



Glasgow Kelvin College
Board of Management
Finance and Resources Committee
Agenda

Agenda for the meeting scheduled to be held at 5pm on Tuesday, 1 October 2024 in room WG1, Springburn Campus

1. Sederunt

Rob Doyle, Chair (via MS Teams)
Heather McNeil, Vice Chair
Ian Patrick
John McBride
Steven Caldwell
Derek Smeall, Principal

In Attendance

Linda Ellison, Secretary to the Board of Management
Jeanette Evans, Vice Principal Operations;
Lisa Clark, Director of Estates and Corporate Services
Morag Kinnear, Head of Human Resources & Organisational Development
Alan Carr, Head of Finance;
Chris Meechan, Senior Accountant; and
Annette McKenna, Governance & Executive Support Manager (for recording purposes)

2. Apologies

Dr Marion Allison
Maree Shepherd, Unison member
Doreen Shiels, Director of People and Culture

3. Terms of Reference

The meeting was quorate with 5 non-executive members in attendance.

4. Declarations of Interest and Connection

a) Interest

b) Connection

There were no declarations of interest or connections raised by members. The Chair reminded members that they could declare an interest or connection at any point during the meeting.

5. Minute of the Previous Meeting held on 4 June 2024

Members accepted the minute as an accurate record of the business conducted at the meeting held on 4 June 2024.

6. a) Matters Arising from the Previous Meeting held on 4 June 2024

There were no matters arising from the previous meeting.

b) Action Log

i) Finance and Resources Committee Action Log as at October 2024

Members noted the two outstanding actions featured on the Action Log.

7. Financial Regulations

The Vice Principal Operations spoke to the content of the report that sought approval from members for the revised Financial Regulations as they were due for routine review.

J Evans took members through the content of her report and highlighted the main changes:

- role titles have been updated where appropriate;
- there are a number of formatting and nomenclature changes throughout which don't change the subsistence of the document;
- section 6.2 has been updated, with incremental budgeting replacing the previous reference to zero based budgeting;
- section 6.7 has been retitled Best Value;
- section 8 has been updated, with forecasting replacing virement;
- section 12 has been updated as the College now has minimal Petty Cash; and
- section 13.2.11 EU Funded Projects has been removed.

She informed members that Appendix 1, attached to the report, provided members with a copy of the Financial Regulations with tracked changes and that Appendix 2 provided a clean copy of the updated version.

Members of the Finance and Resources Committee agreed to:

- i) note the contents of this report and its appendices; and
- ii) approve the revised Financial Regulations.

8. Fixed Asset Disposal / Write-Off

The Director of Digital and Information Services spoke to the content of his report that sought approval for the physical and accounting disposal of obsolete assets. He reminded members that the College has an extensive Capital Investment Plan that included the renewal and replacement of equipment which, in turn, requires the disposal of the items replaced. He added that disposal of the assets had been requested for two reasons; Springburn Capital Spend and West End Campus Closure.

J Quinn informed members that Appendix 1, attached to the report, listed items marked for disposal which are older than five years and fully depreciated in value. He added that at the start of academic year 2024/25 he had written to the Chair of the Finance and Resources Committee requesting pre-approval for disposal of the assets due to storage constraints and tight deadlines.

He drew members attention to section 2.1 of the report and highlighted that over the summer the College had received funding for ICT to bring forward planned spend to

refresh classrooms at Springburn with audio visual hardware. He added that 69 classrooms had been upgraded and the new equipment had been welcomed by teaching staff.

He also drew members attention to section 2.2 of the report and highlighted that the other assets were in relation to the closure of West End Campus. He noted that any serviceable items had been used elsewhere throughout the College.

The Chair thanked J Quinn and his team for the quick turnaround, over the summer, when they received the ICT funding.

Members of the Finance and Resources Committee agreed to:

- i) note the content of this report; and
- ii) approve the write-off of these pieces of equipment as listed in Appendix 1.

9. 10 Year Capital and Infrastructure Plan 2024/25 to 2034/35

The Vice Principal Operations spoke to the content of the report that sought to present a 10-year Capital and Infrastructure Plan for the College for endorsement by the Committee prior to approval by the Board of Management on 9 October 2024.

J Evans reminded members that the creation of a long-term Capital and Infrastructure Plan was an action from the 2022/23 Annual External Audit Report from Azets and carried forward by Audit Scotland in 2023/24. She added that this also aligns with the publication of the College Infrastructure Strategy (CIS) by the Scottish Funding Council (SFC) on 24 November 2024.

She provided members with a summary of the background as set out in section 2 of the report that listed the requirements of the Plan as recommended by CIS.

She drew members attention to section 3.1 of the report and highlighted that the College had procured the services of Watts to carry out full Condition Surveys of all three campuses to assist the College build a robust and meaningful 10-Year Plan. She noted that the Conditions Surveys had been attached to the report as appendices.

In addition, she highlighted the resource implications as listed, in detail, at section 4 of the report.

H McNeil commented that the report was reassuring, well balanced on costs and financial options.

J Evans added that the Condition Survey reports show that the buildings have been well maintained and looked after. She noted that this allows for forward planning going forward rather than annual planning as is the case now.

In a response to a question from J McBride, J Evans informed members that an inflationary element had not been added to the figures contained in the report, this will be kept under review and a reforecast undertaken, if required.

L Clark informed members that Estates Staff can undertake some of the small jobs, these are being working on now.

I Patrick noted that this is a good planning document.

Members of the Finance and Resources Committee are recommended to:

- i) note the contents of this report and its appendices; and
- ii) endorse the 10 Year Capital and Infrastructure Plan prior to approval by the College Board at its Meeting on 9 October 2024.

Items for Discussion and Noting

10. Finance Report

The Vice Principal Operations spoke to the content of the report that sought to provide members with a comprehensive finance update that included Management Accounts at 31 July 2024, Non-SFC Income 1 August 2023 to 31 July 2024, Debt at 31 July 2024, Student Support Funds, Procurement and Cash.

J Evans drew members attention to section 2 of the report and took members through the content of the Executive Summary. She highlighted that the Management Accounts show an Annual Operating Surplus, an improved position against the Quarter 3 Forecast Deficit. She took members through the main variances and explanation as set out in the table at 3.2 of the report. She highlighted the reduction in the forecasted staff costs related to Industrial Action, payroll contingency funds not required, not filing a vacancy and reduction in agency costs. She added that the College had reinvested a proportion of the savings into the curriculum to benefit the students.

J Evans commented that the original budget for AY 2023/24 expected a deficit year but instead this had moved into a balanced budget. If this performance remains, and the College continues to meet the targets set out in the College Operating Plan (COP), it means that the College will have achieved its break-even position one year earlier than identified within the COP and will maintain that position over the period of the Plan. She added that getting to this position was not without “pain” and staff had worked incredibly hard to get to this point. The Principal echoed J Evans comments.

In addition, J Evans noted that the bad debt provision had slightly improved, and that the College would again start to pursue bad debt; this had not been the case during the period of Industrial Action.

She added that due to the standardisation of the management of student support funds at a regional level, alongside careful financial management, this was the first time in many years that the College had effectively spent its full allocation. She highlighted the comments received from students noted on page 9 of the report.

J Evans drew members attention to section 7 of the report and noted that it had been a good year from a finance and procurement control point of view. The use of Single Source Justification had reduced from 77 in academic year 2022/23 to 29 in 2023/24, as shown in Appendix 1 to the report.

In response to a question from a member, J Evans informed that the bad debt in relation to commercial students was primarily due to the impact of Industrial Action

and the cancellation of course delivery; courses had to be suspended because of the Industrial Action, however they are due to recommence in November 2024.

The Chair noted that it would be interesting to see the impact that Industrial Action had on the College income streams, to help understand the consequences and impact. He noted that the College is projecting 5 year budgets with no deficit and that local union colleagues recognise that this is the result of taking prompt action.

Members discussed the recent report published by Audit Scotland, *Scotland's Colleges 2024* and how the College appeared worse than the reality of where we are now; this was recognised as a reflection of the different timelines of colleges within the sector.

Members of the Finance and Resources Committee agreed to:

- i) note the actual financial performance for the 12 months of the year reflected in the Management Accounts to 31 July 2024;
- ii) note that these numbers are still being scrutinised as part of the annual statutory external audit and that further adjustments will appear in the statutory accounts to 31 July 2024, primarily relating to pension and asset valuation;
- iii) note the Non-SFC income detail for the year and the Funding Applications schedule presented at Appendix 1;
- iv) note the College Debt position at 31 July 2024;
- v) note the Student Funding position at 31 July 2024 and the initial SSF allocation for 2024/25;
- vi) note the Regional activity in relation to Student Funding
- vii) note the potential change in how Student Funding will be administered;
- viii) note the procurement update including the projected activity for 2024/25 and the SSJs approved in 2023/24, provided in Appendix 2;
- ix) note the Projected Cash Flow to 31 July 2024 as at 14 June 2024; and
- x) note the Projected Underlying Cash at 31 July 2024 and that this is within the underlying cash target.

11. People and Culture Services Update

The Head of Human Resources and Organisational Development spoke to the content of the report that sought to provide members with an update on People and Culture Services matters in relation to Human Resource Management, Organisational Development & Wellbeing and Equality and Inclusion.

M Kinnear provided members with the following highlights noted in the report:

- Employment Relations – Colleges Employers Scotland (CES) and EIS/FELA had agreed a pay deal and teaching staff have received back monies owed. In addition, support staff have been paid their uplift and backdated pay;
- HR and Payroll System – the new HR and Payroll (HRP) system will run alongside the current system for a period. It has been trialled with four support departments; it will be rolled out to all support departments over the next few weeks then trialled with teaching departments. The HRP system will provide managers with more information, on a greater scale, related to their Teams and it is hoped that eventually this will include the Professional Development Review process. It is hoped this will have been rolled out to all staff by the end of the calendar year;

- Voluntary Severance Scheme (VS) – the VS Scheme has been approved by Glasgow Colleges Regional Board and the Scottish Funding Council and will operate until 31 December 2025. The COP requires the College to reduce its staffing structure by a further 10FTE and it is hoped this can be achieved through non-replacement of roles and natural turnover;
- Organisational Development – the Welcome to AY 2024-25 event at the start of term had been successful with good feedback from staff;
- Induction – a review of the induction process is being undertaken at present and the main activities noted at section 3.5.1 in the report are being reviewed;
- Health and Wellbeing – a group has been established titled the Holistic Development Network to provide health and wellbeing activities for staff and students;
- Equality and Inclusion – the College continues to work in partnership with staff, managers and representatives of its recognised Trade Unions to embed equality and diversity into all aspects of College life; and
- Race Equality – session facilitated by Radiant and Brighter will be undertaken to assess the College's understanding of racism and structural barriers that may exist. In the first instance this will be offered to Senior Managers then roll out to managers.

H McNeil noted that in relation to the incremental implementation of the new HRP system to managers, she is conscious this normally means more work and more training, she asked will they be supported and provided with the necessary time. M Kinnear informed that initially it will be basic tasks they can use the system for and build on this over time. She added that this will not incur too much of a change; it will be a positive change.

J McBride commented that the Training Growth and Improvement Forum noted in the report sounds like a promising idea for training for managers. He asked if there is certification involved. M Kinnear informed that there is no certification involved and that the group meet monthly, facilitated by the Vice Principal Curriculum and Quality Enhancement, and it is to consider different topics every time; it is a space for teaching staff to learn from their peers, skills building and discuss any issues. J Quinn added that the Forum is well attended and is the format that teaching managers requested.

The Chair asked if the pay scale and annual leave for teaching staff is reflected in the numbers interested in vacant roles at the College. M Kinnear informed that this is dependant on the role and provided members with examples; the College has a lot to offer.

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

12. Annual Staff Attendance Report for 01 August 2023 to 31 July 2024

The Head of Human Resources and Organisational Development spoke to the content of the report that sought to provide annual statistics on staff attendance for academic year (AY) 2023-24, 01 August 2023 to 31 July 2024.

M Kinnear provided members with an overview of the report. She drew members attention to the ten graphs contained within the report and provided a summary of each category.

She took members through, in detail, section 8 of the report, that provided an overall analysis of College data for absence. She noted that the information had been benchmarked against the information contained in the Health and Wellbeing at Work Report (HWWR) and provided members with an overview of the comparisons.

In addition, she took members through the actions that the College aimed to put in place to understand the reasons for absence, the patterns and the causes. This included working in partnership with managers, staff and its recognised Trade unions to review its Attendance Management and Support Policy and Procedure; provide further training for managers; undertake a monthly analyses of absence reasons to identify patters and causes in conjunction with line managers and review its current providers for Occupational Health and Employee Assistance.

In response to a question from the Chair, M Kinnear informed members that external factors such as the cost of living have not, in terms of attendance, been presented as an issue by staff who have been absent.

H McNeil highlighted that the *CIPD Health and Wellbeing at Work Report*, accessed via the link in the report, noted that approx. 40% of absences related to mental health and wellbeing. She added that the report also noted that line managers are not equipped to assist staff with mental health issues. She asked for reassurance that the College will be providing support to line managers to manage these issues. M Kinnear informed that this would form part of the training sessions for managers as listed on page 11 of the report.

Members discussed, at length, the compliance College Attendance Management & Support Policy & Procedure and provision of Occupational Health.

J McBride commented that the College's Occupational Health provision had been discussed at a previous meeting of the Finance and Resources Committee with the possibility of a practitioner over the three Glasgow Colleges be employed to assist being discussed. J Evans informed that the preference was to use an independent person, not employed by the College's, to allow for professional distance. She added that they had attempted to collaborate with the two Glasgow Colleges regarding the provision of an independent Occupational Health service.

Members discussed the direct financial cost of sick absence to the College as noted in section 7 of the report. J McBride added that it is helpful to have the monetary value of sickness absence included in the report; it provides a focus on what that money could be used for.

Members of the Finance and Resources Committee agreed to note:

- i) the content of this report; and
- ii) the planned activities aimed to improve staff attendance levels during AY 2024-25.

13. Estates and Capital Update Report

The Director of Estates and Corporate Services spoke to the content of the report that sought to provide members with an update in relation to estates and capital matters, that included Capital Planning/Expenditure for 2023/24; Capital Planning for 2024/25; West End Campus; Estates and Facilities – Staffing; SFC - College Infrastructure Strategy – Infrastructure Delivery Group and Estates Works.

L Clark stated that £44k had been carried forward from the Capital Maintenance allocation for year 2023/24 with the agreement of Jim Godfrey, GCRB. This had been due to estates staff absences and being unable to obtain contractors on site to complete the work in timescales requested.

She highlighted the Capital Plan for 2024/25 attached as Appendix 3 to the report and noted that this had been shared with J Godfrey, GCRB.

In addition, she informed members that a Project Manager had been appointed on a three-month fixed term basis to assist with progressing the Estates Capital Projects as detailed in Appendix 3.

She informed members that the conclusion of the sale of West End Campus and the expected exit date was 30 September 2024. She took members through the last-minute issues that resulted in this being extended to Monday, 7 October 2024.

In a response to a question from I Patrick, J Evans informed that the costs to exit the building and the sales costs would be included in the Business Case produced to retain the proceeds of the sale; this would also include the costs associated with moving provision to other campuses.

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

14. Environmental and Sustainability Update

The Director of Estates and Corporate Services spoke to the content of the report that sought to provide members with an update in relation to environmental and sustainability matters that included Funding and Awards; Network Rail Path; SSN Analysis of PBCCDR; Events & Networking; Updated Estates and Sustainability Webpage; New EAUC Strategy; Public Sector Decarbonisation Guidance; Cycle Update; Great British Energy Scheme; SFC Net Zero Annual Report; Green Week 2024; Estates and Sustainability Strategy – Update; Recycling Furniture from West End Campus and Recycling Clothing.

L Clark provided members with a summary of her comprehensive report.

She highlighted the vast amount of work undertaken, college wide, by S Shea, Environmental Sustainability Manager.

She noted that 80% of the furniture left over from the sale of West Campus had been given to charities; this avoided the items going to land fill.

In addition, she drew members attention to section 15 of the report and highlighted the 'Clothes Bank' initiative for students.

She added that the College's annual Public Bodies Climate Change Duties Report is underway.

The Chair thanked L Clark for presenting her report.

Members of the Finance and Resources Committee agreed to note the content of this report, links and appendix.

15. Health and Safety Update

The Vice Principal Operations spoke to the content of the report that sought to provide a brief update on the Health and Safety performance across all college locations and activities since the last Finance and Resources Committee meeting.

She drew members attention to the table at 2.2 in the report that provided the current year accident / incident statistics that cover all of August and part of September 2024.

She highlighted the work undertaken with A G Lockdown in preparation for Martyn's Law legislation and provided a summary of the services that they offer.

In addition, she provided an overview of an incident relation to Pan Mill operations at the Springburn Campus, including the actions taken and completed, following an internal incident investigation.

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

16. Best Value Report

The Vice Principal Operations spoke to the content of the report that sought to highlight to members the arrangements in place in the College to secure Best Value.

J Evans provided members with an overview of the report that included seven best value themes and the college arrangements in place to support Best Value.

She informed members that under the terms of the Public Finance and Accountability (Scotland) Act 2000 the implementation of the duty of Best Value by relevant public service organisations is subject to scrutiny by the Auditor General for Scotland. Guidance on the implementation of Best Value. Therefore, this report will be reviewed and shared with Audit Scotland, the College's External Auditors, for review on an annual basis.

Members discussed the College's focus on Continuous Improvement (CI) as set out in section 3 of the report. Members agreed that a few examples of CI should be added, as an appendix to the report, to show that this is key to the College's approach to Best Value.

Members of the Finance and Resources Committee agreed to note the contents of this report.

17. BaxterStorey Catering Contract – NOT IN THE PUBLIC DOMAIN

The Vice Principal Operations spoke to the content of the report that sought to inform the Finance and Resources Committee of a technical change to the BaxterStorey (BS) Catering Contract.

J Evans drew members attention to section 2 of the report and took members through the background to the contract that was awarded as VAT Principal on the basis of a five-year forecast. She also provided detail of the contract subsidy that had been paid to BS over the past two years.

She informed members that BS had suggested a technical change in VAT treatment from Principal to Agency; this allows them to make savings and for the College to pay less contracted subsidy.

She further informed members that the College had sought significant advice from the External Catering Consultant who supported the contract since the tender phase and from the Corporate & Commercial Partner from Thorntons who speaks at the annual APUC Procurement Conference; the advice is listed, in considerable detail, at section 6 of the report. She added that APUC had also been consulted and agreed with the advice given and the recommendation for the technical amendment for BS from VAT Principal to VAT Agency.

In addition, she advised members that the amendment to the contract had been completed on 25 September 2024.

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

18. Scottish Public Finance Manual Breach – NOT IN THE PUBLIC DOMAIN

The Vice Principal Operations spoke to the content of the report that sought to inform members of the Finance and Resources Committee of a Breach to the Scottish Public Finance Manual (SPFM).

J Evans provided members with the background to the breach that was in relation to the utilisation of two Settlement Agreements (SA); only one of which was in relation to Voluntary Severance. She added that although the College did notify GCRB that the SA had been used, approval from GCRB and SFC had not been sought in advance.

She informed members that the Principal had written to J Godfrey at GCRB to assure him that he has put measures in place to ensure this does not happen again; the College continues to be committed to good governance.

Members of the Board of Management are recommended to note the contents of this report and its appendices.

19. Audit Scotland Reports / Press Release

- a) [Technical Bulletin 2024/2 \(audit.scot\)](#)
- b) <https://audit.scot/publications/scotlands-colleges-2024>
- c) <https://audit.scot/news/colleges-financial-challenges-increase-0>

Members noted the content of the above reports provided for information and available via links.

20. a) [Approved Risk Management Minute - 23.04.24.pdf](#)
Members noted the content of the minute provided for their information.
21. **Risk, Equality and Data Protection - Discussion**
Impact on Students – Student impact to be considered as a consequence of the consideration of the above agenda
Members agreed that no new impact on students had arisen as a consequence of the business conducted at the meeting held on 1 October 2024.
22. **Risk Management – Risk Issues to be considered as a consequence of the consideration of the above agenda**
Members agreed that no new risk issues had arisen as a consequence of the business conducted at the meeting held on 1 October 2024.
23. **Equality Management – Equality Issues to be considered as a consequence of the consideration of the above agenda**
Members agreed that no new equality management issues had arisen as a consequence of the business conducted at the meeting held on 1 October 2024.
24. **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 1 October 2024.
25. **Environmental and Sustainability – Environmental and Sustainability issues to be considered as a consequence of the consideration of the above agenda**
Members agreed that no new environmental and sustainability issues had arisen as a consequence of the business conducted at the meeting held on 1 October 2024.
26. **Closure**
The meeting closed at 7pm with the Chair thanking members for their attendance and contribution.
27. **Date of Next Meeting**
26 November 2024 via MS Teams