

**NOTES OF THE MEETING OF THE FINANCE AND RESOURCES COMMITTEE,
HELD ON 29 MAY 2019, AT 4.30PM IN THE BOARDROOM, LANGSIDE
CAMPUS, GLASGOW CLYDE COLLEGE**

PRESENT:

R Fraser	Committee Chair
D Newall	Committee Member
J Vincent	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 & Business Development
G Murray	Clerk to the Board (minute taker)

ACTION

19.16 WELCOME AND APOLOGIES

R Fraser welcomed everyone to the meeting. Apologies had been received from K Gasiorowska.

19.17 DECLARATIONS OF INTEREST

There were no declarations of interest.

19.18 MINUTE OF THE MEETING HELD ON 6 MARCH 2019

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

19.19 MATTERS ARISING

The Committee noted the progress on the Matters Arising Action Grid

PRESENTATION – GARDINER & THEOBALD and BDP

J Thomson introduced Scott Mackenzie and Lindsey Mitchell from Gardiner & Theobald and Kevin Bryce and Derek Mulligan from BDP who were giving a presentation on the Estates Review..

A presentation was made to the Committee setting out the work which had been done to undertake a campus analysis and room utilisation survey. The presenters then summarised the findings of their review of each campus, setting out the pros and cons of each campus. Having identified the Cardonald as the least satisfactory campus, the various options for its redevelopment were presented. The options ranged from minor internal refits of selected areas to a full new main building. The presentation outlined the costs for each of the options. The presenters then set out a timescale for completing

ACTION

their review informing the Committee that a completed Report should be available by 24th June 2019.

The Committee discussed the presentation emphasising the need to have a final report as soon as possible which included detailed costs.

D Newall recommended that the Board did not receive a similar presentation and that J Vincent should provide a verbal update on progress as part of the Principal's update. JV

The Committee Chair thanked the presenters for the presentation and they left the meeting

The Committee further discussed the Estates Strategy with discussions taking place around the need to align the Estates Strategy with the College Strategy ensuring that any proposal for redevelopment will help reach the aims of the College. Discussions took place around the probable challenges facing the College in obtaining funding for any redevelopment.

.D Newall instructed the College Management to spend time working through the Estates Review when received to then prepare an Estates Strategy. The Estates Strategy should then be brought to the Board Development Day in October. JV/JT

19.20 FINANCIAL REPORT – YEAR TO APRIL AND FORECAST TO JULY 2019

T Elliott was invited to speak to the paper issued with the Agenda. T Elliott explained that the report outlined the financial position versus the phased budget for the nine month period August 2018 to April 2019 and the forecast outturn position for the academic year August 2018 to July 2019 versus the academic year 2018/19 flexed budget. The Committee was informed that the overall forecast position for 2018/19 shows a forecast operating deficit of £1,806k and a forecast underlying operating surplus of £100k, which is in line with the overall budgeted position. T Elliott informed the Committee that the Contingency was almost fully utilised. T Elliott outlined the Variances with a detailed update being given on the Staff Cost Variances. T Elliott informed the Committee that the favourable variance in relation to the STSS Employers Pension costs is due to such costs now being deferred until September 2019.

The Committee discussed the Report. Extensive discussions took place around the Staff Cost Variances. Responding to queries from the Committee, T Elliott outlined the process for

ACTION

approving temporary staff. T Elliott also informed the Committee that teaching staff had been instructed to pull back on non-staff budgets as a further way of ensuring the year end position is within budget.

The Committee **noted** the Report.

19.21 DRAFT REVENUE BUDGET FOR ACADEMIC YEAR 2019/20

T Elliott was invited to speak to the Report issued with the Agenda. T Elliott outlined the draft revenue budget for 2019/20, including a comparative analysis of movements between the 2018/19 forecast outturn position and the 2019/20 draft budget. T Elliott outlined the variances over £50k. T Elliott informed the Committee that, unless the College takes immediate action to reduce staff costs by almost £800k per annum, the College is at a high risk of not achieving a balanced budget for 2019/20.

The Committee discussed the draft Budget. Extensive discussions took place around the Temporary Staff Costs. In response to a query from the Committee, T Elliott outlined the steps that were being taken to ensure budget control. T Elliott explained that meetings were taking place with Curriculum Heads to ensure control of budgets with requests now having to be made for budgets. J Vincent informed the Committee that the College does not have a clear overview of teaching utilisation therefore software was being introduced to give reassurance and control existing resources are being utilised before temporary staff are being used.

The Committee discussed a planned College wide restructuring process, related Voluntary Severance costs and the funding required to support this. The Committee discussed the forthcoming bid to the Glasgow Clyde Education Foundation for financial support. The Committee requested that a maximum sum is included in the bid with the funds being drawn in tranches, as opposed to numerous bids for each stage of the proposed restructuring. The Committee emphasised the importance of tracking the savings in year attributable to Voluntary Severance to ensure that the savings are not being lost, The Committee supported T Elliott's view that detailed models and costings for each area would be required.

JT

JV/LMcG

The Committee discussed the need for further work to be done in respect of the planned College wide restructuring process, the related voluntary severance costs and the required funding and Management were asked to progress this. The Committee considered the timing of this, particularly in relation to the 2019/20 budget approval process, and agreed that the

JV/JT

ACTION

approval of the 2019/20 budget should be deferred until the August 2019 board meeting.

D Newall requested a change to the format of the Report being presented to the Board to ensure the key risks were emphasised at the start of the Report.

The Committee thanked T Elliott for her very clear and detailed Report.

19.22 FINANCIAL FORECAST RETURN FINAL DRAFT FIVE YEAR PLAN 2019 – 24

T Elliott was invited to speak to the Report issued with the Agenda. T Elliott introduced the Draft Five Year Plan for 2019/20 to 2023/24, taking the Committee through each section of the Report.

The Committee discussed the draft Five Year Financial Plan and emphasised the need for a detailed cost reduction plan. The Committee discussed the Voluntary Severance Costs and reaffirmed the need for a maximum bid to be made to GCEF for funding. The Committee emphasised the need for a bid to be submitted to GCEF as soon as possible.

JV

In addition T Elliott highlighted the commercial growth that is included in the plan stating that, in the event that the related growth targets were not achieved, the College would have no alternative but to further reduce staff costs within the relevant financial year in order to offset any potential lost contribution from same.

The Committee challenged the College Managements plans as being unrealistic, with doubt being cast on the ability to continue to deliver the desired quality of learning with a potential 10% reduction in staff. The Committee requested detailed plans showing the proposed changes to the teaching model which will allow for a 10% reduction in staff whilst maintain quality of learning.

JV

The Committee discussed the possibility of GCEF not funding Voluntary Severance. The Committee discussed Compulsory Redundancies. D Newall requested that the matter be brought back to the Board should GCEF not fund Voluntary Severance.

The Committee discussed the 2019 SFC Financial Forecast Return and, in response to a query, T Elliott informed the Committee that the Board is required to approve the 19/20 Budget but the following 4 years can be forecasted. The

ACTION

Committee discussed the possibility of submitting an FFR which showed deficits. The Committee agreed that they would need to be satisfied that it was realistic to deliver the quality of learning with the staff reductions before it could consider submitting a five year plan which presented a balanced position in terms of the 2019/20 budget and subsequent forecasts.

The Committee thanked T Elliott for the very clear Report and asked that the Key Priorities be brought to the front of the report when it goes to the Board.

TE

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

19.23 CAPITAL EXPENDITURE & MASTERPLAN UPDATE

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

J Thomson took the Committee through the Capital Masterplan which showed expenditure from 1 April 2018 to 31 March 2019 against capital plan, as approved at the March Board of Management meeting. J Thomson outlined the updates to the plan.

The Committee **discussed** and **noted** the Report.

19.24 ESTATES UPDATE (including Strategy Progress)

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

J Thomson outlined the current projects and the plan for 19/20. In response to a query from a Committee member, J Thomson informed the Committee that a paper would be going to the June Board requesting authority for Capital spend in 19/20.

JT

The Committee **discussed** and **noted** the Report.

19.25 COMMERCIAL AND EXTERNAL FUNDING UPDATE

D McDougall was invited to speak to the report issued with the Agenda. He provided an update on the Commercial and External Funding taking the Committee through the Income and Costs, the Flexible Workforce Development Fund, the External Funding and the Pipeline of Work. D McDougall informed the Committee of a potential dispute with North Lanarkshire Council regarding the procurement procedure.

The Committee discussed the Report, The Committee challenged the figures within Table 1a and Table 1b in relation

ACTION

to staff costs, expressing the need for the Nett Contribution to be accurate. The Committee requested sight of the gross contribution as a percentage (before indirect costs). The Committee also expressed the need for detailed budgets (Income and Expenditure) from the Commercial Unit.

DM

The Committee discussed the Pipeline of work, expressing the need for the pipeline to also include the existing work as well as the plans for growth

DM

The Committee **discussed** the Report.

19.26 GLASGOW CLYDE EDUCATION FOUNDATION UPDATE

J Thomson was invited to speak to the Report issued with the Agenda. J Thomson provided an update on the recent bid to GCEF for the Learning & Teaching Transformation. D Newall requested that a clear update be provided to the Board on the sustainability of the project, as requested at the last Board meeting. The Committee Chair requested that future reports clearly exhibit the funds remaining in the GCEF.

JT

Having discussed the update, the Committee thanked J Thomson for her Report.

19.27 PROCUREMENT UPDATE

J Thomson informed the Committee that steps had been taken to extend the duration of the HR Payroll System in line one of the table.

A Committee member requested further information on the procurement of the Pacific Institute.

JV

The Committee **noted** the Report.

19.28 COLLEGE STRATEGIC RISK REGISTER

The Committee noted the Report

19.29 EQUALITIES IMPACT ASSESSMENT ON DECISIONS MADE

N/A

19.30 REVIEW OF PAPERS (INCLUDING DISCLOSABLE STATUS)

As per noted on papers.

19.31 ANY OTHER BUSINESS

None

ACTION

DATE OF NEXT MEETING

4.30pm on 9 October 2019 at 4.30pm, The Boardroom,
Langside Campus.