

NOTES OF THE MEETING OF THE BOARD OF MANAGEMENT HELD ON 14 JUNE 2023 AT 4.30pm.

The meeting was held at Langside Campus.

PRESENT:

David Newall	Chair
Mary Docherty	Board Member
William French	Board Member
Fiona Godsman	Board Member
Sandra Heidinger	Board Member
Gordon McGuinness	Board Member
Maureen McKenna	Board Member
Runa McNamara	Board Member
Alan O'Donnell	Board Member
Lindsey Paterson	Board Member
Michael Payne	Board Member
Margaret Swiderska	Board Member
Jon Vincent	Board Member
David Watt	Board Member

IN ATTENDANCE:

Tracy Elliott	Assistant Principal, Finance and Infrastructure
John Rafferty	Deputy and Vice Principal, Curriculum and Quality Enhancement
Janet Thomson	Vice Principal, Resources and College Development (up until 23.33)
Fergus Brown	Incoming Board Member (observing)
Rosalind Micklem	Incoming Board Member (observing)
Martina Tuskova	Incoming Board Member and Student President (observing)
Kirsty Mavor	Clerk to the Board (Minute Taker)

23.24 WELCOME AND APOLOGIES

The Chair welcomed everyone and in particular, three incoming Board Members (F Brown, R Micklem and M Tuskova) observing the meeting. Apologies were noted from Clare Walker.

23.25 DECLARATIONS OF INTEREST

No declarations of interest were received.

23.26 DETERMINATION OF OTHER BUSINESS

There was no other business intimated.

23.27 MINUTES OF PREVIOUS MEETING: 22 MARCH 2023

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

23.28 MATTER ARISING: ACTION GRID

The Board noted that the actions from the last meeting were now complete or on the Agenda.

ITEMS FOR DISCUSSION/APPROVAL

23.29 CREDITS PROJECTION 22/23/INDICATIVE CREDIT FUNDING 23/24

J Rafferty spoke to this paper and advised that the current credit forecast for 2022/23 is -1%. Of the credits currently accrued, 99.7% of the credits are currently 'safe', therefore, subject to audit, the College will fall within the SFC's 2% credit tolerance.

99.7% of the core credits were achieved and 44.7% of Foundation Apprenticeship credits. J Rafferty advised the Board that there was lower than anticipated interest for FA across the Glasgow region.

J Rafferty confirmed that the SFC confirmed the final 2023/24 funding allocation at the end of May. The key points for the Board to note are:

- There will be a 10% cut to the credit target of all Colleges. The College's credit target therefore reduces from 126,357 to 113,700 which becomes the new minimum level of delivery required to avoid clawback.
- An increase in our average credit value from £274.17 to £304.66 per credit,
- Confirmation that the 2% tolerance on the core target will remain.
- Where clawback is applied, only 80% need be returned to SFC in recognition of the fixed costs of delivery.
- FAs remain a priority but will be merged into the core credit allocation, allowing these credits to be used for any purpose

The credit guidance was published on Monday, 12 June 2023 with the main changes being: -

- the census date is now reduced to 5 weeks (this does not apply to part time students).
- HE guidance is no longer eligible for funding

Details were provided of the College's revised portfolio offering in response to the changes in credit funding. The main changes are: -

- A new portfolio has been constructed of around 123,000 credits (compared to 137,000 credits for 2022/23)
- All full-time programmes have been reduced by 3 units and a further unit will be integrated with another.
- Courses with low or no recruitments have been withdrawn.
- Some low performing programmes have been deleted.
- Some partnership provision with employers and managing agents has been substantially revised to improve its efficiency, predominantly in Engineering and Construction.
- Some schools provision has been reduced or remodelled in response to local authority transport constraints, predominantly in Special Programmes.
- Some offsite delivery in schools has been deleted for efficiency reasons, predominantly in Hair and Beauty.
- Total timetabled hours per unit will remain the same (40 hrs per unit) however the average face-to-face lecturer contact time will reduce from 33 hrs per unit to 31 hours per unit in most programmes, due to the integration approach.

J Rafferty confirmed to the Board that substantial cost savings will be delivered by the new portfolio with the number of teaching hours reduced by 13% and the policy of integration will also improve the efficiency of the remaining delivery by 2%.

The Board discussed the potential risks associated with the College's revised portfolio including the likely reduction in overall learners, possible reputational damage, impact on attainment rates, possibility of failing to meet the credit target and impact on College staff. It was noted that HE targets would be defended as they attract additional funding. Steps will be taken to try and reduce the impact on all learners including those with additional support needs.

The Board was pleased to note that recruitment for 2023/24 was very strong but this created an additional risk of overcommitting in response to this strong demand which may have funding implications. It was agreed that this risk should be reported on the next paper.

JR

The Board thanked J Rafferty for his detailed report.

23.30 SFC INDICATIVE FUNDING ALLOCATION FOR 2023/24

T Elliott presented slides to the Board setting out the SFC's indicative funding allocation for 2023/24 which, as expected, is a flat cash settlement. It was noted that the foundation apprenticeship allocations will now be counted in the core credits and overall, credits have been reduced by 10%. The Board noted that there are no significant movements in student funding or capital.

23.31 FINANCIAL SUSTAINABILITY UPDATE

J Thomson presented an updated financial sustainability paper and referred to the College's revenue budget for 2023/24 (currently a deficit of £1.667M as per paper 23.32 and 23.32A) which already includes the planned savings of £2.99M as previously reported. The overall savings plan target to achieve break-even is therefore £4.657M of savings for 2023/24.

As previously advised to the Board, the deficit for 2023/24 and future years is mainly due to a flat cash settlement, unfunded pay awards and other inflationary pressures including utilities costs. The College sector as a whole is facing these financial challenges.

Details were provided to the Board of the current savings plan which includes utilising voluntary severance as much as possible to help reduce staff costs. The VS Scheme was reopened in May and closed last week and further saving of £300k are likely to be achieved. It was noted by the Board that after the planned savings are made, the savings gap remains at £2.372M.

W French spoke to his letter asking the Board to try and make every effort to avoid compulsory redundancies and to also consider the impact of the current situation on staff welfare. The Board noted that the points made in the letter were also considered by Finance and Resources Committee.

23.32 DRAFT REVENUE BUDGET FOR 2023/24

T Elliott presented the paper outlining the Draft Revenue Budget for 2023/24 including the comparative analysis of movements between the 2022/23 Forecast Outturn position and the 2023/24 Draft Budget position. The adjusted operating position is the key factor in demonstrating whether the College remains financially sustainable and the Draft Budget for 2023/24 shows an adjusted operating deficit of £1,667k.

Details were provided of the impact of the 2022/23 forecast outturn and the 2023/24 draft budget on the baseline cash position reducing it to 13 days at July 2023 and subsequently to almost nil by July 2024.

Against the background of the financial information presented by the Executive, the Board considered the recommendations made by the Finance and Resources Committee. It was noted that the Finance and Resources Committee had examined the financial position in detail and, after a full discussion, made the following recommendations to the Board: -

- Discussions should continue with GCEF to establish whether assistance can be provided to the College to improve its financial sustainability. This may result in the 'Learning Spaces' project being delayed.
- The VS Scheme should be reopened for a third time this year and the Executive should consider how it can be run differently to try and attract more applicants. Communications supporting the VS Scheme should provide staff with the level of detail required about the College's finances and the areas that are overstaffed so that staff can make an informed decision.
- The Executive should work on presenting to the Board in August a further savings plan and a two-year budget with the aim of reaching a break-even position in 2024/25. This Savings Plan is likely to explore compulsory redundancy as an option but this will depend on the uptake for VS. Details should be provided of the areas that are potentially overstaffed and by how many.

Smaller groups of Board members were formed to discuss the recommendations made by Finance and Resources Committee. Following these discussions, it was agreed that the recommendations should be accepted with the following additional steps:

- Any discussions with GCEF should emphasise that the College remains committed to delivering the Learning Spaces project but over a longer timeframe.
- Any presentations to the Board in August 2023 should clarify what the long-term plan of the College is and how it is proposed that this will be achieved.
- There should be further communications with staff stressing the seriousness of the financial challenges facing the College so that they can make an informed choice about VS. These communications from the Principal should be shared with both the Chair and Vice

JV

Chair before issuing. The Executive should also consider setting up meetings which would allow for questions to be asked and for the staff's views to be heard.

The Board agreed that it was not appropriate to approve the draft Revenue Budget until after further discussions in August. Furthermore, the Board noted that the Financial Forecast Return (FFR) has been reviewed by the Finance and Resources Committee and agreed to delegate authority to the Chair of the Board to approve the FFR so that it can be submitted to SFC by 30 June 2023.

Standing Items

23.33 STUDENT PRESIDENT'S REPORT

The Board noted the contents of this report and thanked the Student Association for the useful summary.

23.34 PRINCIPAL'S REPORT

J Vincent presented his report setting out developments since the March meeting and highlighting the following: -

- There was an error in his report and he asked the Board to note that support staff had neither rejected or accepted the most recent pay offer on the table.
- The James Withers skills review report has recently been published and there are a number of further reports on education in Scotland due to be published.
- GCC has recently achieved unprecedented success at the annual Trades House of Glasgow Craftex winning 23 out of 43 categories including one of the top awards, the Deacon Convener's design prize.

The Board thanked the Principal for his update which was noted.

23.35 CHAIR'S REPORT

The Chair thanked departing Board members, C Walker, G McGuinness, F Godsman, M Docherty, A Chaudhry and S McKenna for their contribution and commitment to the Board.

R Micklem, F Brown and two further Board members, subject to GCRB approval, will join the Board. Rena McAdam will be also be joining the Board as the Staff Support member.

The Board Development Day is scheduled for 30 August 2023 and Board members were invited to submit topics for discussion and suggestions for speakers.

Committee Meetings

23.36A ORGANISATIONAL DEVELOPMENT COMMITTEE – 10 MAY 2023

The Board noted the draft minute and in particular the discussions regarding the impact of VS on remaining staff and the recent increase in rates of absence.

23.36B NOMINATIONS COMMITTEE- 17 MAY 2023

The Board noted the draft minute and that volunteers were being sought to join both the Nominations Committee and to express an interest in joining GCEF as a trustee.

The Board noted and approved the recommendations made in relation to Committee membership including the appointment of M McKenna as Chair of Learning and Teaching Committee.

23.36C LEARNING AND TEACHING COMMITTEE – 24 MAY 2023

The Board noted the draft minute including the discussions about credit targets and the reports on quality performance.

23.36D AUDIT COMMITTEE – 31 MAY 2023

The Board noted the draft minute and the request that the plan for internal audit be aligned with the current challenging circumstances facing the College. It was noted that a new external auditor has been appointed.

23.36E FINANCE AND RESOURCES COMMITTEE – 7 JUNE 2023

The Board noted the draft minute with discussions taking place earlier in the meeting about the recommendations made regarding financial sustainability.

ITEMS FOR NOTING/FORMAL APPROVAL

23.37 STRATEGIC RISK REGISTER

The Board noted the register and that the three high risks identified remained the same as last reported to the Board.

23.38 2022/23 FINANCIAL POSITION – FINANCIAL REPORT TO JANUARY AND FORECAST OUTTURN

The Board noted the financial report to April and that the 2022/23 forecast outturn position had deteriorated from a budgeted deficit of £478k to a forecast deficit of £2,063k. The position with regard to baseline cash was also noted.

23.39 ESTATES, CAPITAL EXPENDITURE AND MASTERPLAN UPDATE

The Board approved the updated capital masterplan subject to it being amended to reflect the likely position regarding the learning spaces project. **JT**

23.40 PUBLIC SECTOR EQUALITY DUTY REPORTING

The Board noted the reports that had been published. It was agreed that it would be worth exploring at the August meeting what the College was trying to achieve in the diversity and inclusion space and how this was being measured.

23.41 GOVERNANCE UPDATE

The Board noted the update and as discussed earlier in the meeting, approved the Committee membership.

The Chair, Principal and Clerk will progress the Agenda for the Board development day. **KM/JV/DN**

23.42 ANY OTHER BUSINESS

There was no other business.

DATE OF NEXT MEETINGS

30 August 2023 – Board Development Day

11 October 2023 – Board meeting