



Glasgow Kelvin College
Board of Management
Finance and Resources Committee
Minute

Minute of the Finance and Resources Committee meeting held on Tuesday, 10 May 2022 at 5.00pm via Microsoft Teams

1. Sederunt

Laura Birch (Chair)
Rob Doyle (Vice Chair)
Ian Patrick
Derek Smeall
Heather McNeil
Stephen Birrell

In Attendance:

Linda Ellison, Secretary to the Board
Jeanette Evans, Vice Principal Operations
Lisa Clark, Director of Corporate Services
Doreen Shiels, Director of Human Resources
Jason Quinn, Director of Digital Services
Alan Carr, Head of Finance
Annette McKenna, Governance & Executive Support Manager (recording purposes)

2. Apologies

Apologies were received from Dr Marion Allison.

3. Terms of Reference

The meeting was quorate with 6 members in attendance.

4. a) Declarations of Interests

There were no declarations of interest noted. The Chair reminded members that they could declare an interest during the meeting.

5. Minute of the Previous Meeting held on 8 February 2022

Members accepted the minute as an accurate record of the business conducted at the meeting held on 8 February 2022.

6. a) Matters Arising from the Previous Meeting held on 8 February 2022

The Principal noted that he and the Chair had discussed the action related to him facilitating a micro session on the College Strategic Framework and Scorecard. He added that this would be held after the summer break and would align with either a Board dinner or a Board event.

b) Action List

i) Finance and Resources Committee Action Log as at May 2022

Members noted the content of the action log and agreed the item highlighted in green could be removed.

7. Finance Report – NOT IN THE PUBLIC DOMAIN

The Vice Principal Operations spoke to the content of the report that sought to provide members with a comprehensive finance update.

J Evans highlighted that the Quarter 2 Forecast was included in the report and noted that the reporting cycle was out of sync this year, the Quarter 3 Forecast would be presented to the Board of Management on 13 June 2022. She added that she was working with the Governance & Executive Support Manager to review the dates for next year's Committee schedule to align with the Quarter Forecast reporting.

She took members through the content of her report in detail.

H McNeil raised a question related to the estimated £25k underspend on digital allocation that required to be spent by 31 July 2022. The Principal informed members that the funding is specific to individual students and enrolments. I Patrick noted that a short life working group had been established in the Glasgow Region to review this as both the College and Clyde College had underspend and they both serve the poorest communities. J Evans added that the group would also review the overall regional position to provide all students with the same funding no matter what college in Glasgow they attended.

The Principal noted that the College has been impacted differently from other colleges in Glasgow during the pandemic e.g. withdrawals. He added that any analysis this year would reflect on next year and this should be impressed on GCRB.

The Chair commented that the report was comprehensive, provided good explanations and detail around assumptions.

Members of the Finance and Resources Committee agreed to:

- i) note the small change to the financial position reflected in the Quarter 2 Forecast;
- ii) note the actual financial performance for the first 8 months of the year reflected in the Management Accounts to 31 March 2022;
- iii) note the College Debt position at 31 March 2022;
- iv) approve the bad debt write-off of £342.67 in Student Fees;
- v) note the Student Funding position at 22 April 2022; and
- vi) note the Projected Cash Flow to 31 July 2022 as at 31 March 2022.

8. Draft Three Year Budgets 2022-25 - NOT IN THE PUBLIC DOMAIN

The Vice Principal Operations informed members that the purpose of the report was to seek endorsement to present the three-year budgets for 2022-25 to the full Board of Management on Monday 13 June 2022.

J Evans informed members that the budgets are not quite as favourable as last year but that the College had still been able to set a manageable deficit for next year. She added that to achieve this the following was required:

- Voluntary Severance (VS) - three rounds would be required without enhanced funding from SFC. A challenging savings target is required;
- Arm's Length Foundation (ALF) – to achieve the three-year budget, without enhanced funding from SFC, the College will have to rely on the ALF to fund revenue expenditure during the term of the budgets; and

- Savings – without enhanced funding from SFC significant annual savings of 10% are required to be applied.

She highlighted that the above measures would be hard to implement and would impact on the student experience and staff morale. She added that this was not a sustainable way forward unless the Scottish Government (SG) redress the balance. She noted that SFC are gathering information from the Sector to take to the SG.

She highlighted the budget scenarios in paragraph 3.3 of the report. In addition, she noted that the core funding amount for 2022/23 should read £22,854 and that she would update this; funding amount unchanged over sessions 2021/22 and 2022/23.

The Chair thanked J Evans for her detailed update and opened the floor to members for comment.

I Patrick thanked J Evans for the hard work undertaken on producing the budget report. He noted his concern related to the learner experience and serving the College communities if more staff are lost due to VS; there was a lot of academic staff lost in session 2020/21. Members echoed his comments and concern. He asked if the Executive could produce a report, for the Board of Management meeting being held on 13 March 2022, on the impact the savings required would have on the learner experience, the communities and staff to allow Board members to understand the issues prior to approving the three-year budget; conduct an impact analysis. The Chair noted that table 13 provides the financial risks associated with the budget and agreed the other risks involved are extremely important, this would also assist in leverage with the SG for additional funding. The Principal agreed that a report be produced as an appendix to the Budget report for the Board of Management meeting.

I Patrick reminded members of their legal responsibility to present a balanced budget.

A lengthy discussion was held on the Sector lobbying the SG for additional and appropriate funding allocation to serve the College communities and deliver on its Strategic Plan. Members discussed their concerns related to the financial sustainability of the College going forward. J Evans provided feedback on discussions held at the sectors Finance Directors meetings she attends and noted that other colleges are in discussions on how to fund VS.

H McNeil raised concern that the staff costs will rise to 81% in the three-year budget and asked if the percentage pay increase in table 3 was accurate. J Evans confirmed this was accurate over the course of the three-year budget and that this was based on Public Sector pay guidance.

Members discussed lobbying the SG and presenting the situation to elected members. They also discussed the role of GCRB in this regard and agreed the £1m funding provided to them could be better spent; there is no justification for GCRB to remain. In addition, members discussed the role of a collegiate alliance and shared function model with Clyde and City of Glasgow Colleges without GCRB. I Patrick reminded members that this was the proposed model put forward by the College in response to the GCRB review.

The Chair thanked members for the valuable discussions surrounding this important item.

Members of the Finance and Resources Committee agreed to:

- i) note the contents of this report;
- ii) note that the Board is required to set a break-even budget in cash terms;
- iii) note that, based on the key assumptions detailed at section 2.2, the College is unable to set a balanced in year budget for all of the next three consecutive years, but that the 2022/23 budget represents a managed deficit, intended to support the costs of the VS scheme, which will result in savings in future years;
- iv) endorse the VS savings proposals;
- v) note the risks and mitigating actions highlighted at section 6; and
- vi) endorse the three-year budgets for 2022-25.

Action: The Principal agreed that a report be produced as an appendix to the Budget report for the Board of Management meeting.

9. Annual Health and Safety Policy Review

The Principal reminded members that the Health and Safety Policy Review is brought to the Committee annually for endorsement.

D Smeall informed members that there was only one minor administrative amendment made to the Policy.

H McNeil noted that at section 4.2.1 it read that Health and Safety should be a standing item on the agenda of this Committee. J Evans informed that she had also noticed this point and that Health & Safety would be added to future Committee Agendas and this would also be considered at the next review of the Committee Terms of Reference.

Members of the Finance and Resources Committee agreed to:

- i) note the contents of this report; and
- ii) approve the changes to the Health and Safety Policy.

10. Fixed Asset Disposal/Write-Off

The Director of Digital Services spoke to the content of his report that sought approval for the physical and accounting disposal/write-off of College assets.

J Quinn provided members with the context of his report. He reminded members that the SFC had provided the College, in August 2020, with £106,213 additional funding to support digital inclusion. The College purchased and provided students on a loan basis with over 1700 devices, 125 had not been returned; which was less access to resources for future students. He added that the cost of the assets was £40,695.04 and they are not fully depreciated.

In relation to the recommendations contained in the report he noted that, in line with the Scottish Public Finance Manual, the College only had a £3k threshold for disposal / write-off and that the College must request approval from GCRB, therefore he sought the Committee's approval to approach them.

In a response to a question from I Patrick, J Quinn informed that the students were aware the devices were on loan for the duration of their studies and had completed

forms prior to allocation by the Student Funding Team. He added that the students involved had been contacted regarding return of the devices.

I Patrick noted his disappointment on the loss of devices that would be used for future students and the amount of public money lost. The Chair and Committee members echoed his comments. The Principal added that it had been pursued with several letters.

J Evans advised that last year was an extreme situation, additional monies received for digital poverty and that members were being asked to write-off the asset rather than the money. She added that a different process was in place for this academic year.

Members of the Finance and Resources Committee agreed to:

- i) note the content of this report; and
- ii) approve the Director of Digital Services to seek approval from GCRB to disposal/write-off of these pieces of equipment as listed in the appendix.

11. Capital and Sustainability Update

The Director of Corporate Services spoke to the content of her report that sought to provide an update to members in relation to various capital/estates matters and to also provide an update in relation to environmental related items.

L Clark provided members with a summary of her report and highlighted the undernoted:

- Capital expenditure had to be spent by 31 March 2022. Two boilers had not been delivered due to Covid 19 and Brexit delays. Therefore, the full project amount spent prior to the deadline date could not be achieved; GCRB are content for this amount to be carried forward, with a note to this effect in the next report to GCRB;
- Campus Reinvestment Plan is progressing, plans are being finalised and the work will start over the summer break;
- Environmental Sustainability Manager will take up post at the start of June 2022;
- Land at Springburn is progressing. The College awaits an evaluation for the cost of the land by Hydepark Housing Association; and
- Capital Project spend had been submitted to GCRB, attached as appendix 1.

The Chair noted the good news in relation to the employment of a Environmental Sustainability Manager.

In a response to a question from I Patrick, L Clark informed members that the College had offered a 'red book' valuation to Hydepark Housing Association for buying the land, the funds for this had been set aside in the budget.

Members of the Finance and Resources Committee agreed to note the content of the report and its appendix.

12. Human Resources Update – Appendix 2 NOT IN THE PUBLIC DOMAIN

The Director of Human Resources spoke to the content of the report that sought to provide members with an update on Human Resources matters.

She provided members with a summary of her report and highlighted the undernoted points:

- Employment Relations – EIS/FELA had launched a dispute re. pay claim 2021/22 that included discontinuous strike action and escalation of ASOS that will commence on 19 May 2022. She added that the amount proposed had been raised but had been refused.

Unison had also lodged a dispute re. pay claim 2020/21 and have balloted their members for potential strike action with the results expected on 11 May 2022. In addition, Unison had lodged a dispute re. the Job Evaluation exercise.

Circular STS 02/22 – Support Staff Annual Leave Policy had been agreed and the main changes for the College are:

- increase the number days carried forward from 5 days to 10 days from one leave year to the next
- amount of annual leave for new starts will include the 12 days public holidays therefore when staff leave employment they receive a proportion of any untaken PH and leave, this is a cost to the College.
- General Teaching Council (Scotland) (GTCs) – it has been confirmed that the costs of GTCS registration will be taken at source;
- Attendance Management – figures showing an increase of 1.9%, mainly long-term absence. Graph 3 shows comparison figures for four academic years;
- Organisational Development – PDR process has been reviewed and is currently ongoing. A further review of the PDR process will be undertaken to automate a tie in with GTCS Professional Development Log;
- Wellbeing – exploring a wellbeing survey for staff;
- Policy Review – the Alcohol, Drugs and Substance Misuse Policy and the Procedures associated with the Grievance Policy and the Disciplinary Policy will be brought to the Committee in September 2022 due to the consultation exercise and time constraints; and
- Discipline and Grievance – currently managing one case in relation to discipline and one case in relation to grievance.

The Chair thanked D Shiels for the presentation of her comprehensive report. She noted her concern on the impact to students in relation to the current industrial action. Members echoed the comment made by the Chair.

Members discussed the lack of policy in regard to staff who undertake Action Short of Strike Action (ASOS). The Principal informed members that this was being considered nationally by CS College Principals' Group and CS Senior HR Group of which D Shiels is a member.

In a response to a question from I Patrick, D Shiels clarified that if staff leave the employment of the College then they will receive a proportion of annual leave and public holiday entitlement they have accumulated. She added this was a national policy.

Members of the Finance and Resources Committee agreed to:

- i) note the content of this report; and
- ii) note that consultation process for the Alcohol, Drugs and Substance Misuse Policy and the Procedures associated with the Grievance Policy and the Disciplinary Policy

is still on going and that these revised documents will be presented to the Finance and Resources Committee in September 2022.

13. Risk Management Update – Appendix 4 NOT IN THE PUBLIC DOMAIN

The Director of Corporate Services spoke to the content of the report by the Vice Principal Operations and Director of Corporate Services.

L Clark provided members with a summary of her report and highlighted the undernoted:

- Risk Register Review – the Strategic Risk Register had been reviewed and the updated dashboard information contained within the report.
- Fire Risk Assessment – Action Plan attached as appendix 2.
- Cladding – checks on the panelling at the Springburn Campus had been undertaken after a small panel had come off. A bigger panel had now been dislodged and this would be checked by a structural engineer.
- Chemical Leak at the Springburn Campus – the investigation report is attached as appendix 4 and is not for the public domain.
- Vandalism at EEC – there has been no further vandalism following one month of added security.
- Student Experience / Performance Indicator Data – shows negative impact on learners due to Covid19.

The Chair thanked L Clark for the presentation of her report and noted she found the pictures contained in the report helpful.

Members discussed the risk register and the possible addition of the SG policy and funding priorities to the register. The Principal proposed that rather than add this as a new 'risk title' the risk descriptions could be reviewed again to include SG policy as a 'cause'. Members agreed that this action be recommended to the Audit and Risk Committee to review.

In a response to a question from R Doyle, I Patrick informed members that the GCRB risk register does refer to funding. The Principal added that their register is aligned with their strategic priorities and their format is different; the College's is aligned with national ISO standard.

Members of the Finance and Resources Committee agreed to note the contents of this report, links and appendices provided for members information.

Action: Members agreed that the discussions related to adding the Scottish Government policy as a 'cause' to the risk register be considered by the Risk Management Committee.

14. Items for Correspondence

- a) APUC Core Team Budget / Funding Summary Document for 2022/23 and 2023/24 Academic Years
- b) Financial Sustainability of Colleges and Universities in Scotland Summary
- c) Glasgow Kelvin College - EIS/FELA 2022 Ballot Result Notification Letter
- d) SFC - Certificate of Assurance 2021.22
- e) Approved Health & Safety Minutes - 16 March 2022

Members noted the content of the correspondence provided for their information.

- 15. Risk Management – Risk Issues to be considered as a consequence of the consideration of the above agenda**
Members agreed that no new risk management issues had arisen as a consequence of the business conducted at the meeting held on 10 May 2022.
- 16. Equality Management – Equality Issues to be considered as a consequence of the consideration of the above agenda**
Members agreed that no new equality issues had arisen as a consequence of the business conducted at the meeting held on 10 May 2022.
- 17. Data Protection – Data Protection Issues to be considered as a consequence of the consideration of the above agenda**
Members agreed that no new data protection issues had arisen as a consequence of the business conducted at the meeting held on 10 May 2022.
- 15. Closure**
The meeting closed at 7pm with the Chair thanking members for their attendance and contribution. She also thanked the Executive for the production of high-quality reports and their openness.
- 16. Date of Next Meeting**
TBC