

References Board of Management

Meeting of the Finance & Physical Resources Committee

MINUTE OF 3rd MEETING HELD ON WEDNESDAY 27 FEBRUARY 2019 AT 1700 HRS
(FPRC3)

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| Present | |
| Rachael Gilchrist (RG) | Paul Little (PL) |
| Karen Kelly (KK) (Convener) | Lesley Woolfries (LW) |
| Milea Leone (ML) | |
| In attendance | |
| Paul Clark (PC) | Alex Stewart (AS) |
| Fares Samara (FS) | Ann Butcher (Minute) |
| Apologies for absence | |
| Stuart Patrick (SP) | |

KK highlighted that this would be Fares Samara's last meeting. She reminded members of the many complex issues which have been dealt with over time and praised him for his support and guidance to the Committee on these matters. On behalf of all members, she recorded their thanks and appreciation for all his help.

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| Item FPRC3-1 | Apologies for Absence | |
| Paper No: | Lead: K Kelly | Action requested: Note |
| Decision/Noted | Apologies were received from SP. | |

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| Item FPRC3-2 | Declarations of Interest | |
| Paper No: | Lead: K Kelly | Action requested: Note |
| Decision/Noted | There were no declarations of interest. | |

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| Item FPRC3-3 | Minute of Previous Meeting held on 21 November 2018 | |
| Paper No: FPRC3-A | Lead: K Kelly | Action requested: Approve |
| Decision/Noted | That the minute of the meeting be approved. | |

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| Item FPRC3-4 | College Student Accommodation Charges 2019-20 | |
| Paper No: FPRC3-B | Lead: A Stewart | Action requested: Approve |
| Discussion/ Matters Arising | The proposed charges for 2019-20 for the two locations delivering student accommodation were submitted. The price increases range from 0% to 4.1% for St Luke's and a minimum range from 0% to 5.5% for Riverside | |

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| | <p>accommodation. AS highlighted that the student rate for 9 or more weeks' accommodation has remained unchanged. Shorter term lets have been increased in line with inflation with the exception of very short term lets (ie per night) which have increased by 5.5%.</p> <p>ML enquired whether these rates were competitive. AS assured that rental costs from similar local accommodation providers are reviewed to ensure value for money and that we remain competitive. ML requested that comparative evidence be provided within future reports. This was agreed.</p> <p>ML further requested SAAS figures for 2019-20 as this too, may have an impact on affordability. AS understood that this has yet to be announced however will clarify with G Plunkett.</p> <p>ML raised the ongoing wifi access issues within the student accommodation. FS advised that due to the College network security system, accommodation students are currently unable to connect to online gaming, etc. The IT Director is currently investigating an additional dedicated BT connection which will address this issue.</p> |
| Decision/Noted | To provide local accommodation comparative figures and SAAS information to student members in advance of final approval via email. |

| Item FPRC3-5 | Treasury Management Policy | |
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| Paper No: FPRC3-C | Lead: A Stewart | Action requested: Approve |
| Discussion/ Matters Arising | <p>The Treasury Management Policy was submitted for review. KK referred to Item 4.1.2 whereby <i>'the Board shall not, without the prior written consent of the Funding Council undertake a level of capital finance where the annualised cost of all capital finance or the actual cost in any one year of all capital finance would exceed 4% of total income'</i> and considered that the Board was actually unable to borrow any amount of money without consent. AS explained that this point referred to specific areas of borrowing such as finance leases for reprographics, etc. It was agreed that this would be clarified within the bullet point.</p> | |
| Decision/Noted | To approve the Treasury Management Policy subject to agreed amendment. | |

| Item FPRC3-6 | Strategic Risk Review | |
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| Paper No: FPRC3-C | Lead: P Clark | Action requested: Discuss |
| Discussion/ Matters Arising | <p>The following Risks were discussed:</p> <p><i>Risk 12 - Failure of Business Continuity</i> – Ashton Resilience is undertaking Business Impact Analysis for Faculty and Service areas followed by the development of Business Recovery Plans. Once these are in place, a scenario-based exercise will be conducted for each Campus which will include medium and long-term planning and recovery. This will be completed by the end of June 2019.</p> <p><i>Risk 25 – Failure of IT System Security</i> – Cyber Essentials Plus accreditation is still on track for completion by the end of March 2019.</p> | |

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| | <p>External network penetration tests have been successfully completed with network security preventing unauthorised access.</p> <p>PL made reference to Risk 23 – <i>Failure to agree a sustainable model and level of grant funding within Glasgow Region</i> and was mindful of the disappointing capital maintenance grant allocation within the Region for CoGC. He considered that SFC and GCRB would need to be sufficiently appraised with regard to continued investment in College assets, for example, IT.</p> |
| Decision/Noted | <ul style="list-style-type: none"> To approve the Risks and related Risk Scores as detailed in the Risk Management Action Plans. To note the revised Risk Register dated 21 February 2019. |

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| Item FPRC3-7 | Committee Terms of Reference Review | |
| Paper No: FPRC3-E | Lead: P Clark | Action requested: Discussion |
| Discussion/ Matters Arising | The current Committee Terms of Reference were reviewed. No changes were proposed. | |
| Decision/Noted | To recommend the current Terms of Reference for approval by the full Board. | |

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| Item FPRC3-8 | Health & Safety Report – Quarter 1 1 November to 31 January 2019 | |
| Paper No: FPRC3-F | Lead: F Samara | Action requested: Discussion |
| Discussion/ Matters Arising | <p>Members noted that following the departure of the VP Infrastructure, responsibility for Health and Safety matters will reside with the Depute Principal.</p> <p>FS reported that management of the current First Aid provision is being improved with a ‘responsible person’ rota-based service to be implemented. PL suggested that in order to ensure the safety of staff and students during the day and evening, the appointment of professional staff should be considered. The Committee recognised the duty of care involved, for both staff and students, and that the matter should be referred to the Students, Staff and Equalities Committee (SSEC) for further discussion. This was agreed.</p> | |
| Decision/Noted | <ul style="list-style-type: none"> To note the report. To refer discussion on First Aid support to the next meeting of the SSEC. | |

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| Item FPRC3-9 | Financial Plan 2018-19 | |
| Paper No: FPRC3-G | Lead: A Stewart | Action requested: Discussion |
| Discussion/ Matters Arising | <p>AS updated the Committee on the Financial Plan 2018-19.</p> <p>SFC Grant funding is higher than budgeted. Additional costs for increased teacher’s pension rate are anticipated for the first year with future funding</p> | |

yet to be confirmed. In-year redistribution of Student Support Funds equating to £1m has also been announced. Actual costs for staff harmonisation are lower than forecast therefore the relevant SFC grant in aid has also been reduced. Tuition fee income has increased by £73k mainly due to additional commercial activity within the Nautical Faculty.

Discussion followed on the savings gained from pay reductions relating to the recent EIS/FELA strike days. It was agreed this should be used to increase the FE and HE Hardship funds and invest in capital spending.

The Committee raised some concern with regard to the low income received in relation to the various retail outlets. It was noted that various methods to increase retail income are currently being investigated.

Decision/Noted To note the report.

Item FPRC3-10 Non Compliant Spend Update (Quarter 1)

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| Paper No: FPRC3-H | Lead: A Stewart | Action requested: Discussion |
| Decision/Noted | The scale of the non-compliant expenditure in Quarter 1 2018-19 was noted at 9%. The actions required for improvement of the non-compliant spend were also noted. | |

Item FPRC3-11 SFC Grant Announcements

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| Paper No: Verbal | Lead: A Stewart | Action requested: Discussion |
| Discussion/ Matters Arising | As previously mentioned, AS reported on the recent SFC announcement on the in-year redistribution of Student Support Funds for AY 2018-19. The CoGC allocation of £1m was noted. Any surplus will be allocated to FE and HE Hardship Funding. | |
| Decision/Noted | To note the update. | |

Item FPRC3-12 Property Disposals/Development Update

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| Paper No: Verbal | Lead: F Samara | Action requested: Discuss |
| Discussion/ Matters Arising | <p>FS reported on the current status of the property disposals/development.</p> <p>Charles Oakley Building The telecom masts have now been successfully relocated to the COB.</p> <p>North Hanover Street A deposit of £1.5 m has now been received in a joint account following acceptance of the bid for £10.28 m from Vanguard. Due to failure of their original funding source (which has since been resourced), Vanguard are seeking an extension to the agreed completion date. FS suggested that the new entry date of 22 March should be accepted, subject to the following proposals:</p> <ul style="list-style-type: none"> • By way of a forfeit, increase the non-refundable deposit by an additional £1.5m. | |

- Payment of interest (on selling price) at the penal rate from 1-22 March.
- Payment of an additional £50k if the completion date is not achieved.
- Agreement of a backstop to completion of the end of April.

PL agreed that it would be unreasonable for the College now to allow this extension and highlighted that the process of selling was complex.

LW considered that any agreement to these proposals would lead to a variation to the contract and highlighted that any such agreements would need to be legally binding. She further suggested that in addition to the payment of £50k, additional weekly payments of £10k thereafter should be requested until the date of completion. FS further advised that a meeting of Vanguard's shareholders would be held tomorrow to secure backing on these proposals.

A letter from J McCusker, Chair of GCRB to K Watt, SFC was tabled for information, which requested that the COB is not offered for sale, pending agreement of the future curriculum needs of the Region. An additional request that the funds arising from the sale of NHS be made available to the Glasgow College Region to develop its future curriculum and resource plans was also noted.

Decision/Noted

- To agree the proposals for the extended date of entry and backstop to completion.
- To ensure that the proposals are contractual and legally binding.

Item FPRC3-13 Facilities Management Report

Paper No:
FPRC3-I

Lead: F Samara

Action requested: Discuss

Decision/Noted

- To note the comprehensive update report.
- To note the Committee's support for the continuation of the new cycling campus officer post.

Item FPRC3-14 ICT Progress Report

Paper No:
FPRC3-J

Lead: F Samara

Action requested: Discuss

Discussion/
Matters Arising

The IT team re-structure is currently being formalised with the final structure scheduled to be in place by the end of March 2019. Members noted that Cyber Essentials Plus accreditation is scheduled for completion by the end of March 2019.

FS advised that the new IT Director will be in attendance at future meetings.

Decision/Noted

To note the update report.

Item FPRC3-15 Updated Brexit Report

Paper No:
FPRC3-K

Lead: Principal

Action requested: Note

Decision/Noted

To note the content of the report.

| Item FPRC3-16 STPS Pension Update | |
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| Paper No: FPRC3-L | Lead: A Stewart Action requested: Note |
| Discussion/ Matters Arising | Further to earlier discussion, members noted that following the valuation and review of all national unfunded public sector pension schemes, the outcome for the STPS was a substantial increase to the employer contribution (5.2%) and a proposed increase to member benefits. The current assumption is that the Government will fund the additional employer contribution for at least the first financial year. The budget has been updated to reflect the additional cost from April 2019. |
| Decision/Noted | To note the report. |

| Item FPRC3-17 CITB Contract Update | |
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| Paper No: FPRC3-M | Lead: A Stewart Action requested: Note |
| Decision/Noted | To note the current agreement reached with Construction Industry Training Board (CITB) for training on their Modern Apprenticeship programmes. |

| Item FPRC3-18 Credits Delivery Update | |
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| Paper No: FPRC3-N | Lead: A Stewart Action requested: Note |
| Decision/Noted | The College is currently on target to deliver the 2018-19 credit target. |

| Item FPRC3-19 Any Other Notified Business | |
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| Paper No: | Lead: Action requested: |
| Decision/Noted | None. |

| Item FPRC3-20 Disclosability of Papers | |
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| Paper No: | Lead: P Clark Action requested: Note |
| Decision/Noted | It was agreed that the disclosability status of papers as described on respective cover sheets be retained ie Papers FPRC3-A, B, G, H, J, L, M and N were non-disclosable. |

| Item FPRC3-21 Date of Next Meeting | |
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| Paper No: | Lead: Action requested: Note |
| Decision/Noted | Wednesday 22 May 2019 |

The meeting closed at 1910 hours.

ANNEX TO THE MINUTE

ACTION POINTS ARISING FROM THE MEETING

| Item | Description | Owner | Target Date |
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| FPRC3-4 | College Student Accommodation Charges: Provide comparative figures and SAAS information in advance of final approval via email. | AS/PC | ASAP |
| FPRC3-8 | Health & Safety Report: Defer discussion on First Aid Support to SSEC. | FS/PC | SSEC 10 05 19 |
| FPRc3-12 | Property Disposals/Development Update: Ensure agreed proposals are contractual and legally binding. | FS | ASAP |

ACTION POINTS ARISING FROM PREVIOUS MEETINGS

| Item | Description | Owner | Target Date |
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| FPRC2-3 | Matters Arising: clarify excess charge for cases of personal injury and email Committee. | FS | ASAP Complete |
| FPRC2-4 | Annual Report & Accounts 17-18: Provide Faculty breakdown of expenditure in future reports. | ST | Ongoing Complete |
| FPRC2-15 | ICT Progress Report: Provide update on progress towards Cyber Essentials Plus. | ST | On Agenda Complete |
| FPRC1-8 | Property Disposals/Development Update: Provide full Option Appraisal. | FS | On Agenda Complete |
| FPRC2-10 | H&S Report: Check excess charge for cases of personal injury. | FS | ASAP Complete |