PAPER FC4-A

Board of Management

MEETING OF FINANCE COMMITTEE

MINUTE OF THE 3rd MEETING (FC3) HELD ON Wednesday 11 March 2026 AT 1600 HRS ON CITY CAMPUS, ROOM C.06.106

Present	
Chris Deery	Stewart Robison
Laura Heggie (Convener)	
In Attendance	
Andrew Dickson	Laura Shields
Deborah Fagan	Marcus Walker
Roy Gardner	Lauren Webster (Minute)
Apologies for absence	
P Little	

Item FC3-1	Welcome and Apologies	
Paper No: N/A	Lead: Convener	Action requested: Note
	The Committee NOTED apologies from P Little. The Committee NOTED that two Assistant Directors from the Scottish Funding Council, G McBride and L McLeod, would be joining the meeting remotely for Item FC3-4.1.	

Item FC3-2	Declaration of Interest	
Paper No: N/A	Lead: Convener	Action requested: Note
	No declarations were made.	

Item FC3-3.1	Minute of the Development Committee Meeting held on 26 November 2025	
Paper No: FC3-A	Lead: Convener	Action requested: Approve
	The Committee APPROVED the minute of the previous minute and NOTED progress against previous actions.	

Item FC3-3.2	Capital Expenditure Draft Budget 2026-27	
Paper No: FC3-B	Lead: A Dickson/L Shields	Action requested: Approve
	The Committee NOTED the draft Capital Expenditure Budget for 2026-27. The Committee NOTED that the Capital Maintenance budget allocation from the SFC was the same as 2025/26, with £1.97m available to spend in 2026/27, with £984k already committed for the Network and Simulator, leaving £986k to be allocated. The Committee NOTED as part of the budgeting process, Faculties and	

	Directorates were consulted and have submitted details of their anticipated capital expenditure requirements for the period 2026/27 to 2028/29. Faculties and Directorates were asked to prioritise requests (priority 1–3), and these were reviewed with the Executive Leadership Team. The Committee DISCUSSED how criticality was assessed when moving from “wish list” to essential investment, recognising the need for clearer alignment with asset management data. The Convener emphasised the importance of distinguishing non-negotiable requirements from desirable enhancements. The Committee DISCUSSED whether the College had a strategic capital plan to forecast needs over a five-year period. The Chief Financial Officer (CFO) confirmed that this would be addressed through the SFC’s Baseline Infrastructure Strategy, which was expected to conclude in May 2026. The Strategy was expected to provide a long-term basis for future capital funding allocations and replace the more reactive approach used previously. The Committee NOTED the ongoing gap between required asset replacement and available funding. The CFO highlighted that, the SFC followed the basis of allocation capital funding of the Glasgow Colleges Regional Board and recognised the underfunding position but required completion of the baseline work before any adjustments could be made. The Associate Director for Procurement and Asset Management (ADPAM) reported that 75% of overdue assets were IT-related, with £1.2m due for replacement now and a further £1.9m due next year. The Committee NOTED that capital expenditure requirements also included the costs of a new College website. The Committee DISCUSSED the decision-making process for allocation decisions and considered whether existing equipment required new investment proposals. The Committee NOTED that discussions had taken place at the Development Committee on 5 February 2026 relating to the Charles Oakley Building (COB). The CFO informed the Committee that opportunities for the COB, including an advertising wrap of the building's facade, were under consideration to mitigate the financial impact of non-domestic rates liabilities imposed by Glasgow City Council. The Committee AGREED that, in future, consolidated asset condition data, capital priorities, and replacement requirements would be incorporated into a single, coherent overview to support future decision-making. The Committee APPROVED the Capital Expenditure Draft Budget 2026–27.

Item FC3-3.3	**Asset Write Off Report**	
Paper No: FC3-C	Lead: D Fagan	Action requested: Approval
	The Committee NOTED an update on asset management, including the scale of overdue replacements and the volume of legacy IT equipment still	

	in circulation. The ADPAM advised the Committee that several devices were no longer functional or traceable, with five IT assets with a Net Book Value (NBV) below £1k now requiring write-off. The Depute Principal confirmed that all lost or unrepairable devices have been subject to data security checks, and there was no risk of data loss. The Committee DISCUSSED the wider context of asset degradation, the rising cost of hardware, and the College's reliance on equipment beyond its intended lifecycle. The Committee DISCUSSED a proposal for assets within a write-off threshold, whereby assets with an NBV above £10,000 or a total acquisition cost of £100,000, would require Financial Committee approval. The ADPAM confirmed that asset write-offs below this threshold would be approved by the Senior Management Team. The Committee APPROVED the write-off of the identified assets and the introduction of the new approval thresholds. To support effective governance, the Committee AGREED that a Year-End Asset Management Write-off Report should be submitted to the Finance Committee, with a summary report presented to the Audit & Assurance Committee.

G McBride and L McLeod joined the meeting

Item FC3-4.1	**SFC Credit Funding Overview**
Paper No: Verbal	Lead: G McBride/L McLeod Action requested: Discuss
	The Committee welcomed G McBride (Assistant Director of Funding) and L McLeod (Associate Director and Regional College Lead) from the SFC, who attended to provide an overview of the current credit funding model and emerging considerations for future reform. The Committee NOTED that basis on which the SFC allocated funding across the college sector and where potential changes to the funding model were being explored. The Assistant Director highlighted the sector's price group structure and explained that the College's price group profile had remained broadly static over the past 5-years, while the rest of the sector had generally moved towards higher-cost price grouping, widening the funding gap over time. The Committee NOTED that the demographic model for place allocation has not been refreshed since prior to the Covid-19 pandemic, although the SFC recognised that demographic changes had now become material and were likely to prompt a future review. The SFC confirmed that price group relativities had not been reassessed since 2015/16, despite significant shifts in the cost and nature of delivery across the sector. The DISCUSSED the following points with the SFC representatives: • Concerns that some high-cost programmes were incorrectly placed into lower price group categories. • The funding model's failure to reflect real delivery costs, especially in areas like maritime where regulatory and equipment demands

	exceeded current price group assumptions. • The fact that the College's high external fee income, including SAAS, reduced the College's overall SFC funding. • The need to identify short-term adjustments ahead of any wider national review. The Committee NOTED that the potential £70m sector uplift, as outlined in the Scottish Government's Draft Budget 2026/27 may offer an opportunity to address current weaknesses in the funding model. The Convenor thanked both SFC Assistant Directors for joining the Committee and engaging openly with its members. ***G McBride and L McLeod left the meeting*** The Committee DISCUSSED the implications in more depth, including the need to understand whether credits realistically covered delivery costs, the alignment between place allocation and credit funding, and how best to influence the emerging national review. The Committee AGREED to reflect on the funding model individually and return comments/queries to the Associate Director for Governance and Risk (ADGR) for consolidation. The Committee AGREED that the SFC should be invited to the Finance Committee again, at a future date, to continue the discussion around credit pricing.

Item FC3-4.2	**Q2 Year End 2025-26 Financial Position**	
Paper No: FC3-D	Lead: A Dickson	Action requested: Discuss
	The Committee NOTED the Q2 Year End 2025-26 Financial Position and 2026/27 budget scenarios. The Committee NOTED that the Q2 financial position forecasted a deficit of £1.2m, an increase deficit of £0.3m compared to Q1, and an increase deficit of £1m compared to 2025/26 College Budget. The Committee DISCUSSED potential income through the Maritime and Coastguard Agency (MCA), whilst acknowledging that there remained uncertainty around the final conditions attached to any funding. The Committee NOTED its concerns regarding the Q2 deficit position and any associated impact on cash-flow. The CFO confirmed that the College finances remained stable at present, though future risk depended on the outcome of the 2026-27 funding settlement. Further to this, it was NOTED that if the sector's funding settlement remains unchanged, multiple colleges nationally would fall into deficit. The Committee DISCUSSED three future financial scenarios linked to the funding settlement increase (e.g. 3%, 7%, and 9%) to illustrate the scale of potential savings required for 2026–27. The CFO informed the Committee that each of these scenarios had been modelled against projected expenditure levels for the forthcoming year.	

	The Committee NOTED that, at this stage, no savings proposals are sufficiently developed for implementation. The Committee AGREED that the savings line should be removed from the financial forecasting to provide a more transparent view of the true bottom-line impact. The Committee AGREED that the CFO would circulate (via email) an updated financial forecast to its members - following confirmation of the 2026-27 budget allocation on 25 March 2026.

Item FC3-4.3	**Strategic Risk Review**	
Paper No: FC3-E	Lead: M Walker	Action requested: Discuss
	The Committee NOTED the Quarter 3 Strategic Risk Review, which had been undertaken in January 2026. The Committee NOTED that the four risks within the Committee's remit were reviewed and that no changes were proposed to the existing risk scores. The ADGR informed the Committee that based on feedback from the last meeting of the Committee, the descriptor for SR19 (Failure to Achieve Operating Surplus) had been updated to include direct reference to cashflow. The Committee DISCUSSED SR21 (Failure to obtain funds from the Foundation for the College's priorities) and AGREED that, following the £1.3m drawdown for capital activities and with only a small balance remaining, the risk is no longer strategically material and should be removed from the Register. The Committee NOTED the development of Board and Committee-level risk heatmaps by the ADGR, in response to a previous request from its members. The ADGR informed the Committee that these heatmaps would be incorporated into future risk reporting. The Committee DISCUSSED the College's wider risk management and assurance framework and welcomed an update from the ADGR on proposed developments. The ADGR confirmed that updates to the Risk Management Policy and Procedure are underway and would be taken to SMT and Audit & Assurance Committee - for approval. The Committee NOTED that additional work may be required to strengthen risk oversight and that this may form the basis of a short-life working group to take forward specific improvements.	

Item FC3-5.1	**Scottish Funding Council Grant Announcements**	
Paper No: FC3-F	Lead: A Dickson	Action requested: Note
	The Committee NOTED agenda time FC3-5.1 Scottish Funding Council Grant Announcements.	

	The Committee DISCUSSED the potential to develop an on-the-spot funding pitch, outlining how the College would present its case if offered immediate investment.

Item FC3-5.2	**IT Network Refresh Business Case Update**	
Paper No: FC3-G	Lead: A Dickson/S Renton	Action requested: Note
	The Committee NOTED agenda time FC3-5.2 IT Network Refresh Business Case Update.	

Item FC3-5.3	**Q2 Non-Compliant Spend Report 2025-26**	
Paper No: FC3-H	Lead: D Fagan	Action requested: Note
	The Committee NOTED agenda time FC3-5.3 Q2 Non-Compliant Spend Report 2025-26.	

Item FC3-5.4	**Q2 Treasury Management Report 2025-26**	
Paper No: FC3-I	Lead: A Dickson/L Shields	Action requested: Note
	The Committee NOTED agenda time FC3-5.4 Q2 Treasury Management Report 2025-26.	

Item FC3-5.5	**Credits Delivery Update**	
Paper No: FC3-J	Lead: M Green	Action requested: Note
	The Committee NOTED agenda time FC3-5.5 Credits Delivery Update.	

Item FC3-6	**Any Other Notified Business**	
Paper No:	Lead: Convener	Action requested: Note
	The Committee NOTED that the vacant Vice Convenor role could not be filled due to all members having current chairing / vice chairing responsibilities. The Convenor advised the Committee that the Vice Convenor vacancy would remain under review.	

Item FC3-7	**Review of Meeting**	
Paper No:	Lead: Convener	Action requested: Note
	The Committee NOTED that the meeting had been productive and provided members with a greater understanding of the College's financial standing and the challenges the sector faced.	

Item FC3-8	**Disclosability of Papers**	
Paper No:	Lead: M Walker	Action requested: Note
	The Committee NOTED disclosablility status of all papers be retained as tabled.	

Item FC3-9	**Date of Next Meeting**	
Paper No:	Lead: Convener	Action requested: Note

The Committee NOTED that its next meeting would be held on Wednesday 3 June 2026.

Meeting Closes 18:05

ACTIONS FROM MEETING

Item	Description	Owner	Progress Update
FC3-3.2 11 03 26	**Capital Expenditure Budget:** The Committee agreed to consolidate asset condition data, capital priorities, and replacement requirements into a single, coherent overview to support future decision-making.	CFO	**In-Progress.** On agenda for September 2026 meeting.
FC3-4.1 11 03 26	**SFC Credit Funding Overview:** Committee members are to review the funding model individually simplify and deepen understanding and return comments/queries to Associate Director for Governance and Risk for consolidation.	All/ADGR	**In-Progress.** No further feedback received.
FC3-4.1 11 03 26	**SFC Credit Funding Overview:** A follow up session with SFC to be arranged once members have reviewed the documentation and the 25 March funding allocations have been published.	CFO	**In-Progress.** Follow-up session date to be considered.
FC3-4.2 11 03 26	**Q2 Year End:** The savings line of the Q2 report to be removed from Committee forecasting to provide a more transparent view of the true bottom-line impact.	CFO	**Complete.** Q3 Year End 2025-26 Financial Position updated.
FC3-4.2 11 03 26	**Q2 Year End:** An updated, redrafted forecasts to the Committee once the 2026-27 budget allocation is confirmed on the 25th March.	CFO	**Complete.** Budget presented for approval.