

Board of Management

Date of Meeting	Wednesday 31 August 2016
Paper No.	BoM1-H
Agenda Item	12
Subject of Paper	BREXIT Implications
FOISA Status	Disclosable
Primary Contact	Paul Little Principal and Chief Executive Julia Henderson Director of Corporate Support
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Action	For Noting

1. Recommendations

To note this report for information

2. Purpose of report

To provide assurance to the Board that we are actively monitoring the impact of Brexit, to date, and its high level implications for the College

3. Context

As members will be acutely aware the buzzword for Brexit is uncertainty. No one knows the long term effect that it will have on local and national economies far less

directly on funding for the sector, the Glasgow Region and the City of Glasgow College.

There is little prospect of Britain leaving the EU before 2020, according to Lord Kerlake the former head of the Civil Service, speaking recently in the Scottish Parliament. He said that leaving the EU would be "a lot more complex and take a lot more time than people think it will." He estimated that it was at least five years away and that two years was overly optimistic.

We are monitoring developments as they play out across the following areas:

College Sector Impact

2014 -2020 Programmes

The Scottish Funding Council has responsibility for managing the European Social Fund (ESF) and the Youth Employment Initiative (YEI). SFC has said that they will work with the Scottish Government, colleges and universities to assess the impact of the outcome of the referendum and to manage that impact, with its priority being to reduce uncertainty for students and institutions in both the short term and the longer term.

Glasgow Region Impact

In terms of income, the Glasgow region is due to receive an ESF grant of £6,682,883 in 2016/17 (up from £6,113,802 in 2015/16).

City of Glasgow College Funding

This table sets out EU Programme funding information for COGC between 2013 - 2017.

Year	EU Programme	ID Number	Applicant/Beneficiary	Pounds	Euros
2013	Leonardo	LdVP/13/354P	City of Glasgow College		23,958.33
2013	ESF	Skills for a Competitive Workforce	SFC	£203,922	
2014	Erasmus+	Mobility of Learners and Staff	WOSCOP		975.00
2014	ESF	Skills for a Competitive Workfor	SFC	£699,238	
2015	Marco Polo	OntheMoSWay	Strathclyde University		50,963.18
2015	ESF	Youth Employment Initiative	SFC	£2,470,454	
2015	Erasmus +	2015-1-UK01-KA103-012804	City of Glasgow College		41,478.00
2016	ESF	Youth Employment Initiative	SFC	£3,067,592	
2017	ESF	Youth Employment Initiative	SFC	£3,693,904	
TOTAL:				£10,135,110	117,374.51

It is also relevant to note the income from our Malta Project which is funded via the EU:

2012/13	£60,150
2013/14	£481,081
2014/15	£899,467
2015/16	£88,278
TOTAL	£1,528,975

The total surplus generated by the contracts was **£490k**.

Other Funding

COGC is also active in exploiting other EU funds like Erasmus+ (@£90k per annum) for staff and student mobility opportunities. UK's participation in most of these is assured for at least the next two years and the funding available in many of these programmes is about to increase significantly between now and Programmes' end dates in 2020. It is not clear at this early stage what the impact of Brexit will be on the Erasmus Programme longer term.

UK Government Position on Funding EU Projects

Chancellor Philip Hammond speaking on 13 August 2016 gave some reassurance on funding bids for UK organisations (such as universities and colleges) who bid for EU projects whose lifespan extends beyond the UK's departure from the EU; the Treasury will underwrite such projects beyond the UK's departure from the EU.

European Investment Bank Loans

As members will be aware a significant loan facility from EIB was secured over our new campus by GLQ. EIB has confirmed that legal obligations on EIB loans will not change and that existing borrowers will not face any change in contracts that have already been signed with the EIB.

However, future funding of similar projects is clearly in question.

Shipping Industry Impact

As a leading provider of Maritime Education in the UK, we are actively engaged in discussion with the UK Chamber of Shipping to ensure that we can contribute, where appropriate, and take advantage, where new opportunities are emerging. The EU is the UK's biggest trading partner; as at February 2016 total exports to the EU accounted for around 46% of the UK's total exports. The Principal was invited to sit on an expert panel discussion for the UK Chamber of Shipping in Glasgow on 23 August 2016 to provide his perspective on the implications for maritime skills and training.

UK Chamber CEO, Guy Platten sees Brexit as an opportunity:

"Brexit, for all the concerns and worries, provides us with an unprecedented opportunity for the UK maritime industries to set out its needs and ambitions. Government's minds will never be more open, they will never be more willing to listen than in the next few months."

Since the vote the chamber has been working to analyse what risks and opportunities may lay ahead, and will be working with our members and stakeholders to produce and ambitious manifesto to present to the new government.”

CoGC EU Students

CoGC had 156 EU enrolments in 14/15 – the highest in Scotland. Edinburgh had 119 and both Clyde and Kelvin Colleges had nil. Though minimal in number we stand to lose EU students and importantly the cultural richness and diversity they bring to us, if there are restrictions introduced on freedom of movement to study.

4. Impact and implications

We stand to lose a significant amount of EU funding and may see a reduction in student numbers as a consequence of Brexit. At the current time it is unclear how or whether this gap will be filled.

We will continue to monitor the implications of BREXIT for the Region and the College and, as more detail emerges, ensure that we carry out analysis of the implications for students and the potential impact on income streams and overall strategic direction for the College.