

Minutes of the meeting of the Finance and Resources Committee

Wednesday 4 June 2025 at 4.30pm, Online

Present:

Margaret Swiderska	Committee Member (Chair)
Jon Vincent	Committee Member
Gavin Lee	Committee Member
David Newall	Committee Member
Kathleen Sweeney	Committee Member
Martina Tuskova	Committee Member

In Attendance:

Robert Anderson	Assistant Principal International and Business Development (<i>left after 25.23</i>)
Niall Macpherson	Chief Operating Officer
Peter Fee	Assistant Principal Finance and Facilities
Jennifer Hunter	Clerk to the Board

25.19 Welcome and Apologies

Margaret welcomed everyone to the meeting.

25.20 Declarations of Interest

There were no declarations of interest.

25.21 Minutes of the Finance and Resources Committee

The minutes of the meeting on 12th March were approved as an accurate record.

ACTIONS

25.22 Matters Arising Action Grid

The Committee discussed the estates, capital expenditure and masterplan. Due to unforeseen projects such as the windows at Anniesland and RAAC at Cardonald campus, the College has been unable to make good progress on the 2021 conditions report. The 2021 conditions report totalled £9.9m of repairs, whereas the college has only been able to fund around £1m of repairs as well as the costs of Windows and RAAC. Niall Macpherson is seeking approval today from the Committee (further down the agenda) to commission a new conditions survey. This will support future prioritisation of decision making. An estates strategy informed by the 2025 conditions report will come to the Committee in the next academic term.

NM/JH

The Committee discussed the KPI on resource utilisation and agreed for the item to stay on the schedule of work for the Committee into the next academic term. **JH**

25.23 Commercial & External Funding Update Report

Robert Anderson joined the meeting.

RA spoke to the Report. The department is on-track to meet and possibly to exceed financial targets. A cost analysis versus potential income exercise is underway, to explore the possibility of opening the Langside campus on a Wednesday evening for Love to Learn activity. Glasgow City Council Economic Development Department has made an approach to the three Glasgow Colleges with a view to establishing a No-Code regional pilot programme in 2025/26. The College has secured an additional four contracts from the Scottish Trades Union Congress.

The Committee discussed the report. The Committee asked if RA was confident in the projected figures, as well as expected £0.5m increase in commercial revenue in 2025/26 as indicated in the 2025/26 budget paper. RA confirmed that he is confident that the department will meet stretch targets. The Committee enquired if there could be more evening and weekend classes. RA noted that Cardonald upskilling activity could likely increase though it would require an increase in qualified staff.

RA left the meeting.

25.24 Financial Report year to April 2025 and Forecast to July 2025

Peter Fee spoke to the report. The 2024/25 forecast outturn position has improved significantly in comparison to the previously approved budget, but is in line with what was reported to the Committee at the previous meeting. We expect to general a £0.5m of cash adjusted surplus vs budgeted deficit of £0.5m included in the budget. This is mainly driven by over-budgeting of payroll costs. As per Scottish Funding Council guidance, the Scottish Government income for Job Evaluation has been removed from income, though SG continues to carry the liability and reimbursement by the College is still expected.

The 2024/25 budget and forecast outturn is based on a range of underlying assumptions. Whilst historical uncertainty in respect of pay inflation has crystalised, there remains uncertainty relating to future pay and non-pay inflation and other wider economic factors, the College will require to keep these assumptions under review on an ongoing basis and update its forecasts to reflect any changes which may become apparent as each academic year progresses.

The Committee discussed the report and considered the impact of inflation on the planned Glasgow Clyde Education Foundation projects. The Committee agreed that it is vital to progress at pace where possible to avoid increased costs. Plans are in development and should be available late summer. **NM**

The Committee discussed uncertainty around Government funding for NI employer contributions between April 2025 and the end of the academic year. NM will try to gain clarification on this issue.

25.25 Draft Revenue Budget / outturn and projection/ SFC Indicative Funding Allocation for 2025/26

Peter Fee spoke to the report. The Committee discussed the use of temporary staff and agreed to continue to monitor the use of temporary staff and to reduce the figure where possible.

The Committee discussed funding from Scottish Government for increased employer national insurance contributions. While the figure for 2025/26 is quoted as 60% the reality in the budgets is currently 45%. There is a discussion for the sector to have with the Scottish Funding Council to address this issue. In the meantime the Executive Management Team will need to consider the impact to the outturn position of potentially up to £130,000. NM noted that he keeps a high-level regular underspend and overspend table unexpected things like this can happen. The current position is that there is an expected £100k of income not yet included in the budget which largely cancels out the £130k from NI, though the situation requires close monitoring.

The Committee discussed the credit price from the Scottish Funding Council. The credit price is increasing though this will happen slowly over four years. The comparison in cash terms for core credits is an increase in funding from £34.6m to £35.3m. More detail will be included in the relevant board paper.

The Committee discussed the risks around CDEL/RDEL transfers. NM is working on the planning assumption that, as the Scottish Government have allowed it for the past couple of years, that they will continue to allow it. The planning assumption is not without risk. There is a plan for if CDEL/RDEL transfers were not allowed, which would have to involve cuts in other areas, such as maintenance.

The Committee discussed the report and made the recommendation to recommend the budget for board approval on the basis that the team will do all they can to achieve a breakeven position. The Committee note that budget approval comes with some risks including that there is no future funding available for restructuring; there is a risk that Scottish Funding Council could change current custom and practice around CDEL/RDEL transfers; and that the funding to cover the increase in NI contributions has arrived at 45% instead of 60%.

The Committee noted the progress made by the team to change the position of the budget from it's outlook six months ago, (which was predicted a major deficit) to what it is now.

SFC 2024/25-28/29 Annual Financial Forecast Return

25.26

Peter Fee spoke to the draft report. The 2025-26 FFR Forecast is in line with the 2025-26 draft budget which shows a forecast deficit of (£539k). Assuming the College maintains its current offering of courses and exiting staffing numbers this deficit is projected to increase in future years. The Committee discussed the report and commented that, whilst it is not sustainable to see the

deficit compounding it did send the right message around unfunded salary increases.

The Committee asked if the establishment report figures cover the introduction of a salaried Chair of the Board of Management. Historically the Chair position has been pro bono and the College has not specifically included these or any other Board remuneration in the Budget to 2025-2026. However there had subsequently been a request for Voluntary Severance by a colleague which has been approved, and as such the team will leave these costs in the establishment report and reassign these to Board Remuneration and this will provide a "Budget" for 2025 –2026.

PF noted that since drafting the report, the Scottish Funding Council have now issued instruction on inflation rates to be used in the FFR, so the team now need to begin working on the final draft.

The Committee noted the timeframe for the Finance team to return the FFR which sits out-with the Committee and Board meeting dates schedule. At the Board of Management on the 11 June 2025, the Committee will recommend that the Board give Margaret Swiderska authority to sign off the final FFR via email.

DN/JH

Key Performance Indicators

25.27

NM spoke to the report. The financial forecast full year AOP at the Q3 stage is a surplus of £457k against the 2024/25 AOP budget of £495k deficit. CO2 emissions are down 3.7% at the Q3 stage - 1,686 tCO2e against 1,750 tCO2e for 2023/24 which represents an On Target position. In terms of waste, the College has seen another deterioration in this metric with 190t (cum.) generated against 144t for the previous year. This 31% increase is partly explained by the inclusion of Anniesland's scrap metal waste which was previously not reported included in the data. Q3 YTD paper consumption and print volumes both remain up on last year and a new Print Reduction Strategy is in development.

The Committee discussed Key Performance Indicators and agreed to introduce a KPI for Baseline Cash from the start of the next academic year.

The Committee discussed support for people in the college with additional learning requirements and agreed that it is vital that the college continue to do all they can to provide support to those who need it.

25.28 Estates, Capital Expenditure and Masterplan Update*

PF spoke to the report. PF will take the draft paper to Executive Management Team and will speak to the paper at the Board of Management meeting to request approval for stage one projects and the Anniesland project.

PF/JH

The Committee noted the report.

25.29 Estates Survey Commission*

NM spoke to the report. The Committee approved the request to commission a new conditions survey.

25.30 GCEF Remaining Funds Report

The Committee noted the report and look forward to seeing plans in the Autumn.

25.31 Climate Change Action Plan Update

The Committee noted the report. The current Action Plan is nearing completion and a new one is in the process of being prepared. It will be presented to the Committee in the autumn.

NM

25.32 College Strategic Risk Register

NM spoke to the report and provided an overview of the risks that had fluctuated. The Committee discussed the report including the downgrading of risk to SFC clawback of funds. The Committee noted the report.

25.33 Internal Audit Budgetary Control

The Committee noted the positive report from the internal auditor and thanked the finance team for their work.

25.34 Audit Scotland / SFC Updates

The Committee noted new disclosure requirements for sustainability and climate change in the next academic year. The Committee noted that the Scottish Funding Council have recently published a Financial Sustainability for the Sector Report.

25.35 Committee Schedule of Work

JH will draft a schedule of work for 2025/26 over the summer break.

25.36 Any Other Business

There was none.

Date of next meeting: Wed 1st October 2025, 4.30pm, Langside Boardroom