**NOTES OF THE MEETING OF THE FINANCE AND RESOURCES COMMITTEE, HELD ON 5 JUNE 2024 AT 4.30PM (LANGSIDE CAMPUS)**

**PRESENT:**

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| D Newall  K Sweeney  M Swiderska | Chair  Committee Member  Committee Member |
| J Vincent  A Magiera | Committee Member  Committee Member |

**IN ATTENDANCE:**

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| T Elliott  R Anderson  G Murray | | Interim Vice Principal, Resources & College Development  Assistant Principal, International and Business Development  (for Item 24.24)  Interim Clerk to the Board (Minute Taker) | |
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|  |  | | **ACTION** | |
| **24.15** | **WELCOME AND APOLOGIES** | |  | |
|  | The Chair welcomed everyone to the meeting and advised that R Anderson will be joining the meeting for item 24.24. Apologies had been received from M Tuskova. The Chair welcomed A Magiera to her first meeting of the Finance and Resources Committee. | |  | |
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| **24.16** | **DECLARATIONS OF INTEREST** | |  | |
|  | There were no declarations of interest | |  | |
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| **24.17** | **MINUTES OF THE FINANCE AND RESOURCES COMMITTEE MEETING HELD ON 13 MARCH 2024** | |  | |
|  | The draft Minute was approved as an accurate record of the meeting held on 13 March 2024. | |  | |
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| **24.18** | **MATTERS ARISING ACTION GRID** | |  | |
|  | The Committee noted the updates. | |  | |
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| **24.19** | **FINANCIAL REPORT YEAR TO APRIL 2024 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 to April 2024 and the Forecast Outturn to July 2024.  The Committee discussed the 2023/24 forecast noting that a small surplus was forecast. The Committee discussed the potential utilisation of any surplus in year. The Committee discussed the impact that further strike action would have on the staff costs. The Committee discussed the impact of phase five of the voluntary severance scheme on the finances.  The Committee commended the Executive for having managed the budget so well in 2023/24. | |  | |
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| **24.20** | **DRAFT REVENUE BUDGET FOR 2024/25** | |  | |
|  | T Elliott presented the paper outlining the draft revenue budget for 2024/25 including the comparative analysis of movements between the 2023/24 forecast outturn position and the 2024/25 draft budget position. The adjusted operating position is the key factor in demonstrating whether the college remains financially sustainable and the draft budget shows an adjusted operating deficit of £2.268million. T Elliott took the Committee through the risks in terms of the 2024/25 draft revenue budget and outlined the impact of those risks.  The Committee extensively discussed the issues around the SFC recent reclassification of revenue funding to capital funding.  The Committee discussed how realistic the business development unit target was in the context of falling below target for 2023/24. The Committee discussed ways of reaching this target and alternative income streams were discussed.  The Committee agreed that it could not recommend to the board to approve the budget whilst still showing a deficit. The Committee asked the Executive to revisit the budget and bring a refreshed version to the development day. As part of that refreshed 2024/25 budget it was noted that the Executive would aim to take measures to further reduce staff and non-staff costs and maximise income where possible. The Committee asked T Elliott to include year 1 (2024/25) and year 2 (2025/26) in the financial update which will be submitted to the Board development day in early September. | | **TE** | |
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| **24.21** | **SFC INDICATIVE FUNDING ALLOCATION FOR 2024/25** | |  | |
| **24.22** | **FINANCIAL FORECAST RETURN** | |  | |
|  | T Elliott presented slides to the Committee setting out the SFC’s indicative funding allocation for 2024/25 which, as expected, is a flat cash settlement for the Main Teaching Grant..  The Committee discussed the draft 5-year financial forecast and noted the increasing deficit which is forecast largely due to flat cash SFC funding and estimated unfunded annual recurring pay awards.  The Committee discussed the credit funding across colleges in Scotland noting that Glasgow Clyde College receives £304 per credit in comparison to most other colleges which receive significantly higher prices per credit. The Committee discussed the implications of an increase in credit funding. The Committee noted that it was unlikely to be any revisiting of the credit funding position in the near future. | |  | |
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| **24.23** | **KEY PERFORMANCE INDICATORS** | |  | |
|  | T Elliott spoke to the KPI Report and highlighted the red areas being the commercial income (including FWDF) against target. The Committee noted that the update from the business development unit indicates that the 2023/24 target is not expected to be met. Further detail was provided in the commercial update at agenda item 24.24.  The Committee discussed the resource utilisation KPIs and whether or not they were providing sufficiently reliable information justifying the additional work undertaken by the executive to provide the statistics. The Committee agreed that utilisation was important but recognised that further investment would have to be made to provide more reliable data. The Committee agreed that they would pause on the reporting of utilisation KPIs at present but would revisit this again in the future.  The Committee discussed capital projects and whether or not there ought to be a KPI relating to capital projects. Having discussed this extensively the Committee accepted that there was no requirement for any capital project KPI with relevant information being provided via the capital masterplan and taking in to account the minimal risk of failure to retain the related SFC capital funding. However, it was agreed that a RAG status column should be added to the capital masterplan in future. | | **TE** | |
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| **24.24** | **COMMERCIAL AND EXTERNAL FUNDING UPDATE** | |  | |
|  | R Anderson spoke to the report which provided the Committee with an update on commercial and external funded activity. R Anderson outlined the income vs budget and the Committee noted that the actual total commercial income to 30th April 2024 is £2.736 million compared to a year-to-date budgeted target of £2.523 million. This £2.736 million income is comprised of £301,000 residual FWDF and £2.435 million commercial income. This represents a significant improvement on the same point last year where there was £2.298 million accrued. However the forecast remains below the initial 2023/24 target of £3.27 million.  The Committee discussed the future of the business development unit and potential income streams.  The Committee invited the executive to simplify the table presented to the Committee. D Newall offered to work with R Anderson and T Elliott to streamline the table and data being presented to committee members. | | **RA/TE/DN** | |
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| **24.26** | **GCEF** | |  | |
|  | D Newall introduced this paper which set out arrangements for the oversight of GCEF funded projects in the event that GCEF winds up its activities. The Committee agreed to recommend to the Board that, from the start of financial year 2024/25:  - the Finance & Resources Committee should receive a quarterly report on GCEF funded projects;  - the report should set out actual and planned spend on each project, and the progress of each project in meeting its objectives;  - after discussion at F&R Committee, the quarterly report should be forwarded to the Board of Management;  - annually, internal audit should be asked to report to Audit Committee, having undertaken a review of the information contained in the previous year’s quarterly reports.  In addition, to aid transparency, it was recommended that, the College continue to ensure that the annual financial statements include a reference to the College’s uses of GCEF funding. | |  | |
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| **24.27** | **GCEF update** | |  | |
|  | J Vincent provided an update on the four ongoing GCEF projects being the learning spaces project, financial sustainability, DELTA, and commercial development. The Committee noted the update. | |  | |
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| **24.28** | **COLLEGE STRATEGIC RISK REGISTER** | |  | |
|  | The Committee noted the risk register. J Vincent provided a further update in relation to risk 8 and informed the Committee that the post of Chief Operating Officer had not been filled. They were therefore going to be in a position where they had identified a requirement for a COO with a financial background at the same time as recruitment for a new Assistant Principal Finance and Infrastructure.  The Committee discussed the approach to recruitment and noted the challenges around recruitment of two financial people at a senior level at the same time. | |  | |
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| **24.29** | **COMMITTEE SCHEDULE OF WORK** | |  | |
|  | The Committee noted that a schedule of work would be prepared and provided in advance of the next Committee meeting. | |  | |
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| **24.30** | **ANY OTHER BUSINESS** | |  | |
|  | There was no further business. The Committee thanked D Newall for his time as Chair of the Committee. | |  | |