

**NOTES OF THE TWENTY THIRD MEETING OF THE FINANCE AND RESOURCES COMMITTEE, HELD ON 4 MARCH 2020, AT 4.30PM IN THE BOARDROOM, LANGSIDE CAMPUS, GLASGOW CLYDE COLLEGE**

**PRESENT:**

R Fraser	Committee Chair
D Newall	Committee Member
J Vincent	Committee Member ( to item 20.11)
S Rasmussen	Committee Member
S Henson	Committee Member

**IN ATTENDANCE**

A O'Donnell	Board Member (observing)
J Thomson	Vice Principal Resources & College Development
T Elliott	Assistant Principal, Finance & Infrastructure
D McDougall	Assistant Principal, International & Business Development
C Meehan	College Accountant ( observing)
C McConnell	Clerk to the Board (minute taker)

**ACTION**

**20.01 WELCOME AND APOLOGIES**

R Fraser welcomed everyone to the meeting.

**20.02 DECLARATIONS OF INTEREST**

There were no declarations of interest.

**20.03 MINUTE OF THE MEETING HELD ON 4 DECEMBER 2019**

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

**20.04 MATTERS ARISING**

The Committee noted the progress on the Matters Arising Action Grid

**20.05 FINANCIAL REPORT TO JANUARY 2020 AND FORECAST TO JULY 2020**

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 six month period August 2019 to January 2020 and the forecast outturn position for the academic year August 2019 to July 2020 versus the academic year 2019/20 budget. The Committee was informed that the forecast shows a favourable variance of £371K.

The Committee discussed the Report and noted that additional GCEF Funding has been obtained for ICT investment,

## **ACTION**

supporting commercial growth and to support staff development. The Committee were advised of the risks which require to be monitored in relation to commercial growth targets and Flexible Workforce Development funded activity. The Committee noted the impact of Voluntary Severance payments arising out of the administration and academic restructure. The Committee were also taken through the Cash Flow Report and were advised that the timings of the SFC cash draw down, variances in the timing of capital projects and the timing of student funding payments and SAAS funding have a significant impact on the figures. The Committee discussed the risks in relation to a potential call on the contingency which is under discussion.

### **20.06 COMMERCIAL AND EXTERNAL FUNDING UPDATE**

D McDougall was invited to speak to the report issued with the Agenda. He provided an update on the targets and progress for income contributions to the College from sources other than the Scottish Funding Council.

The Committee was advised that the projection to the end of the Session is that the “normal commercial income stream” will be lower than the budget target although this will be offset in part by increased income through the Flexible Workforce Development Fund( FWDF) as employers have chosen to pay through this channel.

The Committee expressed disappointment at the figures which it recognised fell short of expectations. The Committee was advised that a Commercial Income Steering Group has been established with a focus on planning for commercial growth.

The Committee noted that an innovative partnership was being established to offer Clyde College courses through a London base. The Committee discussed the reputational and financial risks around that initiative and the quality controls which are in place. D McDougall advised he would be grateful for any input to the project from the Committee particularly in relation to ensuring quality of teaching.

**DMcD**

The Committee expressed concern at the staffing costs contained in the report and sought clarity around the figures. J Vincent confirmed that a report would be provided to the next F&R meeting to ensure the Board has comfort that staffing costs have been accurately allocated.

**JT/DMcD**

### **20.07 RESTRUCTURING UPDATE**

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

The Committee noted that the administration staff restructure had resulted in a reduction of just over 8FTEs with 4.4 staff

leaving on Voluntary Severance and the remaining number managed through vacancies.

The second consultation phase of the academic management restructure closed on the meeting date with the proposal to reduce the number of academic managers from 95 to 52. The Committee was advised that management had liaised with the trade union throughout the exercise and that a number of staff have submitted applications for voluntary severance which were currently under consideration. The Committee noted most savings will occur from July 2020 and that the budget has been amended to reflect this.

The Committee commended the work of the HR team in reaching this outcome.

**20.08 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 2019 to end January 2020 against the approved capital plan and provided an updated capital masterplan for the period.

The Committee discussed the timing of the five high priority projects being the Chiller Plant and Air Handling Units replacement, Disabled Access lifts and Flat Roof and Lighting replacements, all at Cardonald Campus, plus the replacement of the boiler plant at the Mary Stuart Building at the Langside Campus and noted that funding is due to be spent by end March. The Committee noted that plans are in progress to meet this target but there may have to be some expenditure beyond that date.

**20.09 ESTATES UPDATE**

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

J Thomson took the Committee through the Report, highlighting the five main projects which have been progressing since the date of the last meeting.

The Committee noted that the capital funding allocation for the sector which was announced in the Scottish Government draft 20/21 budget has been reduced by £11.9M. However, when the draft funding allocation is adjusted to exclude ring fenced funding, there is an increase of £7.1M available to support backlog maintenance and lifecycle costs.

The Committee discussed progress within the Estates Strategy and noted the involvement of students in the design for the Student Space at Anniesland.

**20.10 SFC INDICATIVE FUNDING ALLOCATION FOR 20/21**

JT advised that an overall increase of £33.5m was announced on 6<sup>th</sup> February but no details have yet been provided as to how this will be split between colleges.

The Committee noted the position.

**20.11 DRAFT FIVE YEAR PLAN UPDATE- PRESENTATION**

T Elliott presented an update on the Draft Five Year Financial Plan for the College.

The Committee noted that there is no clarity as yet around next year's funding so no changes have been made to SFC FFR assumptions. T Elliott explained the key changes outlined in the update to the Committee highlighting the impact of GCEF funding, the recently announced changes to public sector pay policy and the potential impact of contract variations in respect of the Living Wage.

T Elliott advised that the forecast for commercial growth will need to be reviewed in light of any adjustments arising from the planned work of the College Commercial Growth Steering Group.

The Committee briefly discussed the risk arising out of the spread of the corona virus and noted that this is recognised as a potential financial risk which will be monitored on an ongoing basis.

**20.12 PROCUREMENT UPDATE**

T Elliott spoke to the Report highlighting the link to the College's public facing contract register. The Committee asked that this be uploaded on to a more prominent place on the College's website. (post meeting note: this is already available on the College's website per email of 9/3)

The Committee noted that the College achieved an improved gold score of 92% following their Procurement & Commercial Improvement Programme (PCIP) assessment. The Committee recognised this achievement and asked that the Principal include reference to this in his next report to the Board.

TE

**20.13 GLASGOW CLYDE EDUCATION FOUNDATION UPDATE**

The Committee **noted** the Report.

**20.14 COLLEGE STRATEGIC RISK REGISTER- FINANCIAL RISKS**

JT spoke to the paper and highlighted the changes which had been made. The Committee asked that the risk Number F3 "potential for refusal of SFC to fund VS" be removed.

The Committee asked about review of the Risk Register and suggested that the Chair of the Audit Committee should consider whether an overall review should be carried out.

JT

**ACTION**

**20.15 SFC PUBLICATION- THE FINANCIAL SUSTAINABILITY OF COLLEGES AND UNIVERSITIES IN SCOTLAND**

The Committee discussed the publication.

**20.16 EQUALITIES IMPACT ASSESSMENT ON DECISIONS MADE**

N/A

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

The Committee agreed that the papers be disclosed as listed on the agenda with the exception of Agenda item 20.07 Restructuring Update which should be disclosable once information has been shared with relevant staff.

**CMcC**

**20.18 ANY OTHER BUSINESS**

None

**DATE OF NEXT MEETING**

4.30pm on 27<sup>th</sup> May 2020 at 4.30pm, The Boardroom, Langside Campus.