the project and their regional digital teams would link with the college.
- APUC was considering a wider application of the Gift-Tech model.
- The Scotsman wished to publish an article.
- A Parliamentary Motion had been submitted by James Dornan MSP.
- An Agreement was in place with Volunteer Glasgow to include Gift-Tech within the Saltire Award.
- Gift-Tech had been endorsed by Trading Standards.
- The First Minister had written to suggest that the college work in conjunction with No Waste Scotland.

An Approvals Committee had been set up to consider internal and external applications to which standard criteria were applied.

Gift-Tech was currently unable to accept donations as this would incur the costs of disposing of hard drives. However, the college was working with APUC to gain 'destroyer of data' status.

T Elliott advised that APUC was considering how a nationwide / sector wide service similar to Gift-Tech could be established. There were fewer legal impediments to gifting IT equipment as opposed to selling it.

Students were involved in the recycling of equipment as part of their curriculum. GMcK explained that the only cost was £4 to purchase the Microsoft software licences which would normally cost £100.

S White advised that large company sponsorship of 'additionality' such as purchase of pen drives, dongles and other peripherals might be possible.

J Vincent noted that CBI had noted interest in Gift-Tech and had raised the issue of sponsorship with its members.

The Chair thanked S Renton, S White and G McKeown for their informative presentation and commended the Gift-Tech initiative.

*[SR ,SW and GMcK left the meeting at 17:00 hrs.]*

*[M Payne joined meeting at 17:10 hrs.]*

### **Minutes of Previous Meetings**

#### **19.51 MINUTES OF THE BOARD MEETING HELD ON 12 JUNE 2019**

The Minute was approved as an accurate record of the previous meeting.

#### **19.52 MATTERS ARISING: ACTION GRID**

**Item 19.38** – JV advised that GCEF had approved a capital bid for £250K but had declined the submitted revenue bids. Constructive discussions were continuing with the Chair of GCEF in relation to future revenue bids.

**Item 19.32** – This item was under progress. The remit of the Remuneration Committee would be examined following appointment of the Clerk to the Board.

**Item 19.34** – The Audit Scotland report would be submitted to the next Audit Committee meeting. **DW**

**Item 19.37** – The draft Five Year Financial Plan was on the current agenda.

The Board **NOTED** the contents of the action grid.

**19.53 MINUTES OF ORGANISATIONAL DEVELOPMENT COMMITTEE HELD ON 5 JUNE 2019**

The Minutes were noted.

C Walker referred to Item 19.29 and noted the previous discussions on Health and Safety induction training.

Correction of a typographical error required in Item 19.31 to replace 'greed' with 'agreed'. **Clerk**

F Godsman expressed concern that Hive could not provide benchmarking data. It was **AGREED** that this would be progressed by the OD Committee. M Docherty also conveyed Members' disappointment that this data was not available.

**Standing Items**

**19.54 CHAIR'S REPORT**

The Chair provided a verbal up-date and asked the Board to **NOTE** the following items:

**Clerk to the Board:**

- G Murray had resigned as Clerk to the Board to take up a senior solicitor post. The Chair wished to record her commendable service as Clerk.
- Recruitment had resulted in a short-leet of five candidates and interviews would be held week commencing 2 September 2019. The new contract would increase the notice period from one to three months.

**Appointment of Board Members:**

- The Chair advised that a maximum of 18 Board Members was permitted. There were currently 15 appointed Members. A recent recruitment drive had resulted in 13 applicants reduced to a short-leet of 4.
- Board Members would be appointed by GCRB as the regional funding body.
- It was **AGREED** that new Board Members would be invited to attend the Development Day on 25 October.

**Chair**

### **Election of Board Members:**

- C Walker expressed her commitment to serve for a further term if elected. The Chair commended her contribution to date.

### **Colleges Scotland:**

- The Principal and Chair had met with S Struthers of Colleges Scotland and had requested that Colleges Scotland lobby the Scottish Government vigorously on behalf of the FE sector in relation to funding and financial sustainability.

## **19.55 PRINCIPAL'S REPORT**

J Vincent provided a verbal up-date on the following items:

- The college had signed the Scotland Tobacco-Free Generation Charter.
- WorldSkills Competitions, Russia – Five students from Scotland had participated in the competitions including an HND Computing student from Glasgow Clyde College who had competed in the Cyber Security category. This was a high profile event opened by the Russian Prime Minister and closed by President Putin. J Vincent would write a letter of congratulations to our student. **JV**
- Administrative Staff Restructure – At the request of UNISON, the consultation had been extended. Eighty responses had been received and had been fully considered at a recent one day workshop.
- A revised proposal would be issued shortly.
- A significant number of VS applications had been received.
- The Principal noted the recruitment freeze and confirmed that compulsory redundancies would not be necessary and that redeployment opportunities would be available.
- Academic Staff Restructure – EIS had been informed of the college's intention to launch a consultation on a new academic structure. Details of the proposed new structure will be considered at the next meeting of the Remuneration Committee. **JV**
- GCRB – Executive Director R Ashton had resigned from GCRB to take up post as Vice Principal at Glasgow Kelvin College.
- Pending recruitment to the post, J Godfrey would act as Executive Director in the interim period.

- GTCS – Glasgow Clyde College had recently achieved GTCS Professional Up-date validation and was one of the first Scottish colleges to do so.
- ICT and Estates – The Mary Stewart building had been re-clad with non-combustible materials.
- The Cardonald lift lobbies refurbishment works were nearing completion.
- Cyber Security – WIFI was being up-dated on all three campuses.
- The college had connected with Mindful Education to provide on-line and blended learning opportunities in book-keeping.
- Langside Residencies – Residents were now in place in all the refurbished accommodation.
- Beauty with a Conscience – The college's partnership with the Prince and Princess of Wales Hospice had been shortlisted for the Inspiring City Awards 2019.
- The EIS dispute had been resolved and EIS members had accepted a cost of living pay increase and new national working practices.
- It was **NOTED** that EIS salary negotiations would commence shortly for September 2020 arrangements.

The Chair thanked the Principal for his up-date.

#### **19.56 STUDENT ASSOCIATION PRESIDENT'S REPORT**

A Szilassy reported on the following items:

The GCCSA team had attended the college's informative induction day.

The team would be represented at the NUS Scotland Gathering conference on 29.08.19.

2019/20 objectives included:

- To develop the class rep system and offer more drop in sessions at various days/times.
- Adoption of the Student Voice to increase student engagement and greater accountability for GCCSA decision making.
- Scotland Tobacco-Free Generation Charter had been signed.
- Healthy Body and Healthy Mind – Three star status achieved last year. Aiming to achieve four stars in 2019/20.
- A new Cycling Officer had been appointed.
- Freshers' Fayres would be held in each campus w/c 02.09.19.

- A Recycle Week had been arranged for the end of September to include a 'clean up' day. External organisations such as *Love Food Hate Waste* had been invited.
- Gender based violence would be a key campaign.

The Chair thanked A Szilassy for her report.

### **Items for Decision**

#### **19.57 2019/20 BUDGET**

T Elliott spoke to the budget paper issued within the board papers that had been submitted for approval. She reiterated that the Board of Management had taken a decision not to approve the previous June 2019 budget proposal and had requested that further work be done by Management to consider the requisite staff cost reductions and secure additional funding from Glasgow Clyde Education Foundation (GCEF).

Since that time Management have prepared a draft restructuring plan which has been included in the Draft Five Year Plan at agenda item 19.59. In addition, the College submitted an application to GCEF for funding in July. However, on the 7 August 2019 the GCEF Board informed the College that it was not in a position to provide funding to support the application submitted.

T Elliott stated that the College now has no alternative but to seek financial support from SFC through GCRB in order to partially fund the related voluntary severance costs in respect of the planned restructuring process. She emphasised that although SFC had supported some colleges in the past, there was a significant risk that SFC would not provide financial assistance. She then referred to an alternative budget paper which had been circulated at the meeting which outlined a possible scenario if SFC did not provide such funding.

*[S Heidinger joined the meeting at 17.42 hrs.]*

T Elliott indicated that should the College be unable to secure additional funding to support voluntary severance costs, alternative mechanisms to reduce staff costs in the very short and medium term would have to be considered by the Board of Management and the Executive. The least favourable option would be to consider implementing a compulsory redundancy process. This would be challenging to achieve as the GCRB Financial Memorandum states that 'the College must have regard to public sector pay policy set by the Scottish Ministers' and one

of the key strands of Scottish Government pay policy is the continued commitment to no compulsory redundancy.

Additional financial pressures included an increase in Scottish Teachers Superannuation Scheme (STSS) of 5.8% from September 2019, representing c. £800K. SFC had advised colleges to assume for planning purposes that 100% funding of this increase would be available, but at this stage no guarantee of funding had been provided beyond March 2020. Post-March this could therefore result in a c. £300K reduction in income but no reduction in costs.

2019/20 commercial growth forecast figures had been downgraded due to some contractual issues and figures may require to be revisited in-year.

T Elliott referred to the budget paper outlining key movements since the June 2019 budget position and the planned restructure. However, she emphasised that in the event of a refusal by SFC to fund VS costs, it would not be possible to achieve a balanced budget. Budgetary pressure points were likely to peak in March and July as a result of SFC fiscal and academic year funding cycles.

Further cuts to non-staff costs would be very difficult to achieve and would have an adverse impact on the student experience.

It was **NOTED** that the College, as a public funded body, only holds 15 days' cash based on advice previously received from Audit Scotland in light of the fact that Colleges can draw down SFC funding in the middle of each month.

The Chair recorded his appreciation to the Executive of their detailed work on the papers. Questions were then taken from Members.

In response to a question in respect of the pending restructure T Elliott explained that as the restructure is taking place throughout 2019/20, this would only deliver partial savings in 2019/20 with full year savings expected in future years.

It was commented that the financial position was not as positive as might be construed from the budget papers if SFC did not provide additional funding. It was imperative that SFC and the Scottish Government be made aware that the current position in the FE sector was not financially sustainable.

In addition, it was noted that the Contingency budget had been significantly reduced at a time when the College faced



considerable uncertainty regarding STSS funding and the level of commercial contribution.

Members were reassured that the college had informed GCRB of the financial position and it was liaising with SFC. A further meeting with GCRB had been scheduled for week commencing 2 September to discuss the budget and five year financial forecast in order to progress discussions with SFC.

A concern was expressed that the 15 days' cash reserves position was unsatisfactory and that three months would be advisable. T Elliott responded that when colleges were reclassified as public bodies in March 2014, the college's significant level of reserves had to be transferred to the GCEF ALF in order to ensure the College could apply for such funding following reclassification. She explained that Audit Scotland had at that time, provided advice that Colleges should hold approximately 15 days cash on the basis that Colleges can draw down SFC funding in the middle of each month.

It was asked how the administrative staff restructure was being funded and T Elliott clarified that, due to the in-year timing of the administrative staff restructure, the related staff cost savings were expected to offset the related VS costs.

T Elliott confirmed that the 2018/19 baseline commercial targets had been met. J Thomson advised that the 2019/20 growth prognosis was being scrutinised and would be discussed at the next SLT on 29 August 2019. Alternative models would be discussed to address the income gap resulting from the contractual issues.

T Elliott advised that it was SFC's view that a College should not set a deficit budget. This had been managed to date but was no longer possible, largely due to external pressures outwith the control of the college. Members stressed the need for the budget to reflect reality. It should show a deficit position and emphasise the risk to financial sustainability.

Members **NOTED** that it would be difficult to sustain non-staff budgets and IT requirements at the proposed levels for more than one or two years. Over time, the risk of compulsory redundancies would increase.

Members **AGREED** that the full projected deficit of £566K should be detailed in the budget papers and Five Year Plan and this should be disclosed to GCRB and SFC.

The Chair thanked the Executive for the significant work carried out in relation to budget planning. It was **AGREED** that the **JV, BH, JT**

Executive would call upon GCRB to request financial assistance from SFC in relation to the £566K budget deficit.

Further discussions would be held with GCEF in relation to the revenue funding. It was **NOTED** that further efficiencies would be required in the event of refusal by SFC and GCEF to provide financial support.

#### **19.58 ANTI BRIBERY, FRAUD AND CORRUPTION POLICY**

J Thomson introduced this item.

OSCR guidance had been received and incorporated into the Policy principally in relation to responsibilities, reporting and definition of fraud.

Members were requested to **CONSIDER** and **APPROVE** the tracked changes within the Policy, and also to review the College's Fraud Response Plan.

In relation to the Plan, the following suggestions were made: **JT**

- Reduce number of major objectives to one.
- Place emphasis on recovery of losses rather than punishment.
- Replace 'punishment' with 'disciplinary measures'.
- The Principal should be notified at the same time as the Vice Principal Resources and College Development.
- Item 2 to be reworded to reflect that the Project Group would 'normally consist of...'
- Item 10 to state that the first recourse should be to GCRB, then SFC.
- A separate paragraph to be inserted addressing the circumstances in which matters should be referred to the Police.

The Chair summarised that Members had **APPROVED** the Policy. The Executive would **SUBMIT** revisions to the Plan to the Audit Committee. **JT**

#### **Items for Discussion / Approval**

#### **19.59 DRAFT FIVE YEAR FINANCIAL PLAN**

T Elliott spoke to this item and outlined salient points:

##### **FFR:**

- The FFR would require to be submitted to GCRB a week in advance of the SFC submission deadline of 27.09.19.
- Thereafter, the Plan would be submitted to the Board in October 2019 for retrospective approval. There would be prior liaison with the Board and Finance Committee Chairs.

### Financial Forecasts:

- Page 6 detailed the up-dated five year financial forecasts excluding restructuring.
- A balanced position had been achieved in 2018/19. There was a small deficit in 2019/20 but this would increase year on year.
- The previous plan's £762K deficit position was referenced and an up-date provided on recent events, for example SFC advising that Colleges should assume, for planning purposes 100% funding to support increased STSS pension contributions, SFC funding transferred to capital maintenance and additional non staff budget reductions.
- The most significant annual accumulative costs related to recurring teaching and support staff annual pay awards.
- Page 8 referred to the financial forecast deteriorating over the life of the plan largely due to the accumulative impact of annual pay awards for staff over and above those expected to be funded through the National bargaining process in the medium term.
- Page 9 provided a comparison between the original commercial growth targets and updated commercial growth plan forecasts.
- The Commercial team was still working towards its targets.
- Page 11 provided details of the restructuring plan, its impact and VS costs, year on year. Detailed plans were currently being progressed for an academic staff restructure. The support staff restructure was already in progress. It was **NOTED** that further restructuring would be required in future years to achieve a balanced budget position.
- Page 12 outlined the Five Year Plan including the planned restructures and the SFC funding that would be required to support VS costs.
- Page 13 outlined alternative scenarios and the potential impact of same
- It was **AGREED** that SFC/Scottish Government must be made aware of the significant risk to financial sustainability and potential impact in terms of job losses.
- GCEF funding included in the Forecasts was for specific planned projects that had already been agreed.

Questions and comments were taken from Members:

Clarification was sought on the early retirals provision which was carried forward from the legacy colleges many years prior to merger.

The implications for staff morale and retention was emphasised, should restructuring extend over several years. A better approach might be to complete necessary restructures over a sustained initial period in order to achieve effective workforce planning and stability.

It was recommended that the budget and five year projections be disclosed in full to SFC and the Scottish Government.

Members noted the additional implications of the job evaluation process.

It was suggested that the SFC potential funding element should be removed and a deficits should be presented in the plan. The plan should also be updated to outline forecast cash balances.

T Elliott advised that SFC have advised that they would not accept a deficit in the FFR and, as such, would likely reject this. Members expressed the view that this should be challenged.

The Chair summarised that GCRB would be provided with the five year financial forecast along with an analysis of the cash balance position. This would be discussed in final form at the Board meeting in October 2019.

#### **19.60 BOARD DEVELOPMENT DAY**

D Newall referred members to the draft agenda. It was **AGREED** that, due to financial constraints, the development event would not be residential. Jim Metcalfe had been confirmed as guest speaker.

Members **AGREED** to the Chair's proposal that new Board nominees be invited to the event as observers.

The draft Agenda was **AGREED**.

#### **Items for Noting**

#### **19.61 COLLEGE STRATEGIC RISK REGISTER**

The Board of Management **NOTED** the paper.

Members suggested that Organisational Risk items O1, O3, O5 and O6 should be revisited to reflect the risk of losing good members of staff and the importance of monitoring staff turnover.

Also, that a new organisational risk be included in relation to **JT** potential refusal by SFC to fund VS.

The Chair **NOTED** Members' comments and **REQUESTED** the **EMT** Executive reflect on these.

**19.62 FREEDOM OF INFORMATION SUMMARY 2018/19**  
It was **NOTED** that the volume of requests had reduced.

**19.63 CREDITS ESTIMATE OF OUTTURN FOR 2018/19**  
The Chair commended the Executive on meeting all targets.

#### **Continual Improvement**

**19.64 EQUALITIES IMPACT ASSESSMENT ON DECISIONS MADE**  
Paper 19.56 (GCCSA Operational Plan Report) – An Equality Impact Assessment would be carried out where required for development work and projects. **AS**

**19.65 REVIEW OF PAPERS (INCLUDING DISCLOSABLE STATUS)**  
It was **NOTED** that all papers were disclosable with the exception of the following papers which were still works in progress:

- 2019/20 Budget and Five Year Financial Plan/FFR papers
- The Anti Bribery, Fraud and Corruption supporting Plan

**19.66 ANY OTHER BUSINESS**  
Following discussions with the Chair of the Board and the Chair of Finance Committee, T Elliott had circulated an alternative Budget paper for the consideration of Members. This had been referred to in the discussion of item 19.57.

**19.67 DATE OF NEXT MEETING**  
The next meeting will be held on 25 October 2019 at 4.30 pm – venue to be confirmed.