

**NOTES OF THE MEETING OF THE FINANCE AND RESOURCES COMMITTEE,  
HELD ON 04 DECEMBER 2019, AT 4.30PM IN THE BOARDROOM, LANGSIDE  
CAMPUS.**

**PRESENT:**

R Fraser	Chair
D Newall	Committee Member
S Rasmussen	Committee Member
J Vincent	Committee Member/ Principal

**IN ATTENDANCE**

J Thomson	Vice Principal Resources & College Development
T Elliott	Assistant Principal, Finance & Infrastructure
D McDougall	Assistant Principal, International and Business Development
C McConnell	Clerk to the Board (Minute Taker)

**ACTION**

**19.49 WELCOME AND APOLOGIES**

The Chair welcomed everyone to the meeting. Apologies were received from Stephen Henson.

**19.50 DECLARATIONS OF INTEREST**

There were no declarations of interest.

**19.51 MINUTES OF THE MEETING HELD ON 14 OCTOBER 2019**

The draft Minute was approved as an accurate record of the meeting held on 14 October 2019 subject to correction of a minor typographical error.

**19.52 MATTERS ARISING**

The Committee noted the progress made on the matters on the Action Grid.

**19.53 DRAFT FINANCIAL STATEMENTS FOR YEAR ENDING 31 JULY 2019**

T Elliott spoke to the paper and 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 in line 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 2018-2019

## ACTION

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.

The Committee noted that the External Auditor has issued an unqualified opinion in respect of the financial statements.

The statements showed a deficit of £3.577M which, after allowing for non-cash items, equated to an Adjusted Operating Surplus of £107k, in line with the College's budget for 2018/19. T Elliott explained the reported deficit and the reasons behind the various adjustments in the statements which are outlined in the explanatory notes.

T Elliott advised the Committee of the comments received from the Audit Committee in relation to the narrative within the report which will be reflected in an updated version to be presented to the Board at its meeting on 11<sup>th</sup> December 2019.

The Committee discussed the carbon management efficiency indicators and asked that more information on the source the figures be provided to the Board.

JT

The Committee noted that the Modern Slavery and Human Trafficking Statement is in the process of being updated and will be approved by the Board of Management as this requires to be reviewed annually. The Committee also agreed that Board percentage attendance figures should be included to ensure transparency. The Committee were advised that the auditors are comfortable with the Going Concern section.

The Committee considered all sections of the report and raised questions as to confirmation of staffing numbers. JT confirmed that the staffing numbers data is currently being finalised and will be presented at the Board meeting on 11<sup>th</sup> December. The Committee requested that the reference to the recent land and buildings revaluation be expanded and TE agreed to provide additional narrative in the final version of the report at the December Board meeting. The Committee discussed details of the Asset and Liability Reconciliation and noted the Related Party Transactions section has been audited.

JT

TE

The Committee noted the Report of the Board of Management and Financial Statements 2018/19 subject to comments made and to further amendments previously identified at Audit Committee.

### **19.54 FINANCIAL REPORT YEAR TO OCTOBER 19 and OUTTURN FORECAST TO JULY 2020**

T Elliott spoke to the Report and the Appendices.

The report outlined the financial position to October 2019 and the Committee were informed that the current forecast outturn position for 2019/20 shows an adjusted operating deficit of £263k, which is £300k lower than the original budget deficit

## ACTION

figure of £563k. The main reason for the improvement is that additional Glasgow Clyde Education Foundation (GCEF) funding has been secured to support an ICT project and it was noted that the position would improve further should two current bids also be approved by GCEF.

The Committee commented that the risks in relation to commercial growth will need to be closely monitored.

TE

The Committee received updates in relation to staff restructuring and asked that a further update, including the impact of any slippage in timing, should be brought to the next meeting. In addition, the Committee highlighted the need to ensure that the Board of Management are made aware of the risks of any restructure timing slippage compared to the assumed budget position.

The Committee discussed the Income and Expenditure Account and the Cash Flow forecast noting that the forecast cash position is expected to remain stable to March 2020. The forecast cash position from April to July 2020 shows an improved position due to the aforementioned approved additional GCEF funding, however still remains lower than the College baseline cash target.

The Committee noted the content of the report.

### **19.55 CAPITAL EXPENDITURE AND MASTERPLAN UPDATE**

J Thomson spoke to the report.

The Committee noted that funding is provided by GCRB on a fiscal year basis and that this leads to challenges in planning projects to avoid interruption to classroom teaching time.

J Thomson updated the Committee on the capital projects for 2019/20 and the current progress and indicated a masterplan update through to 2021/22 will be submitted to the December Board of Management for approval.

The Committee noted the contents of the update.

### **19.56 COMMERCIAL AND EXTERNAL FUNDING UPDATE**

D McDougall spoke to the Report, which showed that the College was on target to achieve the £2.8M of commercial income assumed in the Budget for 2019/20.

The Committee discussed the impact of accounting for temporary staff and asked that this be clarified. The Committee explored the source of the commercial opportunities. It was noted that there was a high level of uncertainty at this stage due to it being only the first three months into the financial year, but that College managers were working hard to deliver this year's increased target, and were supported by an additional member joining the Commercial team and by increased planned marketing activities.

DMcD/TE

## **ACTION**

The Committee discussed the Pipeline Report which shows the value of contracts secured and those in progress against targets. The Committee emphasised that the target should be £3.3Million as previously agreed within the five year plan. The Committee asked questions as to the certainty of some of the proposed activities and asked that more detail be provided to them in relation to the bids and proposals to enable them to have further sight of the source and timings of the business opportunities mentioned.

**DMcD**

The Committee noted the report.

### **19.57 ESTATES UPDATE**

J Thomson spoke to the report and provided an outline of the current projects.

The Committee noted that there have been three main projects undertaken over recent months, namely- cladding replacement at Mary Stuart Building at Langside Campus and boiler replacement and upgrade to the lift lobbies at Cardonald Campus.

The Committee also noted the funding plan for 2019/20 and that timings for replacement of the disabled access lifts, remaining flat roof area, and chiller and air handling units all at Cardonald campus will be challenging to complete by March 2020.

It was noted that, following the Board of Management's discussion of the Estates Strategy in October, four new projects would be taken forward: the Cardonald Campus Environment Upgrade; Cardonald Tower Lift Area Core Refurbishment of Floor(s); Anniesland Student Space; and Mary Stuart / Litehouse Building upgrade (Langside).

The Committee noted the update.

### **19.58 GLASGOW CLYDE COLLEGE FINANCIAL REGULATIONS**

TE spoke to the paper and explained that there have been some minor updates to the Financial Regulations, mainly in relation to dates and terminology.

The Committee noted that the Board of Management has been asked to give the Committee delegated authority to approve the Regulations in future. If the Board agree, the current proposed changes will be considered as approved by the Committee and approval of the Regulations will be included within the Committee's remit for next year.

**Clerk**

### **19.59 PROCUREMENT UPDATE**

The report was noted by the Committee. The Committee asked that the status of the contract for the provision of future legal services be confirmed.

**TE**

- ACTION**
- 19.60 GLASGOW CLYDE EDUCATION FOUNDATION UPDATE**  
J Thomson provided a brief overview of the update.  
The Committee noted the contents of the update.
- 19.61 COLLEGE STRATEGIC RISK REGISTER** **JT**  
J Thomson spoke to the paper.  
The Committee expressed the view that the risks in relation to staffing restructure should be reviewed.  
The Committee noted the risks listed on the register and the relevant ratings.
- 19.62 EQUALITIES IMPACT ASSESSMENT ON DECISIONS MADE**  
None are applicable.
- 19.63 REVIEW OF PAPERS (INCLUDING DISCLOSABLE STATUS)**  
Items 19.53, 19.54 19.56. 19.57, 19.5819.59 and 19.64 are non-disclosable and will be redacted under the FOISA section 33(b).
- 19.64 ANY OTHER BUSINESS PROPOSED TUITION FEES**  
TE tabled a paper outlining the proposed tuition fees for 2020/21.  
The Committee noted that the proposed fees are in line with 2019/20.  
The Committee approved the levels subject to the College having autonomy in relation to commercial activities.
- DATE OF NEXT MEETING**  
Wednesday, 4<sup>th</sup> March, 2020 at 4.30pm, The Boardroom, Langside Campus.