

**NOTES OF THE MEETING OF THE FINANCE AND RESOURCES COMMITTEE,  
HELD ON 29 NOVEMBER 2023 AT 4.30PM.**

The meeting was held remotely.

**PRESENT:**

D Newall	Chair
K Sweeney	Committee Member
M Swiderska	Committee Member
J Vincent	Committee Member

**IN ATTENDANCE:**

T Elliott	Interim Vice Principal, Resources & College Development
R Anderson	Assistant Principal, Business, Creative and Digital Industries (for Item 23.50)
D McDougall	Assistant Principal, International and Business Development (for Item 23.50)
K Mavor	Clerk to the Board (Minute Taker)

**ACTION**

**23.43 WELCOME AND APOLOGIES**

The Chair welcomed everyone to the meeting and noted the one apology from M Tuskova. The Chair advised that D McDougall and R Anderson will be joining the meeting for item 23.50 and he would like to acknowledge D McDougall's contribution to the College during over 40 years of service.

**23.44 DECLARATIONS OF INTEREST**

There were no declarations of interest.

**23.45 MINUTES OF THE FINANCE AND RESOURCES COMMITTEE  
MEETING HELD ON 4 OCTOBER 2023**

The draft Minute was approved as an accurate record of the meeting held on 4 October 2023.

**23.46 MATTERS ARISING GRID**

The Committee noted that the one action on the grid was an ongoing matter.

**23.47 DRAFT FINANCIAL STATEMENTS FOR YEAR ENDED 31 JULY  
2023**

T Elliott presented this paper and provided an overview of the Financial Statements for year ended 31 July 2023. The year-end audit of the draft financial statements has been completed and the related auditor's report outlines an unqualified opinion in respect of the financial statements.

For the twelve-month period from August 2022 to July 2023, the College is reporting a deficit of £964k. There was an unrealised surplus

## **ACTION**

of £5,108k on Revaluation of Land and Buildings and an asset impairment of £4,394k has been recognised in the financial statements in respect of the Anniesland campus windows and the RAAC which was identified at the Cardonald campus. Actuarial losses on Defined Benefit Pension Plans for the period were £11,357k. Therefore, the Total Comprehensive Income for the period is reported as negative £11,607k.

After adjusting for non-cash items that are outwith the control of the College, such as pensions and net depreciation, the adjusted operating position for 2022/23 is a deficit of £496k, the equivalent of 0.9% of total income.

T Elliott referred to the fact that the Audit Committee had a detailed discussion about the pension position. The Committee noted that a full scheme triennial valuation has been carried out and an asset ceiling report was also prepared by the actuaries. It was agreed that copies of the detailed actuary report and the asset ceiling calculation should be shared with the Committee.

**TE**

T Elliott detailed the information considered by the Audit Committee in relation to the pension and the view reached that the criteria for restating the 2021/22 figures had not been met. The Audit Committee agreed that the prior year restatement should be removed and discussions are currently taking place with Audit Scotland about this approach. This Committee was assured that the Audit Committee had discussed this in full and accepted the position that the prior year restatement should be removed.

The Committee asked for amendments to be made to ensure there is a clear distinction in the narration between the College as a going concern and its overall financial sustainability. It was noted that the Board may be interested in hearing why some of the performance indicators are noticeably below target and a footnote should be added to the report confirming when the targets were set. After considering each section of the financial statements and subject to the amendments identified by the Committee being made, it was agreed that they should be submitted to the Board for approval.

**TE**

The Committee was pleased to note the improvement in the College's financial position compared to less favourable forecasts. While the College still faces considerable financial challenges, the Committee wished to acknowledge the efforts of the Executive in reaching this improved position.

**23.48 FINANCIAL REPORT TO OCTOBER 2023 AND FORECAST TO JULY 2024**

T Elliott spoke to the Report and the Appendices, which provided an update on the financial position and cash position of the College for the three-month period to October 2023 and the Forecast Outturn to July 2024.

The Board approved, with reservation, the forecast 2023/24 budget deficit of £2,660k in August 2023. This was approved on the basis that management would take immediate action to seek to reduce the scale of the deficit as far as possible and rebase the 2023/24 budget position accordingly. The College subsequently identified additional savings of £885k and, as such, the 2023/24 budget deficit was rebased to £1,775k.

The Committee noted that the 2023/24 forecast outturn position has improved to a budget deficit of £764K due to favourable movements including reduced SFC funding clawbacks, decreased staff costs due to strike action and the decrease in employer pension contributions from April 2024. However, the RAG status remains as amber due to the continued forecast deficit.

The Committee welcomed the improved forecast adjusted operating deficit of £764K and noted that there was a possibility that the position could improve further if the SFC continue to take a more flexible approach to clawbacks. However, the Committee remains aware that the likely flat cash settlement and impact of unfunded pay awards means that the College and the overall sector will continue to face considerable financial challenges.

**23.49 COSTS REDUCTION UPDATE**

J Vincent provided a verbal update on the steps being taken to reduce costs including accepting requests for voluntary severance and carrying out restructuring in non-teaching areas. There is also a big push to increase utilisation and redeployment of teaching staff and resources, where appropriate. J Vincent also confirmed that the College curriculum managers have been carrying out scenario planning in the event there was a further credit reduction of 5 or 10%.

The Committee thanked J Vincent for the update.

**23.50 COMMERCIAL AND EXTERNAL FUNDING UPDATE**

This item was considered earlier in the Agenda and D McDougall and R Anderson joined the meeting.

D McDougall spoke to the report which provided the Committee with an update on commercial and external funded activity to 31 October 2023 with forecasts to the end of July 2024. The initial target is to achieve £2.67M in commercial income and £600k commercial income

from the Flexible Workforce Development giving a combined total of £3.27M and a total net surplus target of £1.035M (32%).

D McDougall advised the Committee that the current actual total commercial income to 31 October 2022 is £1.475M compared to a budgeted target to date of £883k. The current total income is £592k more than anticipated at this point in the year due to income being received ahead of service delivery. There is also a further £234k in the pipeline.

The Committee was pleased to note that the redeployment of permanent staff from the SFC-funded portfolio had contributed to less reliance on temporary staff and a more favourable split of 68(permanent)/32 (temporary).

D McDougall provided details of future opportunities including PDA for NHS and the collaboration with other Colleges behind the Glasgow City Region Joint Bid.

The Committee thanked D McDougall for his last report to the Committee and was pleased to note the positive progress for 2023/24. The Committee wished D McDougall well in retirement and looked forward to R Anderson's update at the March meeting.

### **23.51 TUITION FEE UPDATE**

The Committee has delegated authority from the Board to approve the 2023/24 Tuition Fee Schedule. The Committee noted that there was no change from the fees approved for 2022/23 and approved the 2023/24 Tuition Fee Schedule.

### **23.52 CAPITAL EXPENDITURE, ESTATES AND MASTERPLAN UPDATE**

T Elliot spoke to this report providing a summary of the main current estates matters and an update on the capital projects progress against plan for 2023/24.

The College's capital maintenance funding allocation for 2023/24 is a total of £3.036M which consists of £947k of revenue lifecycle maintenance funding and £2.089M of capital high priority maintenance funding. In addition to this funding, SFC/GCRB recently approved a further £640k of additional capital funding for 2023/24 to support the necessary works in respect of the Anniesland windows repairs and other previously displaced projects.

The key priorities are currently the (i) Anniesland windows repairs and (ii) the lifts at Cardonald campus. T Elliott was pleased to report to the Committee that all projects are currently forecast to be on time and to budget.

## **ACTION**

The Committee noted the contents of the update and recommended to the Board that the masterplan should be approved.

### **23.53 GLASGOW CLYDE EDUCATION FOUNDATION UPDATE**

The Committee noted that the College was currently waiting to hear whether the recent bid for up to £1.5M has been formally approved and formal notification is likely to be received in early December.

### **23.54 SCHEDULE OF WORK**

The Committee noted the schedule of upcoming agenda items for 2023-24.

### **23.55 ANY OTHER BUSINESS**

There was no other business.

### **DATE OF NEXT MEETING**

13 March 2024