

**Glasgow Kelvin College**

**Audit and Risk Committee Meeting of 14 May 2024**

**Governance Update**

**Report by Director of Estates and Corporate Services**

**1. Introduction**

The purpose of this report is to provide an update to members in relation to the following areas of corporate governance:

2. UMAL Safety Inspection Visits
  - Action List - Property Risk Management Report
  - Action List - Health and Safety Management Report
3. Trade Union Nominees on Boards - Update
4. West End Campus - Update
5. Audit Scotland Fees - Update
6. Land at Springburn
7. Insurance – Check
8. Business Continuity Plan – Update and Tabletop Exercise
9. Scottish Government – Energy Efficiency Grant Project
10. Worldpay
11. Board of Management Members – Potential Recruitment Challenges
12. New Security Arrangements – East End and Easterhouse Campuses

**2. UMAL Safety Inspection Visits**

UMAL carried out safety inspections across all campus locations over 11 and 12 January 2024.

The actions identified from these reports and the work undertaken to date are detailed in the following action plans:

[Action Plan - UMAL Property Risk Management Report 2024.pdf](#)  
[Action Plan - UMAL Health and Safety Report 2024.pdf](#)

The College provides updates on the UMAL portal in regard to these actions. All outstanding actions will be progressed and completed as soon as possible. It should be noted that, at present, there are a number of estates staff absent due to illness.

**3. Trade Union Nominees on Boards**

Glasgow Kelvin College received a nominee from EIS (FELA) – Carol Goodwin and UNISON – Maree Shepherd. These two individuals received Induction training from the Secretary to the Board of Management and were ratified at the Board of Management meeting on 20 March 2024.

#### **4. West End Campus**

Our West End Campus is under offer and the College currently awaits a decision from the Scottish Funding Council/Scottish Government in relation to whether this offer can be progressed.

The buyer is keen to secure an early entry date that would be suitable to the College. This would further save the College the ongoing costs of this campus. The buyer also wishes the campus to be emptied of furniture prior to the agreed entry date.

The College has liaised throughout this process with insurers and continues to do so.

A member of College staff continues to check our West End Campus daily.

Sundry furniture items continue to be sold via auction.

Members will be kept updated in relation to the disposal of our West End Campus.

#### **5. Audit Scotland Fees - Update**

As advised at the last Audit and Risk Committee meeting, Jeanette Evans, Vice Principal Operations has again communicated with Audit Scotland in relation to the imbalance of audit fees across the education sector.

This communication is detailed below.

*From: Jeanette Evans  
Sent: Monday, April 15, 2024 7:34 PM  
To: Martin Walker>  
Cc: Vicki Bibby; John Gilchrist; Alan Carr  
Subject: RE: Audit Fees - Glasgow Kelvin College*

*Hi Martin*

*Thank you for your email and letter of 20 December 2023 which I shared with my Audit & Risk Committee at its last meeting at the end of February 2024.*

*Following discussion, I agreed that I would write to Audit Scotland one last time.*

*We understand all of the points that were made in the letter from Vikki Bibby and indeed those in your follow up letter. However our initial concern remains the same, we believe the College is paying significantly more for its annual external services than it should be. There is clear disparity in what Glasgow Kelvin pays in relation to other Colleges, based on our size and the quality of audit reports we receive.*

*While Audit Scotland's concern is to fund the Audit costs across the whole sector, our concern (and indeed a question I am asked by Audit Scotland) is that the College achieves value for money/best value in its expenditure and we believe we are being overcharged in this area.*

*Effectively, we have been overpaying for years (while a number of other Colleges must pay less than they would in an open market tender) and your letters seem to be telling the College that there is no prospect of this position changing in the near future, if ever.*

*We do not find this situation acceptable or equitable and we are disappointed with Audit Scotland's response to this matter.*

At the time of writing this report, no response has been received.

## **6. Land at Springburn**

In relation to the parcel of land inside the College's perimeter fence, Thorntons have written to Hydepark Residents Association in an attempt to bring this matter to a conclusion; this letter is available for member review via the link below:

[College Solicitors - Response to Hydepark Residents' Association](#)

The College is ready to proceed with the actions contained within the letter, however, to date, no response has been received and Thorntons have chased this on 16 April 2024.

Audit and Risk Committee members will be kept apprised of any developments in this regard.

## **7. Insurance Check**

As members are aware, the College has been in contract with our current insurance company for circa 6 years. The College receives a very good service and relationships are both supportive and collegiate. Our insurance company has an in-depth understanding of the issues relating to the cladding at Springburn Campus; all technical reports have been shared and advice has been offered from them in this regard.

As advised, the Vice Principal Operations and Director of Estates and Corporate Services have been liaising directly with the Chief Executive of the current insurance company and with APUC. The Vice Principal Operations has also been liaising with sector colleagues in relation to insurance fees paid by other colleges.

The Chief Executive of our insurance company has offered a reduction in the gross contribution by 13% and in addition offer a further 10% discount via the MLB (Members Loyalty Bonus) which would protect from the rate changes for the duration of the MLB. From a Terrorism perspective, it is expected that the rates will reduce in the region of 10% and a MLB would also be applied. This is a three-year deal being offered in order that our current insurance company retains our business.

Liaison with sector colleagues has revealed that the amount Glasgow Kelvin College is paying for insurance is in line with others in organisations of a similar size.

APUC has confirmed that given UMAL's unique status as a mutual organisation, the College is able to directly award the contract. However, to ensure best value for money, negotiation was permitted.

Given the issues with Springburn Campus cladding, the excellent customer service received, the overall cost reductions being offered by our current insurance provider together with a cost-effective three-year deal, it has been decided that remaining with this insurance provider is the best option for Glasgow Kelvin College. The three-year deal being offered will provide continuity of service also.

## **8. Business Continuity Plan Update and Table Top Exercise**

The Glasgow Kelvin College Business Continuity Plan is currently undergoing extensive revisions in light of:

- New security arrangements at East End and Easterhouse Campuses.
- Disposal of West Campus. References to West campus will be removed when the campus has been handed over to the new owners.

The Government recently undertook a consultation on Martyn's Law as it was recognised that some of the requirements under the Standard Tier were not achievable for very small businesses. The consultation period ended on 18 March 2024 and the results are currently being analysed. Under the revised Standard Tier the College would be required to:

- Notify the Regulator that we are responsible for premises within scope of the Bill (and so subject to the relevant requirements).
- Have in place procedural measures that could be expected to reduce, so far as reasonably practicable, the risk of physical harm to individuals at the premises in the event of an attack.

In contrast to the published draft Bill, there is no requirement to complete a specified form (the 'Standard Terrorism Evaluation') for Standard Tier premises or ensure that people working at the premises are given any specific training. However, as part of putting in place the procedural measures, workers will need to be sufficiently instructed or trained to carry them out effectively.

Protect UK provide a number of free training options for companies, on Wednesday 24 April 2024 they launched two new, interactive "Exercise in a Box" training units. These units are in the form of videos with pauses for participants to enter their answers or responses to an ongoing event and come with a facilitation pack. At the end of the session, we will be able to print off our responses. A tabletop exercise has been scheduled for 28 May 2024 for members of the Incident Management Team and the Strategic Management Team using one of these scenarios.

## **9. Scottish Government Energy Efficiency Grant Project**

As members are aware, the College was delighted to be awarded £2,534,939.34 in June 2024 from the Scottish Government following a successful application to their Energy Efficiency Grant Project. The projects that were to be undertaken were:

- Replacing gas boilers at Springburn with Air Source Heat Pumps (the most significant and expensive project)
- PV Panels at Springburn
- PV Panels at Easterhouse
- Improved LED lighting at Easterhouse

- Wind Turbine refurbishment at Easterhouse

Unfortunately, following continual delays and uncertainties with the contractor appointed to undertake this work, Ameresco, the College had to advise the Scottish Government that the Air Source Heat Pump element of this project was not going to work as expected as the location of the Air Source Heat Pump had been changed at the last minute from the roof of the Springburn Campus building to the ground at the back of the building next to an electricity sub-station, railway lines and a woodland. The necessary consents would have to be obtained from these stakeholders and building consent re-sought and granted by Glasgow City Council. Given these material changes would have to be satisfactorily resolved and concluded; the timescales dictated by the Scottish Government for funding drawdown could not be achieved. Notwithstanding this, advice from an independent environmental specialist revealed that the suggested ground location would be unlikely to work, one of the issues being that debris from the woodland would be sucked into the Air Source Heat Pump filters resulting in sub optimal operations as well potentially regular repairs. In addition the specialist had concerns about the ability to actually produce the output required even if the location was acceptable, the actual energy costs and the capital obsolescence and replacement.

A full report in relation to this matter was discussed at the Board of Management meeting on 20 March 2024. This is available via the link below:

[Scottish Government Energy Efficiency Project-NIPD.](#)

## **10. WorldPay**

Glasgow Kelvin College previously used WorldPay to receive payments for various items. This was particularly useful for students and customers using the hair salons, restaurants and nail bars.

WorldPay then requested certain personal information from the Vice Principal Operations and Principal in the form of name, home address, date of birth and nationality advising that this was due their obligation to act in compliance with applicable laws and regulations and to prevent fraud, money laundering and financing terrorism. This information from the Vice Principal Operations and Principal was duly provided.

WorldPay has subsequently requested the same information about the Board of Management (20 members) and Board Secretary be passed to them. Glasgow Kelvin College believes this is disproportionate as these unpaid/voluntary members have no “significant control” on an individual basis and have no access to the College bank accounts. WorldPay has abruptly withdrawn their service.

The College has been liaising with our Data Protection Officer at HEFESTIS in relation to this matter who has written to WorldPay in relation to the UK Government definition of “significant control” as used by WorldPay, and to advise that the 20 Board members and the Board Secretary do not have “significant control”; the DPO has asked WorldPay specifically where they believe Glasgow Kelvin College fits in terms of the definition. At the time of writing this report, the response from WorldPay is awaited.

An advice note from HEFESTIS is attached for reference.

[HEFESITIS WorldPay.](#)

HEFESTIS have advised that the finance sector is heavily regulated, and WorldPay has confirmed this, listing the various legislation and regulations they are bound by; as such, their request appears legitimate. HEFESTIS has further advised that, if this information is provided, these checks will not impact the individuals in terms of their personal finance.

If necessary, we will also require to update the Glasgow Kelvin College privacy notices and Record of Processing Activities to reflect any data sharing.

At the time of writing this report, an alternative option to WorldPay is being sought by our Finance and Student Funding Manager. However, it should be noted that these same requirements may be sought by other financial institutions.

Members will be kept apprised accordingly.

#### **11. Board of Management Members – Recruitment Challenges**

It is noted, via the Governance Professionals Network, that recruitment of Board members for colleges is becoming increasingly problematic with resignations now routinely occurring part way through a term of office. This appears to be related to people having a lifestyle change, the challenging financial landscape of the sector, the time required of Board members and the potential very significant responsibility of a volunteer/unpaid Board member role.

Glasgow Kelvin College is due to undertake a recruitment exercise early next calendar year and wishes to flag this matter early as it may be difficult to recruit new members.

#### **12. New Security Arrangements – East End and Easterhouse Campuses**

Due to ongoing financial constraints, security cover at East End and Easterhouse Campuses has been reviewed and a new, more cost-effective, but still robust, security system has been in place since Monday, 29 April 2024.

Prior to implementation of these new measures, significant consultation took place with Unison, Estates, Admin and Secretariat staff. The new procedures/timings were communicated to students and staff in a variety of ways. Risk assessments, new contracts, amendments to contracts and extensive liaison with our insurance provider were all attended to.

At the time of writing this report, the new system is operating smoothly and as planned.

#### **13. Resource Implications**

The reductions offered by our current insurance provider for a three-year deal would mean that this gives us budget continuity. The fees are broadly in line with other educational institutions of a similar size.

As the Scottish Government Energy Efficiency grant has been withdrawn, the College is seeking other sources of funding to deliver its Net Zero targets. Applications are being written at present for other funding pots available.

The College is preparing a multi-faceted business plan to retain the proceeds of the sale of our West End Campus. An early entry date for the buyer (if approved) will result in further savings in terms of ongoing campus costs.

As previously stated, the Audit Scotland fees are not proportionate to the size of the College, and we would hope that this situation will be resolved.

The new security measures in place in our East End and Easterhouse Campuses will save circa £200,000 per annum.

#### **14. Impact on Students**

The ongoing legal issue over the land within the boundary of Springburn Campus continues to mean that we are unable to use our award-winning Cycle Hub and promote active travel as vigorously as we were doing.

#### **15. Risk and Assurance**

This report seeks to provide members with assurance that a number of governance matters related to the smooth running and operations of the College are being taken forward accordingly and will be carefully handled.

The College will closely monitor the new security arrangements in place at East End and Easterhouse campuses as this is a change from the manned guarding that we had for many years. There may be a small risk of increased vandalism due to the absence of a guard. The College has experienced two recent fly-tipping incidents at two separate campus locations. This is likely due to the costs associated for contractors to dispose of waste at a Council waste disposal centre. This situation may occur more frequently and not just at the College and is an unintended consequence of waste disposal charges levied by councils. This will be monitored.

#### **16. Equality**

There are no equality implications arising as a consequence of matters contained within this report.

#### **17. Data Protection**

There are no data protection implications arising as a consequence of this report.

#### **18. Environmental and Sustainability**

The loss of the environmental capital award will mean that the College will not be able to progress the Race to Zero Action Plan and the Climate Change Action Plan as quickly as expected.

Fly-tippers leave the College with a disposal problem as items on our land become our issue to deal with.

## **19. Recommendations**

It is recommended that:

- i) members note the content of this report and links; and
- ii) members consider the Scottish Government Energy Efficiency matter and related full report, the action taken and agrees what, if any, further action is required.

## **20. Further Information**

Further information can be obtained from Lisa Clark, Director of Estates and Corporate Services - [lisaclark@glasgowkelvin.ac.uk](mailto:lisaclark@glasgowkelvin.ac.uk) or Jeanette Evans, Vice Principal Operations [jevans@glasgowkelvin.ac.uk](mailto:jevans@glasgowkelvin.ac.uk)

**Lisa Clark**  
**Director of Estates and Corporate Services**  
**May 2024**