

**NOTES OF THE MEETING OF THE FINANCE AND RESOURCES COMMITTEE,
HELD ON 9 MARCH 2022 AT 4.30PM.**

The meeting was held remotely.

PRESENT:

D Newall	Chair
W French	Committee Member
J Thompson	Committee Member
J Vincent	Committee Member

IN ATTENDANCE:

T Elliott	Assistant Principal, Finance & Infrastructure
D McDougall (for Item 22.08)	Assistant Principal, International and Business Development
K Mavor	Clerk to the Board (Minute Taker)

ACTION

22.01 WELCOME AND APOLOGIES

The Chair welcomed everyone to the meeting. The Chair extended a welcome to W French and K Mavor joining their first meeting.

Apologies were noted from Lindsey Paterson, Keith Rosser (both Committee Members) and Janet Thomson. With only one non-Executive Committee member present the Committee was not quorate. It was agreed that the meeting should go ahead to enable the financial position to be reported to the Board. However, no decisions will be made.

22.02 DECLARATIONS OF INTEREST

There were no declarations of interest.

**22.03 MINUTES OF THE FINANCE AND RESOURCES COMMITTEE
MEETING HELD ON 1 DECEMBER 2021**

The draft Minute was approved as an accurate record of the meeting held on 1 December 2021.

22.04 MATTERS ARISING GRID

The Committee noted that all actions on the grid were complete or on the agenda.

J Vincent provided the Committee with an update on the Head of Estate, Facilities and Energy vacancy and advised that there will shortly be an interim appointment with recruitment for a permanent position to follow.

With regard to item 21.48, the Chair referred to the previously expressed view that the commentary on the financial statements could be more cohesive. J Vincent advised that the Senior Leadership Team

will look at ways to improve financial reporting to ensure that there is clear messaging.

22.05 FINANCIAL REPORT YEAR TO JANUARY 2022 AND FORECAST TO JULY 2022

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 six-month period to January 2022 and the Forecast Outturn to July 2022.

The Report is prepared on the basis that there is a risk of an SFC credits funding clawback as the current credit forecast is -5.1% under target. Reflecting the risk of the potential SFC credits funding clawback the 2021/22 forecast outturn has deteriorated from a budgeted deficit of £450k to a forecast deficit of £1,204k.

Based on the current forecast outturn, in the event that the SFC fail to protect 2021/22 Core and Other Credit Funding and subsequently decide to claw back same, the College's forecast baseline cash position would reduce from £2,670k (20 days) to £1,916k (14 days).

The Committee discussed the financial risk relating to the potential credits funding clawback and the negative impact on the College's financial position. It was agreed that this should continue to be monitored closely. The College remains committed to providing a high-quality student experience and all possible steps to improve the financial position will be considered.

The Committee noted the report and agreed that the financial risks should be highlighted to the Board.

22.06 SFC INDICATIVE FUNDING ALLOCATION 2022/23

T Elliott provided a verbal update on estimated SFC Funding for the 2022/2023 academic year. The Committee noted that, at this stage, only an estimate of funding is available with indicative funding likely to be provided by SFC/GCRB by the end of March. Based on the Scottish Government 2022/23 sector budget announcement the College is expecting that one-off 2021/22 funding amounting to circa £1.5 million will be removed and there will not be any uplift for inflation. In real terms the College could be facing a reduction in funding of circa £3.2 million. Further information will be provided to the Committee once the College is notified of the indicative funding position.

22.07 ESTATES, CAPITAL EXPENDITURE AND MASTERPLAN UPDATE

T Elliott spoke to the report which provided the Committee with a summary of current estates matters and an update on the capital expenditure against plan along with the capital masterplan update.

The Committee welcomed the progress being made with the Student Space at Anniesland Campus and noted the project is currently due for completion in mid-April. It was also noted that the Public Realm improvement project funded by GCEF is currently going through the design stage with planned improvement works to take place between June-August 2022 if possible.

The Committee noted the contents of the update.

22.08 COMMERCIAL AND EXTERNAL FUNDING UPDATE

(This item was heard after Item 22.11)

D McDougall spoke to the report which provided the Committee with an update on commercial and external funded activity to 31st January 2022 with forecasts to the end of July 2022.

He advised that the staffing costs are expected to come under budget due to the Pathways to Apprenticeships programme not running. The non-staff costs are higher than originally budgeted due to purchase of supplies ahead of course deliveries and purchase of online courses.

D McDougall referred to the annual target of 2.255M and advised that, for budgetary purposes, it would be prudent to assume that the commercial income will be £176k less. This is a cautious approach and when challenged on this likely shortfall, D McDougall assured the Committee that the Business Development Unit will continue to pursue the target of £2.255M. The Committee stressed that all efforts should be made to reach the target given the financial challenges facing the College.

The Committee was interested to note the future opportunities that may improve the overall position. D McDougall provided details of the Laboratory Technician qualification, FWDF Employer Webinars, development of an institutional relationship with Hong Kong YMCA College of Careers and an upcoming CBI conference, all of which should generate more revenue.

The Committee noted the report.

22.09 RESTRUCTURE UPDATE

(this item was heard after item 22.05)

J Vincent provided an update and advised that the voluntary severance scheme is currently open to expressions of interest. Also, there is currently a proposed restructure of the student experience. This is a cost-neutral restructure focusing on aligning the student experience with the move towards blended learning.

The College will continue to explore whether any further steps can be taken to improve the structure and, where possible, reduce staff costs particularly in light of the financial challenges facing the College.

22.10 KEY PERFORMANCE INDICATORS

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T Elliott spoke to the report which provided the Committee with an update on Key Performance Indicators (KPIs) which have been graded red, amber and green.

The Committee discussions focussed on the indicators which were shaded red. It was agreed that the following KPIs should be highlighted to the Board as being of concern: -

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- Forecast annual operating financial position deficit.
- Commercial income (including FWDF) against target.
- Percentage delivery against SFC credit targets.

The Committee thanked T Elliott for the report.

22.11 DRAFT FIVE YEAR PLAN

T Elliott presented slides to the Committee setting out a revised draft five-year plan outlining the potential impact of a 2022/23 flat cash settlement. Previously the five-year plan had covered two SFC funding scenarios of flat cash plus a 4% and 2.5% uplift for inflation in line with 2021 SFC guidance. However, as outlined in agenda item 22.06, early indications were that the SFC funding is likely to be flat cash with no percentage increase for inflation. The five-year plan has been adjusted to reflect this and forecasts increasing deficits which would significantly impact on the baseline cash held by the College.

T Elliott advised that the College is expecting to receive notification of SFC's indicative funding by the end of March and the Committee will be updated as more information becomes available. D Newall to discuss with T Elliott whether the slides outlining the draft five-year plan should be presented to the Board.

DN/TE**22.12 REVIEW OF FORMAL POLICIES**

K Mavor spoke to this paper and referred to the two policies that fell under this Committee's remit and were due for review. The changes proposed relate to including a specific reference to the Equalities Act and changing the review period. As the Committee is not quorate, the proposals could not be approved. The Committee discussed whether the specific reference to the Equalities Act added anything. It was agreed that the policies should be shared with the Committee for formal approval by email.

KM**22.13 PROCUREMENT UPDATE**

The report was noted by the Committee. T Elliott advised that there was an error in one of the tables and a slightly updated version will be circulated to the Committee.

KM**22.14 GLASGOW CLYDE EDUCATION FOUNDATION UPDATE**

The Committee noted the GCEF Update Report with spend to the end of December 2021 had been previously shared with the Committee via email. D Newall advised that discussions have been taking place with the Chair of GCEF and the Foundation may be able to assist the

ACTION

College with its financial position and also with maintaining the DELTA provision. An update will be provided to the Committee.

21.15 SFC UPDATE

The Committee noted the update from the SFC regarding in-year redistribution or credits.

22.16 COLLEGE STRATEGIC RISK REGISTER – FINANCIAL RISKS

The Committee noted the report.

22.17 ANY OTHER BUSINESS

There was no other business.

DATE OF NEXT MEETING

Wednesday, 1 June, 2022 at 4.30pm.

Location to be confirmed.