

Board of Management

Meeting of the Board of Management

**MINUTE OF 6th MEETING (BoM6) HELD ON TUESDAY 2 MAY 2023 AT 1600
HRS ON CITY CAMPUS, ROOM C.06.106**

Present	
Alisdair Barron (AB) (Chair)	Megan McClellan (MMcC)
David Cullen (DC)	Stuart Patrick (SP) (Remote)
Lorna Hamilton (LH) (Remote)	Ronnie Quinn (RQ)
Thora Hands (TH)	Audrey Sullivan (AS) (Remote)
Paul Hillard (PH) (Remote)	Josh Taylor (JT)
Ewart Keep (EK) (Remote)	Lesley Woolfries (LW) (Remote)
Paul Little (PL)	
In attendance	
Claire Carney (CC)	Drew McGowan (DM)
Roy Gardner (RG)	May Miller (MM)
John Gribben (JFG)	Ann Butcher (Minute)
Sheila Lodge (SL)	
Apologies	
Nicola Cameron (NC)	Rebekah Widdowfield (RW)
Graham Mitchell (GM)	

Item BoM6-1	Apologies for Absence	
Paper No: Verbal	Lead: Chair	Action Requested: None
Decision	There were no apologies.	

Item BoM6-2	Declarations of Interest	
Paper No: Verbal	Lead: Chair	Action Requested: None
Decision	<p>AB reminded members of their personal responsibility (underpinned by law, the Code of Conduct and the Code of Good Governance) to regularly review, register and declare interests before considering the business of the Board. It was recognised that a connection or interest may not always amount to a conflict of interest that would require someone to recuse themselves.</p> <p>PL, MMcC, JT, TH and DC declared a connection under Item 3.2, College Restructuring Proposals, as they are employed by the College</p>	

Item BoM6-3.1	Minute of the previous Board of Management meeting held on 4 April 2023	
Paper No: BoM6-A	Lead: Chair	Action Requested: Approve
Discussion	<p>A couple of minor amendments were agreed under the Students' Association Update item.</p> <p>Matters Arising Outcome of Mitigations SL provided clarification on a point raised within the report on the outcome of the 19 mitigations provided at the 4 April 2023 Board meeting. She confirmed that members of teaching staff would not be teaching more than 23 + 1 contact hours.</p>	
Decision	Subject to the agreed minor amendments, the minute was approved.	

Items 3.2 and 4.1 were taken.

SP left the meeting during the following discussion at 1630 hrs. LH joined at this time.

AS left the meeting at 1752 hrs.

Item BoM6-3.2	College Restructuring Proposals	
Item BoM6-4-1	Early View Draft Budget 2023-24 (for noting)	
Paper No: BoM6-B, BoM6-C	Lead: Paul Little	Action Requested: Approve
Discussion	<p>PL presented a further update on the financial projection for 2023-24 and highlighted the key assumptions, dependencies and sensitivities. Details of the Scottish Funding Council's (SFC) funding allocation, which was considered extremely challenging, with another flat cash settlement (real terms cut given the high inflation rate) and a further reduction of 10% in the core teaching credit allocation were confirmed. Members noted that full budget details will be presented to Board for approval at the meeting on 14 June.</p> <p>The Board was also advised that the financial challenges have been further exacerbated by the recent announcement by the Scottish Government to withdraw the additional £26m funding pledged to the college sector for transformational change, after it has been identified as a necessary saving.</p> <p>PL informed that whilst the College has undertaken a range of improvement measures including a freeze on non-essential recruitment and implementation of a Voluntary Severance (VS) scheme which helped improve the budget position by £6m, a further £6m of improvements (both savings and additional income) is still required this academic year (2022-23). This would reduce the 2023-24 forecast deficit to around £2m and help retain a positive cash balance throughout the year.</p> <p>Creation of the New Chief Financial Officer Role PL reminded members of the decision made at the Board meeting on 4 April 2023 to redistribute the duties and responsibilities of the VP Corporate Services to a new Executive Director (formerly Director of Finance) and Vice Principal People & Corporate Services (formerly Executive Director Human Resources). He advised the Board that the person appointed to the Executive Director of Finance position has since</p>	

resigned and proposed the creation of a Chief Financial Officer (CFO) role at VP level with a more strategic remit. Members noted that while any consultation process would effectively hold all vacancies for redeployment, posts deemed critical by the Principal such as this finance role would require external advertising.

The need for a senior finance officer role was discussed and, whilst the necessity of the role was agreed upon, members expressed concerns regarding the previously agreed proposal which involved splitting the role into two positions. Without a detailed remit and clear division of responsibilities, it appeared unclear whether the anticipated cost savings would still be achievable.

In addressing these concerns, the Principal informed the Board that the new CFO role would be responsible for dealing with the current financial challenges and navigating through an uncertain funding environment, while also developing future strategic projects. While the day-to-day management of estates and facilities would still fall under the remit of the VP People and Culture, the CFO role would be more strategic in nature and would require a highly experienced candidate. Although this new role may require an additional salary cost, he considered that the appointment of such a crucial role was essential and could not be delayed at such a critical time. He added that the proposed new CFO position was seen as necessary for the future success of the College.

The Principal also informed members that it would be a matter for the new CFO to put in place appropriate structures within the finance team; however, while their hands would not be tied, the new CFO would be encouraged to be prudent. PL and JFG assured members that any high-level structural changes would be submitted to the Board for approval.

Members suggested that rather than automatically increasing the salary above the incumbent, it may be appropriate to conduct a benchmarking investigation to determine a realistic market value for the proposed new CFO role and may help ensure that the salary is not overly inflated.

JFG informed members that due to necessary succession planning, it may be unlikely that the CFO role would achieve the cost savings initially set out in the previous meeting however there may be some potential savings further down the organisational chain. Whilst benchmarking could be undertaken, it was noted that the salary of the previous VP position was lower than other Colleges and a more realistic salary may be necessary.

The Board considered the possibility of delaying the decision to proceed to recruitment until the next meeting in June. However, given that the College was facing a significant financial and funding challenges, it was highlighted that there was a pressing need for the role at this time. Acknowledging the current sensitivities and recognising that recruitment for the new CFO position was crucial and a prerequisite for the College, members agreed that delaying recruitment was not a viable option.

After a discussion of the proposal and noting the sensitivities of recruiting for a senior post at the current time, the Board unanimously approved the creation of the Chief Financial Officer role.

Strategic Direction of Travel Related to Rightsizing the College

The Board was reminded that the Executive Leadership Team's (ELT) preference would be to remove any posts through further targeted Voluntary Severance (VS) and that a request had been submitted to the Arm's Length Foundation (ALF) for the remaining balance to fund VS. However, during the Board meeting, it was confirmed that the ALF had declined the College's request.

PL referred to his earlier comments on the College's flat cash funding settlement and reduction in core teaching credit allocation from the SFC. This, he said, was compounded by the impact of Brexit, Covid and inflation on the College. Having exhausted all other avenues and as the majority of expenditure is staff pay (80%), the College was now left with no alternative but to consider further significant staff cost savings. PL explained that the Board had a duty to deliver a balanced budget and, as charity trustees, ensure the College remained a going concern.

PL informed members that Deans and Directors have carefully prepared detailed business plans and proposed structural changes to maintain a level of service provision and delivery while delivering the required budget improvements and staff reductions. These proposals would reduce the number of full-time equivalent (FTE) roles at the College by 75 – while up to 100 FTE roles may be required – through Compulsory Redundancy (CR).

Members were advised by JFG that both the Scottish Funding Council and Glasgow Colleges' Regional Board had been made aware of the situation regarding potential staffing reductions; however, he confirmed, no alternative proposals or additional funding had been put forward. Therefore, JFG said, the Board were being asked to approve an open, meaningful consultation on CR.

The Board was provided with a brief overview of the schedule of activities for the coming weeks which includes a detailed consultation process to be undertaken with Trade Unions (TU), issuing of a new HR1 form (after the first consultation meeting with TUs on 3 May) and, the proposed application of the statutory redundancy payment. It was emphasised that during this process, it would be crucial that compassionate and counselling support for all staff, particularly those who may be affected by the proposed staffing reductions, would be provided.

TH requested further clarification on the reference to 'rightsizing' the College and asked what alternatives had been considered before moving to VS and CR. PL again referred to the SFC funding announcement and real terms cuts to core funding and teaching credits and advised that the combination of reduced income and growing expenditure meant that the College would require further significant staff cost savings.

He reminded members that the College had been working on its current funding and financial challenges for almost 19 months, during which time it had become evident that this would be a challenge extending over multiple years. As part of that detailed planning, the Board approved a plan to make savings through 19 improvements and mitigations. Updates on those mitigations had been provided at the previous Board meeting and at College negotiation committee meetings which included TU. It was highlighted that TU representatives refused to attend several meetings to

discuss and address these challenges. TH said that EIS-FELA TU representatives were in dispute over VS and were unable to attend these meetings.

The impact and implications of delaying the decision to further reduce staffing costs before the start of 2023-24 AY, including the ongoing impact on staff morale and its effect on the quality of the student experience was highlighted. Any delay would also result in additional costs which would further compromise the financial sustainability of the College and may result in the need to make even more staff redundant in order to ensure its long-term viability.

The Board expressed regret that a decision had to be made to approve consultation on CR and recognised the difficult and challenging impact this decision would have on the affected staff; however, one member dissented from the decision.

The importance of clear and effective communication with all stakeholders of this decision was stressed. The Board were advised of the commitment to provide clear and transparent communication to all relevant parties over the coming days.

Decision

- To unanimously approve the creation of a Chief Financial Officer post.
- To approve the proposed strategic direction of travel related to rightsizing the College and the commencement of consultation, which may result in Compulsory Redundancies and the associated payments, with one dissenting vote.

Item BoM6-5 Any Other Notified Business

Decision None

Item BoM6-6 Disclosability of Papers

Decision That the disclosability status of papers remain unchanged at this time.

Item BoM6-7 Date of Next Meeting

Decision Wednesday 14 June 2023

The meeting closed at 1805 hours.

ANNEX TO THE MINUTE

ACTION POINTS ARISING FROM THE MEETING

Item	Description	Owner	Target Date
BoM6-3.2 02 05 23	College Restructuring Proposals: To commence recruitment of a new Chief Financial Officer.	PL	ASAP
BoM6-3.2 02 05 23	College Restructuring Proposals: To commence consultation to right size the College.	PL/ELT/ SMT	04 05 23

ACTION POINTS ARISING FROM PREVIOUS MEETINGS

Item	Description	Owner	Target Date
BoM5-3.1 04 04 23	Previous Minute: Defer approval.	DM	Ongoing
BoM5-3.3 04 04 23	Restructuring Proposals: Schedule a single-item agenda Board meeting to consider proposed structure changes.	PL/DM	ASAP Complete
BoM5-3.4 04 04 23	Strategic Risk Review: Review Risk 14 Risk Score at the next meeting of SSEC.	JFG/DM	SSEC mtg 17 05 23 Complete
BoM5-5.6 04 04 23	Queen's Anniversary Award: Circulate final entry to members.	DM	ASAP Complete
BoM5-5.7 04 04 23	Report on Outcome of Mitigations: Provide a point of clarity on section 5.2.	SL	ASAP Complete
BoM5-6.3.7 04 04 23	Audit & Assurance Committee: Review Risk Score for Risk 11.	DM	AAC mtg 23 05 23 Complete