

**NOTES OF THE MEETING OF THE FINANCE AND RESOURCES COMMITTEE,
HELD ON 2 JUNE 2021 AT 4.30PM. THE MEETING WAS HELD REMOTELY DUE
TO COVID 19 RESTRICTIONS.**

PRESENT:

David Newall	Committee Chair
Stephen Henson	Committee Member
Lindsey Paterson	Committee Member
Sissa D Rasmussen	Committee Member
Keith Rosser	Committee Member
Jon Vincent	Committee Member

IN ATTENDANCE

J Thomson	Vice Principal Resources & College Development
T Elliott	Assistant Principal, Finance & Infrastructure
D McDougall	Assistant Principal, International & Business Development (for Items 21.16-21.19 and Item 21.23)
CMcConnell	Clerk to the Board (minute taker)

21.16 WELCOME AND APOLOGIES

The Chair welcomed all to the meeting noting that it would be the final meeting attended by Sissa D Rasmussen as Student President. On behalf of the Committee, the Chair thanked the Student President for her contributions throughout the year.

21.17 DECLARATIONS OF INTEREST

There were no declarations of interest.

21.18 MINUTE OF THE MEETING HELD ON 10 MARCH 2021

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

21.19 MATTERS ARISING

The Committee noted the progress on the Matters Arising Action Grid.

Items for Discussion

21.20 FINANCIAL REPORT – YEAR TO APRIL AND FORECAST TO JULY 2021

T Elliott was invited to speak to the report which contained the following reports:-

- August 2020 to April 2021 Phased Budget versus Actuals
- Academic Year 2020/21 Budget versus Forecast Outturn
- Academic Year 2020/21 Cashflow Report
- Forecast Balance Sheet as at July 2021

T Elliott took the Committee through the key elements of each report.

The Committee noted that the Adjusted Operating Position is showing a favourable variance of £680,000 which represents 1% of total income.

T Elliott highlighted the key variances which had arisen from SFC Income, non-SFC income, staff costs, restructuring costs and non-staff costs, the detail of which had been provided in appendices to the report.

The Committee also noted the improved Balance Sheet KPI's which have been raised with the Scottish Funding Council and was pleased to note the increase in the forecast baseline cash position.

The Committee recognised that there are a number of risks attached to the underlying assumptions in light of the current level of uncertainty as a result of COVID-19 related restrictions and were assured that these would be kept under ongoing review.

The Committee discussed the figures and welcomed the much improved position. The Committee recognised the positive impact of the additional funding which had been provided by the Scottish Funding Council.

The Committee agreed that the changes to the format of the report represented an improvement and agreed that this should be shared with the Board at its next meeting for noting.

The Committee noted the Report.

TE

21.21 DRAFT REVENUE BUDGET FOR ACADEMIC YEAR 2021/22

T Elliott presented a paper which outlined the Draft Revenue Budget for Academic Year 2021/22.

The report contained comparative analysis of movements between the 2020/21 Forecast Outturn position and the 2021/22 Draft Budget position. The Committee noted that the Draft Budget shows a small adjusted operating surplus of £148k.

The Committee noted the impact of Voluntary Severance costs on the budget and that this may need to be extended to the end of the 2021/22 academic year.

The Committee discussed the uncertainties and assumptions underlying the report and were assured that the assumptions are considered reasonable in light of the previous years' experience.

The Committee also considered the impact of possible changes to phasing in the funding which is being provided by Glasgow Clyde Education Foundation (GCEF) and noted that this will be discussed at a meeting with GCEF later in the week.

The Committee agreed to recommend that the Board approve the draft budget.

The Committee noted that the format of the report will be reviewed prior to submission to the Board to ensure key elements are easily identifiable.

TE

21.22 FINANCIAL FORECAST RETURN

T Elliott shared a presentation with the Committee which provided an update on the College Five Year Financial Plan which will inform the Financial Forecast Return (FFR) which will shortly be prepared for submission to the Scottish Funding Council (SFC). T Elliott provided figures to the Committee which demonstrated that financial sustainability can be achieved through agreed voluntary severance and other cost savings in the three year period which is covered by the FFR. However, she advised that this will not be achievable over the cycle of the 5 year plan without a further VS process in year 3, mainly due to forecast increasing unfunded staffing costs in years 4 and 5 of the plan. The Committee endorsed the approach of including a longer term forecast, noting the assumptions and key risks which underpin this.

The Committee recognised that the ongoing SFC review may impact upon longer term outcomes particularly in terms of blended learning and potential changes to the SFC/GCRB funding model. T Elliott explained that the 5 year plan will be updated and the draft Financial Forecast Return will be prepared and submitted to the SFC by the end of June once SFC issues the FFR Call for Information circular and related funding assumptions to the sector. SFC recognise that the timing of this return does not fit well with the timing of most Colleges' Board meetings so T Elliott advised that the FFR could be formally approved retrospectively by a sub-group of the Board of Management by email or a further meeting if necessary. This is in line with arrangements agreed by the Board in previous years.

The Committee noted the position and asked that this update be presented to the Board at its next meeting. **TE**

21.23 COMMERCIAL STRATEGY AND EXTERNAL FUNDING UPDATE

(Note: this item was heard after Item 21.19)

D McDougall spoke to the report which formed part of the papers. D McDougall advised the Committee of updates which had been made to the College's Commercial Strategy following the last Finance and Resources Committee meeting to attach value to each element which more readily enable prioritisation.

The Committee noted the appointment of a digital marketing resource which has helped focus targets across customer types. The Committee discussed the progress and asked that D McDougall provide the Committee with a more detailed update to the commercial strategy. **DMcD**

The Committee noted the improvement to the College's commercial income to 30th April 2021 and discussed the reasons behind this.

The Committee also discussed the breakdown between permanent and temporary staff, and noted the process for allocating staff to commercial projects. Almost 70% of forecast staff costs (approximately £580K) now relate to permanent staff,

which represents a very substantial improvement on the original budget.

The Committee noted that the end of year total is expected to be £1.638M which exceeds the re-forecasted budget, with a forecast net contribution, after accounting for all staff costs, of approximately £100K.

The Committee also discussed the future opportunities which have been identified.

The Committee thanked D McDougall for the report.

21.24 ESTATES, CAPITAL EXPENDITURE & MASTERPLAN UPDATE

(Note: this item was heard after Item 21.21)

J Thomson spoke to the paper which provided the Committee with a summary of the relevant estates matters for the College and provided an update on the capital expenditure together with the capital masterplan for 2021/22.

The Committee noted that ten high priority maintenance works have been identified and agreed with GCRB.

In addition, funding has been secured for the refurbishment of the student space at Anniesland Campus. This work will be completed over the summer and will continue into the new term.

The Committee noted that the College has been advised that its indicative funding allocation for 2021/22 is £2.82M split into £885k of lifecycle maintenance and £1.94M of high priority maintenance. The Estates Team are preparing the capital plan for 2021/22 through the new interim Head of Estates, Facilities and Energy.

The Committee agreed that the Capital Plan for 2021/22 should be submitted to the Board for formal approval. **JT**

21.25 GCEF FINANCIAL SUSTAINABILITY FUNDING FRAMEWORK

J Thomson spoke to the report which provided the Committee with an update on the progress of the agreed reporting framework for the Financial Sustainability Bid from GCEF.

The reporting framework envisaged three phases of funding and the Committee noted that, although the College is now at Phase 3, it is not anticipated that any funding will be drawn down at this time.

The Committee noted that the College's ongoing funding will be discussed at a meeting with GCEF's Chair and Director to be held in the near future and an updated report will be provided to the Board thereafter. It was suggested that the format of the report may benefit from inclusion of some summary headlines. **JT**

Items for Noting

21.26 PROCUREMENT UPDATE

T Elliott spoke to the report which provided the Committee with information on the range of procurement activities being undertaken by the College.

The Committee observed that a number of tenders had been undertaken in collaboration with other Colleges.

The Committee noted the report.

21.27 COLLEGE STRATEGIC RISK REGISTER- FINANCIAL RISKS

J Thomson spoke to the report explaining that there had been a number of amendments based on recommendations from the Audit Committee to categorise mitigating actions as short and long term.

The Committee was content with this approach and noted the report.

21.28 ANY OTHER BUSINESS

There was no other business.

DATE OF NEXT MEETING

6th OCTOBER 2021 4.30PM

LOCATION TBC