

## Board of Management

### Meeting of the Finance Committee

MINUTE OF 1<sup>st</sup> MEETING HELD ON WEDNESDAY 27 SEPTEMBER 2023 AT 1600 HRS  
(FC1) AT CITY CAMPUS, ROOM C.06.106.

Present	
Ronnie Quinn (Convener)	Paul Little
Douglas Baillie	
In attendance	
Andrew Dickson	Alex Stewart
John Gribben (Items 1-3.1 + 3.4)	Leo Subido
Drew McGowan	Ann Butcher (Minute)
Apologies for absence	
Stuart Patrick	Josh Taylor

R Quinn welcomed new member D Baillie, Student President L Subido and A Dickson, Chief Financial Officer to their first meeting of the Committee.

Item FC1-1	Apologies for Absence	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	Apologies were received from S Patrick and J Taylor.	

Item FC1-2	Declarations of Interest	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	None.	

Item FC1-3.1	Minute of Previous Meeting held on 31 May 2023	
Paper No: FC1-A	Lead: Convener	Action requested: Approve
Decision/Noted	<p>That the minute be approved.</p> <p><b>Matters Arising</b>  <b>Student Laptop Loan</b>                      P Little confirmed that laptop loans have not ceased entirely and are still available for short-term (daily) borrowing. Students facing exceptional circumstances that require a laptop are reviewed on a case-by-case basis.</p> <p><b>CoGC Foundation</b>                      The current level of funding held by the College Foundation was confirmed. At present, the College is unable to contribute additional funds to the Foundation however in the event of any income surplus in the future, this possibility would be considered.</p>	

Item 3.4 was taken at this time.

Item FC1-3.4		Progress Report on Savings and Improvements	
Paper No: FC1-D	Lead: J Gribben	Action requested: Note	
Discussion Matters Arising	<p>J Gribben provided the Committee with a detailed update on the progress made relating to rightsizing the College and commencement of the consultation process. Following a significant number of formal meetings with Trade Unions and individual employees, a review of business cases was conducted and have since been updated and amended. The updated proposed reductions in FTE and associated cost savings were noted.</p> <p>J Gribben informed members that several first and second individual consultation meetings have concluded with most of the final consultation meetings scheduled to take place in September. The Committee noted that full savings will not be achieved until January 2024. Further delays due to absences, disputes, referrals to Occupational Health, formal grievances and appeals were also reported. J Gribben confirmed that in all cases, due process has been, and will continue to be, followed.</p> <p>Acknowledging that any delay or under-delivery of the required budgetary improvement activities could create a critical financial position for the College during 2023-24, an updated forecast was provided. With the amendment to the FTE reduction and staff not leaving until December 2023, the ongoing shortfall in savings required was highlighted. To address this shortfall, the College may need to further reduce the FTE or by reallocate funding from other areas within the budget. Options on how to address this shortfall have still to be agreed.</p> <p>P Little provided the Committee with a brief update on the ongoing consequences of Action Short of Strike (ASOS) and the local strike action leading up to mid-October which has resulted in a significant loss in teaching. The full impact on continuation and attainment of students over this period is as yet unknown however the negative impact on students and ongoing financial stability of the College was recognised. Any potential consequences and appropriate actions will be reported to the Board in due course. P Little confirmed that students will be kept well informed of any matters of concern.</p>		
Decision/Noted	To note the update report.		

*J Gribben left the meeting.*

Item FC1-3.2		Committee Schedule of Business 2023-24	
Paper No: FC1-B	Lead: D McGowan	Action requested: Approve	
Decision/Noted	That the Committee Schedule of Business for 2023-24 was approved.		

Item FC1-3.3		Committee Annual Report 2022-23	
Paper No: FC1-C	Lead: D McGowan	Action requested: Approve	
Discussion Matters Arising	<p>The Committee extended their thanks D McGowan for his work in producing the Finance and Physical Resources Committee Annual Report for 2022-23.</p> <p>A point of clarification was raised under 'Capital Plan' and the revised wording of 'at least £3 million' was agreed. An additional section relating to the overage proceeds received from North Hanover Street and the ongoing efforts to lobby of the Scottish Government and SFC to retain these funds to help offset the costs relating to the maintenance and security of the Charles Oakley Building was also agreed. The Financial Breach section will also be updated to confirm that an update would be provided to the Board in June 2023.</p>		
Decision/Noted	Subject to the agreed amendments, the Annual Report 2022-23 was approved.		

Item FC1-4.1		Projected Year-end Out-turn 2022-23	
Paper No: FC1-E	Lead: A Stewart	Action requested: Discuss	
Discussion Matters Arising	<p>A Stewart updated the Committee on the financial position for 2022-23. The Committee noted that the current forecast outturn is an improvement compared to budget with a decreased underlying operating deficit. The main headline of favourable and adverse movements across income and expenditure were highlighted. The improved projected underlying year-end cash balance was also noted. Regarding a point of clarity, P Little confirmed that NPD grant funding can be utilised for both capital and maintenance purposes.</p> <p>The Committee discussed the main uncertainties and sensitivities within the forecast assumptions which may have adverse deviations including agreement of a final pay award, final reconciliation of the 2022-23 credit delivery and any potential claw-back including current and prior years. There was also a discussion on the College's going concern status and members were informed that, while there was no immediate issue, it was a risk the College must monitor.</p> <p>On behalf of the Committee, R Quinn expressed thanks to A Stewart, his team and the Executive Leadership Team for their commendable efforts in achieving this out-turn, acknowledging their contributions during such a challenging time.</p>		
Decision/Noted	<ul style="list-style-type: none"> <li>• To note the revised projected year-end outturn deficit.</li> <li>• To note the remaining uncertainties and sensitivities within the forecast assumptions.</li> </ul>		

Item FC1-4.2		Strategic Risk Review	
Paper No: FC1-F	Lead: D McGowan	Action requested: Discuss	

<b>Discussion Matters Arising</b>	<p>D McGowan updated the Committee on the changes proposed at recent Board Committee discussions including the risk score increase for SR1 (Failure to support successful student outcomes and progression) to 20 (Red) proposed by the Learning, Teaching and Student Experience Committee. The updated Strategic Risk Register will be submitted for approval at the next meeting of the Board on 4 October 2023. The 6 strategic risk MAPs reported to the Committee were submitted with no changes to risk scores proposed.</p> <p>R Quinn raised a question about the ongoing risks associated with Brexit. P Little pointed out that the effects of Brexit were still evolving, leading to issues such as talent shortages. R Quinn suggested that these challenges could be seen as consequences of Brexit which could be considered under more specific risk areas. D Baillie added that while keeping focus on Brexit remained relevant, it might be worthwhile expanding the risk to include other external factors, such as the energy crisis resulting from the Ukraine conflict, with Brexit being just one element in a larger context. While P Little still considered the Brexit risk as valid, he suggested that M Cross and A Dickson examine the broader context during the next quarterly review.</p>
<b>Decision/Noted</b>	<ul style="list-style-type: none"> <li>• To note the Strategic Risk Register and reported risks to the Committee.</li> <li>• That M Cross and A Dickson examine the wider external risks, including those related to Brexit in the next quarterly review.</li> </ul>

<b>Item FC1-5.1</b>	<b>Non-Compliant Spend Report</b>	
<b>Paper No: FC1-G</b>	Lead: D Fagan	Action requested: Note
<b>Decision/Noted</b>	To note the Q4 Non-Compliant Spend.	

<b>Item FC1-5.2</b>	<b>Credits Delivery Update</b>	
<b>Paper No: FC1-H</b>	Lead: M Green	Action requested: Note
<b>Discussion Matters Arising</b>	<p>The Committee noted that the credit position for 2022-23 is on track to be within the target threshold to maximise SFC funding. The planning and projection of credits for 2023-24 is also on track.</p> <p>D Baillie enquired about the possibility of clawback of SFC funding for NPD under circumstances such as a reduction in student occupation. P Little reminded that this was a 25-year commitment and that any in year reduction would go against contractual terms.</p> <p>The Committee noted that there was a 2% leeway before a grant clawback would apply and any reduction below this threshold would not incur a penalty. However, any further increase beyond 2% would result in a clawback of funds.</p>	
<b>Decision/Noted</b>	To note the report.	

<b>Item FC1-5.3</b>	<b>SFC Financial Forecast Return (FFR)</b>	
<b>Paper No: FC1-J</b>	Lead: A Stewart	Action requested: Note

**Decision/Noted** To note the College SFC Financial Forecast Return already submitted.

<b>Item FC1-6</b>		<b>Any Other Notified Business</b>	
<b>Paper No: Verbal</b>	Lead: Convener	Action requested: Note	
<b>Decision/Noted</b>	None.		

<b>Item FC1-7</b>		<b>Disclosability of Papers</b>	
<b>Paper No: Verbal</b>	Lead: D McGowan	Action requested: Note	
<b>Decision/Noted</b>	That the disclosability status of papers as described on respective cover sheets be retained.		

<b>Item FC1-8</b>		<b>Date of Next Meeting</b>	
<b>Paper No: Verbal</b>	Lead: Convener	Action requested: Note	
<b>Decision/Noted</b>	Wednesday 29 November 2023		

*The meeting closed at 1710 hours.*

## ANNEX TO THE MINUTE

### ACTION POINTS ARISING FROM THE MEETING

Item	Description	Owner	Target Date
FC1-4.2 27 09 23	Strategic Risk Review: To examine wider external risks, including those related to Brexit.	AD/MC	Next review.

### ACTION POINTS ARISING FROM THE PREVIOUS MEETING

Item	Description	Owner	Target Date
FPRC4-4.1 31 05 23	<b>Student Laptop Loan Recovery Options:</b> Recommend writing off the outstanding debt associated with the non-return of student loan laptops to date for approval by the full Board.	BA/DM	14 06 23 <b>Complete</b>
FPRC4-4.3 31 05 23	<b>COB Business Case Update:</b> To further internally investigate the proposal for a long-term lease agreement with the external party.	MD	ASAP <b>Dev Comm</b>
FPRC4-4.3 31 05 23	<b>COB Business Case Update:</b> Seek to retain overage payment from the SFC.	MD	Ongoing
FPRC4-4.6 31 05 23	<b>Strategic Risk Review:</b> <ul style="list-style-type: none"><li>Remove Risk 27 and incorporate potential risk of a future pandemic within Risk 12.</li><li>To increase Risk Score for Risk 20 to 12 (AMBER).</li></ul>	DM	ASAP <b>Complete</b>