

MINUTE OF FINANCE AND RESOURCES COMMITTEE

Wednesday 27th November 2024, 4.30pm to 6.30pm, online

PRESENT:

Margaret Swiderska	Committee Chair
Gavin Lee	Committee Member
Kathleen Sweeney	Committee Member
David Newall	Committee Member
Mursal Noori	Board Member (<i>left after 24.50</i>) (<i>attending in place of Martina Tuskova</i>)
Jon Vincent	Committee Member
Anna Magiera	Committee Member

IN ATTENDANCE:

Niall Macpherson	Chief Operating Officer
Tracy Elliott	Interim Vice Principal, Resources & College Development
Robert Anderson	Assistant Principal, International and Business Development (<i>left after 24.46</i>)
Peter Fee	Assistant Principal, Finance and Facilities
Jennifer Hunter	Clerk to the Board

24.42 Welcome and Apologies

Margaret Swiderska welcomed everyone to the meeting. There were no apologies.

24.43 Declarations of Interest

There were no declarations of interest.

24.44 Draft Minutes of Previous Meeting

Margaret Swiderska noted one small typo in paragraph 24.37, which has now been updated.

24.45 Matters Arising Action Grid

MS asked if the Committee were satisfied that the paper circulated as described in Matters Arising point 24.38 addressed this particular point. Kathleen Sweeney indicated that the action point was looking for an estimate of the bottom line in the best case and in a worst-case scenario. Along the lines of stress testing to show if the mix of temporary and permanent staff was different, at what point the activity would become loss-making.

MS asked Robert Anderson to provide an updated format at the next F&R meeting in March 2025.

RA

NM noted that the revised format which will bring data and commentary on the large variances, will be reported to the Committee quarterly.

RA/Clerk

MS invited Jon Vincent for an update on Glasgow Clyde Education Foundation (GCEF).

JV noted that a written report will only be required post wind-up of the organisation.

Clerk to edit GCEF item in Schedules of Work.

Clerk

JV noted that there are currently no live projects, though funding is due to come to the college, which will be allocated to the learning spaces project in the near future. GCEF is due to complete its work at the end of the current financial year.

MS thanked JV for the update.

ITEMS FOR DISCUSSION / DECISION

24.46 Commercial & External Funding Update Outturn 2024/25 and 2025/26 Plan Updates

RA spoke to the commercial report, drafted to update members on commercial and external funding income for academic year 2023-24. The report seeks to consolidate the 3 main income streams within the Commercial team's purview.

David Newall noted that the report is useful and requested that robust numbers for temporary and permanent staff be included in future versions, furthermore the use of a bridge may support the Committee to visualise differences.

RA

RA referred to the reasons for commercial outturn being challenging, which were noted and understood by the committee members.

One of the reasons for lost revenue were issued with World Pay service temporary unavailability for a period of time. MS asked for assurances that the issues with World Pay were being managed. RA reported that the issue is being managed by the Senior Leadership Team.

MS thanked RA for the report.

RA left the meeting.

24.47 Draft Financial Statements for year-end 31st July 2024

TE spoke to the Draft Financial Statements report. For the twelve-month period from August 2023 to July 2024, Glasgow Clyde College is reporting a deficit of £5,396k (2022/23 restated deficit: £1,303k) which included an adjustment to remove multi-year SFC Job Evaluation Funding of £3,921k in line with advice from the external auditors. The Scottish Government remains clear that responsibility for Job Evaluation funding commitments rests with it until the process is complete.

There was an unrealised surplus of £4,544k on Revaluation of Land and Buildings (2022/23: restated unrealised deficit £6,742k). In addition, the prior year asset impairment adjustment of £4,394k in respect of the Anniesland Campus windows and the RAAC which was identified at the Cardonald campus has been reduced by £2,494k. This adjustment reflects the Anniesland Campus windows rectification works which were undertaken during 2023/24 and an updated cost estimate for the planned Cardonald RAAC remedial works. The rectification work resulted in an asset addition of £1,846k, offset by matching disposal to recognise that this is a replacement of part of an existing asset rather than an enhancement or new asset.

Actuarial losses on Defined Benefit Pension Plans for the period were £3,423k (2022/23: losses £16,419k). Therefore, the Total Comprehensive Income for the period is reported as negative £3,627k (2022/23: restated -£28,858k).

After adjusting for non-cash items that are out-with the control of the College, such as pensions, net depreciation and the removal of Job Evaluation funding, the adjusted operating position for 2023/24 is a surplus of £173k.

MS congratulated TE and the wider team on an excellent result, and complimented JV on the Principals Report.

GL noted that the performance report had been drafted well and asked for clarification on the timescale of Scottish Funding Council potential claw-back. TE advised that the balance of risk for claw back is multifaceted, and that the College takes a risk-averse approach to potential for claw-back of funding.

MS queried an increase in agency staff costs. TE advised that this is due to a number of factors including temporary filling of vacancies and a challenging recruitment market.

The Committee noted the report.

24.48 Financial Report – year to date and forecast to July 2025

The committee was pleased to see an improvement in the expected result from the budgeted deficit of £495k to surplus of £29k. The committee commented though that the reasons for this improvement have not been explained in the report with sufficient detail. Peter Fee explained that the main reason for improvement was deferral of revenue from the previous financial year to the current financial year – the timing of activity shifted for several reasons, including strike action. Therefore, this was a one-off timing improvement as opposed to a permanent shift in the financial position of the college. This information was included in supplementary tables which due to unforeseen circumstances have not been included in the paper. It was agreed that the supplementary data would be circulated to the Committee members to be further considered over email. The Committee were invited to contact the Executive Team with any questions and comments. There were no further questions or comments. The Committee noted the paper.

PF/Clerk

24.49 2025/26 Tuition Fee Approval

TE spoke to the tuition fee approval report, the Committee were asked to approve the 2025/26 Tuition Fee Schedule.

The Committee noted that the underlying principle for the level of tuition fees indicated is the list of indicative fees identified by the Scottish Funding Council (SFC) on an annual basis. The Student Awards Agency for Scotland (SAAS) also uses these indicative levels for the determination of their level of fee award for eligible students. Fees in respect of training programmes, events and other courses of study provided through the College's International and Business Development Unit are determined on a programme-by-programme basis.

The Committee approved the 2025/26 Tuition Fee Schedule and noted that as the Scottish Qualifications Authority (SQA) have not yet confirmed their charges for 2025/26 so the fee schedule may be subject to slight change.

24.50 Triennial Review of College Financial Regulations

TE spoke to the Triennial Review of College Financial Regulations. The Senior Leadership Team (SLT) review and approve the regulations on an annual basis and the Committee review and approve the regulations every three years. There are no significant changes to the attached regulations other than the minor narrative and job title tracked changes as approved by the SLT over the past three years.

MS asked if there is potential for the College to use commercial banks to gain a higher rate of interest. TE confirmed that option is not open to the College at the present time, though the option remains with the regulations so that the College could take up the option if it became available.

MS asked for clarity as to the periodic review of bank signatories. TE confirmed that this is part of the usual financial processes and is also part of external audit.

MS wondered whether the section on GCEF should be updated given the planned wind down. TE/JV explained that this section should remain as is to give us the option to use GCEF/similar body in the future.

The Committee approved the College Financial Regulations.

Mursal Noori left the meeting.

24.51 Key Performance Indicators

NM spoke to the Key Performance Indicators paper. NM noted that he and the team are working on streamlining and tightening nomenclature, for example around defining common terms such as cash, baseline-cash and forecast. The team are working to improve the quality of the data included in the emissions KPIs.

DN noted that in the past Baseline Cash would relate to circumstances that the College can control whereas Gross Cash would relate to circumstance out-with the College control.

NM will share labelling definitions and differences with the Committee.

NM

KS asked if improvements could be made to printing levels, as regards climate KPIs. NM noted that the team also noticed this and are working on improvements, changes were made recently, and the team continue to monitor printing levels.

MS noted that Amber and Red KPIs, Commercial Revenue and the Expected Financial Outcome should be included in the Chair's report to the Board of Management. GL noted that definitions for labelling should also be covered in the Chair's Report.

NM/Clerk

24.52 Estates, Capital Expenditure & Master Plan 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 2024/25.

There are two key projects which are being taken forward in 2024/25. The first of these is the Anniesland windows repair and replace project which was progressed as a priority following the previous 2023 survey work. This project is works to repair or replace as required the windows related elements for the main three-story building at the Anniesland campus which are the worst affected areas. Phase one of these works were completed in 2023/24 and the second and final phase of the remaining works have now commenced within the 2024/25 capital plan.

The other key 2024/25 project is the Cardonald Campus Reinforced Autoclaved Aerated Concrete (RAAC) remedial works. The College has had to allocate a significant proportion of the 2024/25 SFC Capital funding to support the Cardonald RAAC remedial works as, to date, SFC have not committed to providing any additional funding for RAAC. RAAC surveys have been completed, and 2 options were originally identified. The College was previously progressing Option 1 based on budgetary constraints. Option 3 has now been identified which provides a permanent solution in a more cost-effective manner. This is currently the preferred option. Some queries around funding/timing of funding remain, but there is a contingency plan in place to mitigate such risks.

The Committee noted the report.

24.53 Update from Financial Plan Working Group

NM noted that the financial sustainability working group are continuing to make progress and are on-track to provide an update at the upcoming Board of Management meeting.

24.54 Committee Remit Update

Jennifer Hunter spoke to the Committee Remit Report, which brings the Climate Change Action Plan into the remit of the Finance and Resources Committee.

MS requested a further update to committee membership, which going forward should be described as "a minimum of five people".

Clerk

The Committee recommended the change in remit to go to the Board of Management, with the additional information as regards a change to minimum membership.

FOR INFORMATION / NOTING

24.55 Climate Change Action-Plan Update

NM spoke to the Climate Change Action Plan report. Since the original CCAP was created, around 90% of the actions have been completed and, as such, it is now time for the College to reflect on what has been achieved to date and what actions it should now take forward. The strategy will be updated and presented in the summertime.

The Committee discussed the report and noted that although there is still work to be done, further large-scale emissions reductions will be difficult to realise without significant external funding to help decarbonise the College estate. The Committee noted that we are well positioned to request such funding as and when it is announced.

24.56 Glasgow Clyde Education Foundation Update

This item was covered at agenda item 24.45 above.

24.57 College Strategic Risk Register – Financial Risks

NM provided an update on the strategic risk register. The risk in respect of industrial action has now been reduced, and while there is a risk that the College could fail to achieve SFC credits target and experience claw-back of funding – recent experience has shown the College to be extremely adept at achieving the target. Furthermore, work to deliver a Financial Sustainability Plan to the December Board meeting remains on track. The Net Risk remains unchanged at 20.

The Committee noted the Financial Risks.

24.58 Relevant Update from Scottish Funding Council / Audit Scotland

NM noted that Scottish Funding Council are currently recruiting a new Chair of the Board.

24.59 Committee Schedule of Work

MS thanked TE and JH for bringing together the Committee Schedule of Work.

24.60 Any Other Business

There was none.