

Glasgow Kelvin College**Board of Management Meeting of 12 June 2024****Principal's Update Report****Report by Principal****1. Introduction**

The purpose of this report is to provide an outline of key activity and events considered by the Principal to be noteworthy or of particular interest to Members of the Board which are not covered elsewhere on the Agenda.

This report will cover the eleven-week period from the last Board of Management (BoM) meeting held on Wednesday 20 March 2024 until Wednesday 05 June 2024.

2. AY 2024/25 Final Funding Allocations

The Scottish Funding Council (SFC) published their *College Final Funding Allocations 2024-25*, 30 May 2024*. Allocations are unchanged from the previously published *College Indicative Funding Allocations 2024-25*, 28 March 2024**

* <https://www.sfc.ac.uk/publications/college-final-funding-allocations-2024-25/>

** <https://www.sfc.ac.uk/publications/college-indicative-funding-allocations-2024-25/>

Glasgow Colleges Regional Board (GCRB) will confirm the resulting assigned colleges' individual allocations in the coming days. These allocations are expected to remain the same as the initial GCRB indicative allocations with one exception; Student Funding allocation. This allocation has been updated by GCRB following a request for further consultation with the three colleges which resulted in agreement. This reallocation process was initiated and led by Glasgow Kelvin College's (GKC's) Vice Principal (VP): Operations. In summary:

Funding for Learning Teaching & Fee waiver:	Flat Cash for AY 2024/25
Almost all other SFC funding streams:	Removed for AY 2024/25
Flexible Workforce Development Fund (FWDF):	Removed for AY 2024/25

<u>Total Revenue Net result:</u>	<u>Cash cut of -3.2% for AY 2024/25</u>
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<u>Student Funding</u>	<u>Broadly maintained as at AY 2023/24</u>
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<u>Capital</u>	<u>Minor reduction from AY 2023/24</u>
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The funding allocations are fully reflected within the *Five Year Budget 2024-29*, Item 9 on this Agenda and the *College Operating Plan V3.0 2024-29*, Item 10 on this Agenda.

3. Ministers Letter Regarding Glasgow Colleges Regional Board (GCRB) and the Lanarkshire Board

Graeme Dey MSP, Minister for Higher and Further Education; and Minister for Veterans issued a letter to Chairs and Principals of GCRB, the Glasgow Region's assigned colleges entitled *Reform Of Regional Strategic Bodies – Glasgow And Lanarkshire College Regions*. A link to the correspondence can be found under Item 18, Items of Correspondence, on this Agenda.

The correspondence outlined the detail of the Ministers corresponding announcement in the Scottish Parliament. In summary:

"The first steps in this process will begin with the launch of a consultation, across the sector and beyond, on plans to dissolve the Glasgow Colleges' Regional Board and The Lanarkshire Board and to enable new collaborative arrangements."

It is understood that if the decision is finally confirmed following a 12 week consultation period, dissolution of GCRB is expected to take until the end of Academic Year (AY) 2024/25 i.e. 31 July 2025.

4. Education Scotland Annual Visit

Below is a summary of verbal feedback received from the Education Scotland (ES) review team by College senior managers on the afternoon of Wednesday 15 May 2024.

Overall, the team were very positive about the progress the College had made in addressing our previous two main points for action and ten areas for development. They highlighted several examples of good practice, particularly in terms of our enhancement work around recruitment, retention, and student engagement. As a result, there are now no main points for action and only two areas for development. The two continuing areas for development are likely to be around the following themes:

1. Develop a more systematic approach for students to reflect upon and develop their meta skills.
2. Continue to increase awareness of the Student Association and its effectiveness.

The inspection report will therefore conclude that: *"We are confident that the college has made satisfactory progress and has the capacity to continue to improve. We will continue to monitor progress through ongoing engagement with the link HM Inspector."*

This is the best of three possible outcomes so overall a very good result and a helpful recognition for staff that the work they are doing is making a positive impact and we are on the right track.

5. Voluntary Severance 2024 Update

The Remuneration Committee met on 2 May 2024 and approved the VS applications supported by the College. In total 20 (16.42 FTE) members of staff – 12 (10.1 FTE)

Teaching and 8 (6.32 FTE) Support were approved for VS. This is projected to save £907k, net of £45k reinvestment, in AY 2024/25. Added to the savings of £432k achieved by not filling budgeted posts and in year vacancies, the College will exceed its Payroll Savings Target for 2024/25 of £1,235k by £170k.

The projected VS costs in the paper of £543k will increase for Support staff as the pay deal has now been accepted. £600k has been accrued for VS costs in the Quarter 3 Forecast. The final VS position will be reported to a future Board Meeting.

6. Disposal of west Campus Update

Following Board approval on 20 March 2024 to accept the recommended unconditional offer from a buyer, the College contacted the SFC and asked for its approval and, following this, for the offer to be passed to the Scottish Government Ministers for approval.

SFC approved the recommendation on 2 April 2024 and the College subsequently received a letter dated 10 May 2024 confirming Scottish Government approval to progress with the disposal of the property.

Thorntons have been appointed as College Solicitors in relation to the disposal and draft Heads of Terms are now being considered.

While the purchaser has stated that they will allow six months from signing missives to exit the campus, the College will aim to do this as early as possible, ideally by 30 September 2024, to remove all operational costs and management responsibility.

Following a statement by the Cabinet Secretary for Education and Skills at the College's Scotland Conference on 24 April 2024, there is an expectation that the College will be able to retain 70% of the sale proceeds, with 30% going to the College Sector. However, this has still to be formalised in writing.

7. Herald HE Award Winner

The College was delighted to receive a prestigious award at the recent Herald Higher Education (HE) Awards event for the Marketing / PR Campaign of the Year category - Glasgow Kelvin College, National Opportunity Day.

The Herald Higher Education Awards were held on Tuesday 28 May 2024. The College was shortlisted in three categories:

- Outstanding Business Engagement in Colleges
- Outstanding Contribution to the Local Community
- Marketing / PR Campaign of the Year

We won the Marketing / PR Campaign of the Year for National Opportunity Day, which is particularly impressive given that these awards are open to all Scottish universities as well as colleges. It is also a testimony to how far the College has come in terms of marketing and PR, given that in December 2022 the Board identified the lack of external profile as a strategic risk for the College.

8. Industrial Action Update

College Employers Scotland (CES) understand that UNISON put a three year pay deal for September 2022, September 2023 and September 2024, consisting of £2,000, £1,500, and £1,500 respectively to their members to vote on. CES believe this has been “overwhelmingly” accepted by UNISON members bringing their industrial action to an end. It is hoped that payment will be made as soon as possible once formal confirmation is received.

EIS-FELA industrial action consisting of strike action and Action Short Of Strike (ASOS), including a student resulting boycott, continues.

EIS-FELA strike action:

<u>01 August to 19 March</u>	<u>20 March to 05 May</u>	<u>Future Strikes Notified</u>
29 February	16 April	07 June
	26 April	11 June
	01 May	12 June
	20 May	13 June
	23 May	14 June
	28 May	17 June
	30 May	19 June
	31 May	20 June
	03 June	21 June
	04 June	Teaching staff on summer
	05 June	leave with effect from end
		of business 21 June

EIS-FELA had been offered a three-year, consolidated pay rise for September 2022, September 2023 and September 2024, consisting of £2,000, £1,500, and £1,500 respectively. This offer has been rejected, however, EIS-FELA have recently proposed a counteroffer consisting of a four year deal to include September 2025. The format of such an offer currently remains under discussion / negotiation. Both sides appear still to be some distance apart on monetary values but intensive discussions continue.

With regards to EIS-FELA’s ongoing student resulting boycott, the paper, *Item 14, EIS-FELA ‘Resulting Boycott’ – Management of Breach of Contract* is presented later in the Agenda.

9. Key Activity & Events

Events:

- Herald Higher Education (HE) Awards
- Colleges Scotland Annual Conference

Partnership meetings:

- Glasgow City Region - Regional Skills Devolution Group
- Colleges’ Partnership West (CPW)
- Glasgow Colleges Group (GCG)
- Glasgow Economic Leadership (GEL) HEFE Subgroup
- GCRB Board

- GCRB Performance & Resources (P&R) Committee
- GCRB Chairs, Principals and Executive Director Meeting (CPED)
- GCRB Principal / Executive Director (PED)
- Colleges Scotland Board
- Colleges Scotland / Scottish Funding Council College Funding Group
- Colleges Scotland - College Sector Finances Committee
- Colleges Scotland - Digital Strategy Oversight Group
- Colleges Scotland - Funding & Infrastructure Short Life Working Group (SLWG)
- Colleges Scotland - College Principal's Group (CPG)
- Colleges Scotland - College Principal's Group (CPG) – Leads
- College Employers Scotland (CES)

10. Resource Implications

There are no direct resource implications as a direct result of this paper.

11. Impact on Students

The impact of “*a resulting boycott*” by EIS-FELA during AY 2023/24 is significant because of the inability of the College to certificate resulting in postponed graduation; threat to student progression external to the College; preventing apprenticeship completion; negatively impacted student experience;

EIS-FELA strike action continues to disrupt student progress and experience.

12. Risk and Assurance

The risk to the College's financial stability remains high and will be seriously impacted by the deterioration in funding allocation for AY 2024/25 in comparison to the previous year. This remains the highest institutional risk to College operations.

The impact of “*a resulting boycott*” by EIS-FELA during AY 2023/24 has potential to impact future non-SFC funding arrangements due to reputational damage. There is also a significant risk to College cash flow because of customers / partners withholding payment.

Members should gain assurance from the lead and influencing roles senior College staff are participating in through representation to SFC, SG and Parliament to secure future funding for the sector. Assurance should also be taken from the implementation of the latest version of the College's Operating Plan, V3 2024-29.

13. Equality

No negative impacts on people with protected characteristics have been identified because of this paper.

14. Data Protection

There are no direct data protection implications because of this paper.

15. Environmental and Sustainability

There are no directly related impacts regarding environmental and sustainability issues because of this paper.

16. Recommendations

Members are recommended to:

- i) Note the contents of this update report;

17. Further Information

Members can obtain further information on the contents of this report from Derek Smeall, Principal dsmeall@glasgowkelvin.ac.uk

Glasgow Kelvin College
DSm
05 June 2024