

Board of Management

Date of Meeting	Wednesday 31 August 2016
Paper No.	BoM1-D1
Agenda Item	6
Subject of Paper	Applications to College Foundation - Protocol
FOISA Status	Disclosable
Primary Contact	Paul Clark; College Secretary/Planning
Date of production	24 August 2016
Action	To Note

1. Recommendations

The Board of Management notes the protocol for applications to the City of Glasgow College Foundation, as agreed at SMT in November, noting adherence to the delegated expenditure limits approved by the Board.

2. Purpose of report

To provide clarification to the Board on the protocol and governance with regard to applications to the City of Glasgow College Foundation.

3. Context

The attached paper provides a full context ,which explains the implications of the ONS reclassification of colleges as arms length public bodies in respect of the management of College reserves. The paper also outlines the eligibility criteria and process for applications to the Foundation.

4. Impact and implications

The attached paper provides a clear indication that any applications to the Foundation must meet the Foundation's criteria, and must have the "specific support of City of Glasgow College and that this is able to be demonstrated."

Appendix 1: Paper to SMT (SMT9-C Nov 2014): Applications to the City of Glasgow College Foundation

Senior Management Team

Date of Meeting	19 th November 2014
Paper No.	SMT 9-C
Agenda Item	3
Subject of Paper	Applications to the City of Glasgow College Foundation
FOISA Status	Disclosable
Primary Contact	Janis Carson, Vice Principal
Date of Production	13 November 2014
Summary	
Action	To Approve

1. Recommendations (for discussion and agreement)

The following is recommended as the approvals process for applications to the College Foundation:

1. Any application to the College Foundation must meet with the Foundation's eligibility criteria as stated within this report and appended in full.
2. Any proposal for application to the College Foundation must be sponsored by a member of SMT and brought forward to SMT for discussion and approval.
3. ELT may authorise an eligible application to the College Foundation for progression where the application falls within the delegated expenditure limits

approved by the BoM. Any such grant application would be noted to the Finance & Physical Resources Committee and thereafter to the full Board of Management.

4. Any proposed application to the College Foundation which exceeds the authorised expenditure limits of the Principal and ELT must be presented to the Finance & Physical Resources Committee of the Board for approval prior to the application being progressed. Onward reportage from the Finance & Physical Resources Committee will be made to the full BoM.

2. Purpose of Report

This report is to provide clarification to SMT on broad criteria and governance around any proposed applications to the City of Glasgow College Foundation. The report highlights existing agreed ring-fencing of funds within the Foundation as well as the College's rationale for applications which must be in line with the Foundation's eligibility criteria.

3. Context & Discussion

3.1 Following the ONS reclassification of Scotland's Colleges the Board of Management of City of Glasgow College approved the transfer of existing reserves to the sector umbrella foundation and City of Glasgow Colleges own Foundation. This approach was necessary as the new financial regulations now prevent colleges from holding reserves. A significant proportion of the College's reserves were already earmarked to cover the College's total £19.1M contribution to the new campus development. Within the umbrella foundation £11.7M was deposited and has already been allocated as a grant to cover fixed NPD contract payments. Three successful applications have already been made for new campus commitments. The sum of £10.7M was transferred to the College Foundation of which £5.27M must remain allocated as the approved budget for the new campus project.

3.2 The objects and powers of the College's Foundation as set out within the Memorandum of Association identify that the main objects of the Foundation are 'to advance the charitable purposes of City of Glasgow College, to include the

advancement of education by making grants and providing financial support for projects and activities being carried out by and supported by City of Glasgow College'. In addition to this main objective the Foundation also sets out to accept subscriptions, donations, legacies and bequests and to invest and hopefully grow the funds which rest within the Foundation. The Foundation has a Board of Trustees who administer funds and who review and make decisions on any applications from the College to access funds. To date three applications in relation to the new campus project have been put forward and have been approved, it should be noted that the Foundation will often attach conditions to an award of grant, such as:

- Regular reportage on the outcomes and benefits of any project funded including data to support successful completion
- Referencing of the Foundation in any promotion and publicity material related to the purpose of the grant
- Reserving the right to visit the College and view first-hand the outcomes of funding allocated.

3.3 As the funds remaining in the College's Foundation in effect represent what under a previous financial regime would have constituted the College's reserves, any drawdown of these funds must be the subject of formal approval and prudent deliberation in addition to adhering to the formal application process. The following proposals are made for authorisation of an application to the College Foundation:

1. Any application to the College Foundation must meet with the Foundation's eligibility criteria as stated within this report and appended in full.
2. Any proposal for application to the College Foundation must be sponsored by a member of SMT and brought forward to SMT for discussion and approval.
3. ELT may authorise an eligible application to the College Foundation for progression where the application falls within the delegated expenditure limits approved by the BoM. Any such grant application would be noted to the Finance & Physical Resources Committee and thereafter to the full Board of Management.
4. Any proposed application to the College Foundation which exceeds the authorised expenditure limits of the Principal and ELT must be presented to

the Finance & Physical Resources Committee of the Board for approval prior to the application being progressed. Onward reportage from the Finance & Physical Resources Committee will be made to the full BoM.

In principle it is assumed that applications would not come forward for funding via the Foundation route that would not previously have been considered for funding through the College's reserves. ie The Foundation should not be seen as a source to supplement routine operational budgets but rather for exceptional qualifying expenditure.

3. Impact and Implications

It is important that due consideration is given to the limited residual amount of funding retained within the College's Foundation and that SMT members are aware that this constitutes a much smaller pool of funds from that on which the College could previously rely. It is also important to recognise and maintain the security of those funds within the Foundation which are already earmarked for the estates development. Clear governance is essential not simply from a public sector accountability perspective but also as a stipulated requirement of the Memorandum of Association of the Foundation that applications coming forward have the specific support of City of Glasgow College and that this is able to be demonstrated.