

NOTES OF THE MEETING OF THE BOARD OF MANAGEMENT HELD ON 8 JUNE 2022 AT 4.30pm.

The meeting was held at Langside Campus.

PRESENT:

David Newall	Chair
Mary Docherty	Board Member
William French	Board Member
Fiona Godsmann	Board Member
Amie Logan	Board Member
Gordon McGuinness	Board Member
Runa McNamara	Board Member
Lindsey Paterson	Board Member
Keith Rosser	Board Member
Margaret Swiderska	Board Member
Johanna Thompson	Board Member
Jon Vincent	Board Member
Clare Walker	Board Member
David Watt	Board Member

IN ATTENDANCE:

Sunita McKenna	Incoming Student President (observing)
Tracy Elliott	Assistant Principal, Finance and Infrastructure
John Rafferty	Deputy Principal, Curriculum and Quality Enhancement
Janet Thomson	Vice Principal, Resources and College Development
Kirsty Mavor	Clerk to the Board (Minute Taker)

22.22 WELCOME AND APOLOGIES ACTION

The Chair welcomed everyone to the meeting particularly Sunita McKenna, observing her first Board meeting as incoming Student President. Apologies were recorded from Sandra Heidinger, Michael Payne and Alan O'Donnell.

22.23 DECLARATIONS OF INTEREST

The Chair advised that members of the Senior Leadership Team (SLT) would be asked to leave the meeting when the Remuneration Committee minutes were discussed. Apart from this, no further declarations of interests were received.

22.24 DETERMINATION OF OTHER BUSINESS

There was no other business intimated.

22.25 MINUTES OF PREVIOUS MEETING: 23 MARCH 2022

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

22.26 MATTER ARISING: ACTION GRID

The Board noted that the actions were either complete or on the Agenda including the revised strategic objectives as a noting paper.

ITEMS FOR DISCUSSION/APPROVAL

22.27 CREDITS PROJECTION 2021/22

J Rafferty spoke to this report and advised that there has been an improvement in the credits projection from the -4.5% reported at the last Board meeting to the latest projection of -4.3%. In terms of individual credit heading targets, the College is projected to achieve:

- An estimated 123,558 credits in total against a target of 121,354 core activity credits. Approximately 99.3% of these credits are now secured with only 0.7% yet to meet their funding milestone.
- 652 credits of these were Foundation Apprenticeships, against a target of 672.
- 1,353 of these were delivered to deferred students against an allocation of 2,304

The SFC has afforded some discretion as to which funding allocation the College reports credits under with ESF credits being a priority.

J Rafferty outlined remaining opportunities, such as the digital skills programme, which may improve the credit position slightly. However, overall, there is a risk that the College will fail to achieve the entirety of its ESF credit target for session 2021/22 which could have funding implications. This will depend on whether the region as a whole has delivered on its core credit target.

An overview was provided of the final regional credit allocation for session 2022/23 which has been published by the SFC. J Rafferty advised that the GCRB allocation to the Glasgow Colleges has not been finalised. A key development to note is that 3000 credits will be removed from the Glasgow region's collective target to facilitate an increase in the credit value however it has yet to be determined how this reduction will be distributed between the three Colleges. Also, a 2% tolerance threshold on the credit target has been introduced.

22.28 REGIONAL OUTCOME AGREEMENT FOR 2022/23

J Rafferty spoke to the report and advised that the ROA for the next session will be finalised at the GCRB's June meeting.

The ROA will look different in that it takes the form of an interim single year Outcome agreement which is centred around a more focused set of KPIs and high-level direction to engage in a specified set of national and regional priorities.

The Board was asked to note that the ROA sets out the following priorities for next year:

- Fair access and transitions.
- Quality learning and teaching.
- Learning with impact — students are equipped and ready to take up employment.
- Student participation and engagement in their educational experience.
- Equalities and inclusion.
- High quality research and innovation.
- Meeting future skills needs, skills alignment and including upskilling and reskilling.
- Responding to the climate emergency.

J Rafferty provided details to the Board of the interim update submitted to GCRB which showed a credit shortfall against target in all areas apart from credits delivered to care experienced learners.

Concern was raised about the level of early withdrawal of 10% SIMD learners and J Rafferty confirmed that an analysis had been undertaken to understand why these withdrawals occurred. Mental health challenges were the leading reason cited and more focussed support will be provided by the restructured Student Experience team on an ongoing basis. Some early withdrawals also related to the buoyant employment market.

It was agreed that a glossary of abbreviations and terms would assist board members with understanding the technical language surrounding funding and the ROA.

KM/JV

22.30 FINANCIAL REPORT YEAR TO APRIL AND FORECAST OUTTURN

This item was considered earlier in the Agenda.

T Elliott spoke to the Report and the Appendices, which provided an update on the financial position of the College for the nine-month period to April 2022 and the Forecast Outturn to July 2022.

As discussed under item 22.27 the credit forecast has improved slightly however the report before the Board has been prepared on the basis of -4.55% credits under target. Reflecting the risk of the potential SFC credits funding clawback and also the impact of a confirmed one-off HMRC rebate (in respect of historic Lennartz VAT payments of £1,044k), the 2021/22 forecast outturn position has improved against the flexed budgeted position to a balanced outturn position.

The Board acknowledged the effort of T Elliott in ensuring the College benefited from the rebate relating to Lennartz VAT payments and was pleased to see the improvement in the College's financial position for 2021/22. However, the Board recognised that the one-off HMRC rebate based on historic payments temporarily masked the true extent of the financial challenges facing the College.

22.29 SFC INDICATIVE FUNDING ALLOCATION FOR 2022/23
22.31 DRAFT REVENUE BUDGET FOR 2022/23

These two items were considered together with T Elliott presenting to the Board.

T Elliott presented slides setting out the indicative funding for 2022/23 and showing the movements between 2021/22 and 2022/23. The Board was advised that the baseline credits funding is likely to remain the same being at a flat cash level with a relatively small reduction in the baseline credit target. An increase in Foundation Apprenticeship credits funding partially financially offsets the impact of the removal of non-recurring 2021/22 Deferred students credits funding. Overall, T Elliott advised the Board that there will be no real easing of financial pressures as a result of this indicative funding allocation.

T Elliott also presented the Indicative 2022/23 SFC Funding allocations for Student Support Funding which has reduced by £982k from 2021/22 levels and Capital Funding which has increased by £360k from 2021/22 levels. The College is forecasting a significant underspend in Student Support Funding for 2021/22 largely due to reduced student demand as a result of the pandemic and the eligibility criteria for some of this funding had not been met. Underspend of student support funding budgets appears to be a sector wide pattern and SFC has advised that it will be looking to review its guidance.

The Board was provided with the Draft Revenue Budget for 2022/23 which includes comparative analysis of movements between the 2021/22 Forecast Outturn position and the

2022/23 Draft Budget position. The adjusted operating position is the key factor in demonstrating whether the College remains financially sustainable and the Draft Budget shows an adjusted operating deficit of £690k.

The Chair advised that the Finance and Resources Committee considered the Draft Budget and reached the following view (i) SFC should be advised of the realistic financial position after removing one-off payments such as the 2021/22 HMRC rebate and the 2022/23 GCEF financial sustainability funding and (ii) the draft budget showing such a large deficit could not be approved. The SLT were tasked with coming back to the Finance & Resources Committee outlining steps that were being taken to reduce the deficit. The Board confirmed that it was comfortable with the approach taken by the Finance and Resources Committee and agreed that it was not appropriate to approve the current draft Budget.

T Elliott confirmed to the Board that Colleges are required to submit an 'interim' Financial Forecast Return (FFR) to SFC outlining the 2021/22 forecast outturn and the 2022/23 budget by the end of June. Once future funding assumptions are available from the SFC, Colleges will then be required to submit a full FFR covering the period to 2026/27 by the end of September.

22.32 DRAFT FIVE YEAR PLAN

T Elliott presented the Board with an updated five-year plan which accounts for the impact of the one-off HMRC and GCEF receipts and also the projected impact from estimated savings related to staff costs. On the assumption that SFC funding will be a flat cash settlement each year and there will be unfunded pay awards, any savings in staff costs will have a positive impact but will realistically only temporarily slow down the projected deteriorating financial position.

It was noted by the Board that the assumptions relating to pay increases and inflation arguably do not reflect the current economic climate. This is of concern to the Board and it was agreed that the SFC should be provided with a realistic picture of the financial challenges facing the College. Consideration should also be given to a joint message being prepared on behalf of all of the Glasgow Colleges raising concern with the financial challenges facing the Glasgow region.

It was agreed that T Elliott would let the Board know of the assumptions that will be applied in the interim FFR which will be submitted to the SFC by the end of June. The Board thanked T Elliott and the rest of the team for the detailed

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updates and for the background work behind the presentations.

22.33 VOLUNTARY AND COMPULSORY SEVERANCE SCHEME

J Thomson presented this paper which provided advance notice of the proposal for a planned staff severance scheme in academic session 2022/23 which could potentially have voluntary and some compulsory elements. Before a detailed paper is presented the Board's views are sought on (i) the possibility that the voluntary severance scheme may not be as generous as the current scheme and (ii) compulsory severance being included in the Scheme as a 'last resort' option. The driving force behind these proposals is to produce costs savings to address the financial challenges facing the College.

The Board agreed that a different approach to the current one of offering voluntary severance was required. The Board recognised the impact of recent voluntary severance schemes on the morale of those individuals repeatedly applying and being turned down.

As the SFC is unlikely to fund a severance Scheme, the Board agreed that the terms for voluntary severance needed to be reviewed. After discussing the approaches taken by other Colleges particularly in the Glasgow region, it was agreed that a policy should be presented with a maximum compensation equivalent to 9 months salary.

With regard to compulsory redundancy, the Board expressed a strong view that this should only be considered as a last resort and that all other options should be explored fully. The savings benefit of compulsory redundancy needed to be weighed against the costs in terms of staff morale and the impact on the quality of delivery of College services. Other options such as voluntary severance, recruitment 'freeze' or similar and shared posts across the sector should all be explored. The Board would also have to be satisfied that there is a compelling strategic reason for considering compulsory redundancy and that the long-term benefits of this approach would outweigh the likely costs.

To expedite matters, the Board agreed to delegate authority to the Remuneration Committee to consider and approve a revised voluntary severance scheme. The revised scheme would then need to go to GCRB and SFC. The Board reiterated the importance of keeping the Unions informed of any proposed changes at an early stage.

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JT

Any changes in policy which allow for compulsory redundancy should be accompanied by a full detailed strategic analysis setting out the likely benefits and cost. The Remuneration Committee will review the detail of the policy and any such analysis with the Board having final approval.

22.34 SUSTAINABILITY REPORT/CLIMATE ACTION PLAN UPDATE

J Thomson presented this item and referred to discussions at the December 2021 meeting where it was agreed that an updated draft should be provided to the Audit Committee. The Audit Committee considered the updated draft at its 25 May 2022 meeting and the version before the Board incorporates the suggestions made during detailed discussions. J Thomson asked the Board to consider and approve the College Climate Change Action Plan.

The Board was pleased to note that a College Climate Change Group has been set up and that the Head of Estates, Facilities and Energy once in post in mid-July, will be assisting with this important piece of work. The Board agreed that the College Climate Change Action Plan clearly sets out the planned steps and sets timescales. It was agreed that sustainability should be a factor that is considered at all times and proposals to the Board that are likely to have an impact on the climate, should detail what that impact will be and how it will be mitigated.

The Board thanked J Thomson for all of her work on the Report and Climate Change Action Plan and approved it. It was agreed that quarterly reporting should be considered by the Audit Committee with the Board being kept apprised of key developments, where appropriate.

22.35 GOVERNANCE UPDATE

K Mavor spoke to this report which gave an update on governance matters. The Board was asked to ratify policy 1.9 Information Security which the Audit Committee reviewed before its due date to align the next review with the other policies under the Audit Committee's remit. The Board considered and ratified the proposed changes.

The Board considered the proposed topics for the upcoming development day. It was agreed that it was important that the time together focused on broader strategy rather than operational matters. The Board agreed the proposed topics were suitable and further agreed that, given the financial pressures facing the College, an all-day event was the most cost-effective and suitable approach.

Standing Items

22.36 PRINCIPAL'S REPORT

The Principal presented his report setting out developments since the last Board meeting and highlighted the following areas: -

- The breakfast club has been a well-received initiative with Peak Scientific working in partnership with the College to provide a free breakfast to students at all three campuses, as needed. The Board welcomed the news that this initiative will be extended from three months to the next year and recognised the proactive approach taken by the College, with the backing of Peak Scientific, to address food poverty.
- The development of the Anniesland student space is nearly complete and an opening event will be held..
- In 2022/23 funding for Foundation Apprenticeships fully transfers from Skills Development Scotland to the Scottish Funding Council. Funding will be provided via GCRB but the College will administer and coordinate delivery.
- The former Vice Principal of the College, Brian Hughes has been awarded an OBE for services to further education in Glasgow. The Board was pleased that Brian's time with the College and his contribution to further education in the College sector has been officially recognised.
- With regard to National Bargaining for lecturing staff, the final deal is on the table and the ballot will close next week. The position for support staff is similar.
- The Principal asked Board Members to read the Scottish Governments "*Wider harms of the Covid-19 pandemic on learners, students and staff within higher education, further education and community learning and development in Scotland*" paper which provides a useful insight into the impact of the pandemic.

The Board thanked J Vincent for his update.

22.37 STUDENT PRESIDENT'S REPORT

J Thompson spoke to her report which informed the Board of the work of the Student Association since the last Board meeting and reflected on the overall contribution of GCCSA over the last year. Some of the highlights being: -

- The provision of food and sanitary packages over the festive break with this continuing over the summer break.
- The setting up of the first regional football tournament which was a successful event which will hopefully continue to be held annually.

- Several 'Dr Bike' clinics being held across the campuses with Police Scotland attending to register bikes.
- Introduction of sustainable water bottles and cups to help reduce single use plastic waste in the College.
- GCCSA hoodies and sweaters shortly becoming available to purchase helping increase the visibility of GCCSA. The redesign of the GCCSA space has also increased the visibility of GCCSA and created a welcoming space.

GCCSA has also been reviewing the Student Association's documentation, in particular the constitution, so that they are updated before the next academic year. It was agreed that any changes will be reviewed by the Chair and Clerk on behalf of the Board before the documents are finalised.

KM/DN

J Thompson thanked the Board for making both A Logan and her feel welcome and valued during their time on the Board. The Board in turn expressed its gratitude for both J Thompson and A Logan's contributions and particularly the recent success in helping make GCCSA more visible.

22.38 CHAIR'S REPORT

The Chair thanked K Rosser, J Thompson and A Logan for their contributions to the Board's work and also to the Committees they sat on. The Chair particularly thanked K Rosser for the length of his service (6 years) and the valuable contributions he has made.

The Chair confirmed that the review into the structure of Colleges in Glasgow is ongoing with no specific progress to report.

The Chairs and Principals of the three Glasgow Colleges worked together on a combined response to the Scottish Parliament's open consultation on College regionalisation. A copy of the response is available.

The Board Member recruitment exercise is now complete and one candidate has been put forward to GCRB for appointment. The Chair will update the Board further once the approval process is complete. Another candidate has been offered the opportunity to co-opt on to the Learning and Teaching Committee to gain Non-Executive experience and contribute views to the work of this Committee.

Draft Minutes of Committee Meetings

22.39 ORGANISATIONAL DEVELOPMENT COMMITTEE – 4 MAY 2022

The Board noted the draft minute.

LEARNING AND TEACHING COMMITTEE – 18 May 2022

The Board noted the draft minute.

AUDIT COMMITTEE – 25 MAY 2022

The Board noted the draft minute.

FINANCE AND RESOURCES COMMITTEE – 1 JUNE 2022

The Board noted the draft minute which was shared shortly before the meeting. In particular, the Board was pleased to note the positive report on the Commercial Programme.

ITEMS FOR NOTING/FORMAL APPROVAL

22.40 STRATEGIC OBJECTIVES

The Board noted the updated version which incorporates comments made at the March meeting.

22.41 STRATEGIC RISK REGISTER UPDATE

The Board noted the report and the progress with developing a new approach to the risk register.

22.42 ESTATES, CAPITAL EXPENDITURE AND MASTERPLAN UPDATE

The Board noted the update and approved the capital masterplan for 2022/23 and future years

22.43 GLASGOW COLLEGES EDUCATION FOUNDATION UPDATE

The Board noted the update.

22.44 ANY OTHER BUSINESS

There was no other business.

The members of the SLT present at the Board meeting were asked to leave so that the minutes of the Remuneration Committee could be discussed in full.

D Watt provided a summary of Remuneration Committee discussions and confirmed that an initial view had been taken on when performance related pay was appropriate and also on the pay award for the SLT for 2022/23. The committee took into account the SLT's strong preference for there not to be a reward scheme related to individual performance. However, a more comprehensive individual appraisal system will be introduced before the new academic year.

The Remuneration Committee also reached a preliminary view on the pay award for 2022/23. Before a final decision is made on the proposed award, further information about the cost impact was requested. The Remuneration Committee will then make a final decision and will also consider at this point whether the pay award given should be more widely

publicised given that the apparent rumours circulating about previous years' awards.

DATE OF NEXT MEETING

12 October 2022 at 4.30pm, Boardroom, Langside Campus.