Board of Management
Finance Committee

Date of Meeting	**Wednesday 16 September 2026**
Paper No.	**FC1-B**
Agenda Item	**2.2**
Subject of Paper	**Finance Committee Annual Report 2025-26**
FOISA Status	**Disclosable**
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Date of production	**07 September 2026**
Action	**For Decision**

1. Recommendations

1.1. The Committee is invited:

- To approve the Finance Committee Annual Report for 2025/26.
- To note the assurance provided by the Committee regarding the effective discharge of its delegated responsibilities during the academic year.

2. Purpose

2.1. The purpose of this paper is to present the Finance Committee Annual Report 2025-26 for approval by the Committee prior to submission to the Board of Management. The report summarises the Committee's activities during the academic year and provides assurance that it has effectively discharged its delegated responsibilities in relation to: Financial sustainability and financial oversight; Treasury management; Budget setting and financial forecasting; Procurement and asset management; Capital investment planning; and Strategic risks within the Committee's remit.

3. Consultation

3.1. The report has been prepared by the Associate Director of Governance & Risk in consultation with the Convener of the Finance Committee and reflects matters considered by the Committee throughout academic year 2025-26.

3.2. The report draws upon Committee reports, minutes, and assurance activities undertaken during the year.

4. Key Insights

4.1. The attached annual report provides a summary of the work undertaken by the Finance Committee during academic year 2025-26 and supports the Board's annual review of committee effectiveness and governance arrangements.

4.2. In accordance with its Terms of Reference, the Committee maintained oversight of the College's financial management, treasury management, procurement and asset management functions throughout the year.

4.3. During 2025-26, the Committee maintained scrutiny of financial performance, budgets, financial forecasting, liquidity, treasury management and long-term financial sustainability.

4.4. The Committee approved the Draft College Budget 2026-27, reviewed five-year financial projections and considered the impacts of wider financial pressures across the Scottish college sector.

4.5. Members devoted significant attention to understanding the Scottish Funding Council funding model and welcomed direct engagement with SFC representatives regarding future funding reform and the College's relative funding position.

4.6. The Committee approved the Procurement Strategy 2026-2030, Annual Procurement Report 2024-25, revised Financial Regulations, revised Fraud Prevention Policy and the Capital Expenditure Budget 2026-27.

4.7. The Committee maintained oversight of strategic risks relating to operating surplus, funding sustainability and capital investment and supported enhancements to strategic risk reporting throughout the year.

5. Impact and Implications

5.1. The annual report provides assurance to the Board regarding the discharge of the Committee's responsibilities under its Terms of Reference and demonstrates the effectiveness of the College's financial oversight, procurement, treasury management, asset management and risk management arrangements.

6. Appendices

Appendix 1: Finance Committee Annual Report for 2025/26

APPENDIX 1

Finance Committee Annual Report 2025-26

Introduction

1. The Finance Committee is responsible for overseeing the College's financial management, treasury management, procurement, estate and asset management arrangements and for providing assurance to the Board of Management that appropriate budgets, controls, plans and strategies are in place to support financial stability and long-term sustainability. The Committee also reviews those strategic risks that fall within its remit and makes recommendations to the Board of Management where appropriate.

2. The Committee was convened by Laura Heggie and its membership consisted of Chris Deery, Paul Little and Stewart Robison. During the academic year, four meetings were held and members received reports and presentations from the Chief Financial Officer (CFO), Director of Finance, Associate Director of Governance & Risk, Associate Director of Procurement, and other senior staff.

3. A summary of the Committee's key activities and achievements is provided below.

Financial Sustainability

4. Financial sustainability remained the Committee's principal area of focus throughout the year. Members received regular updates on the College's financial performance, reviewed quarterly forecasts and scrutinised financial assumptions, risks and corrective actions. Particular attention was given to funding pressures, workforce costs, inflation and medium-term financial sustainability.

5. The Committee considered the College's position within the context of increasing financial pressures across the Scottish college sector and welcomed improvements in financial forecasting and planning arrangements. Members also strengthened their oversight of liquidity and treasury management through enhanced cashflow reporting and monitoring.

6. Members noted increasing financial pressures across the college sector and maintained close scrutiny of cashflow, liquidity, financial scenarios and efficiency measures to ensure financial plans remained realistic and deliverable.

7. The Committee approved the College Course Fees framework for 2026-27 and, in June 2026, endorsed the Draft College Budget 2026-27 for recommendation to the Board of Management.

8. The Committee also reviewed five-year financial projections throughout the year, challenging assumptions and considering the actions required to support long-term sustainability. The Committee welcomed continued improvements in financial forecasting and monitoring arrangements, which supported more informed discussion and challenge throughout the year.

Funding Environment

9. The Committee devoted significant attention to understanding the Scottish Funding Council (SFC) funding model and its implications for the College. Members expressed concern regarding the College's relative funding position and the sustainability of current arrangements.

10. At the Committee's request, representatives of the SFC attended a dedicated session in March 2026 to discuss credit funding, price group allocations, demographic assumptions and future reforms. Members welcomed the opportunity to engage directly with the SFC and recognised the importance of influencing future funding model developments.

11. Members discussed concerns that aspects of the current funding model did not fully reflect the College's curriculum profile and delivery costs. Particular attention was given to credit pricing, subject cost groupings, demographic allocations and the impact of the funding model on the College's relative funding position within the sector.

12. The Committee welcomed indications that the SFC intended to undertake a wider review of the funding model and recognised the importance of continued engagement to ensure the College's interests were appropriately represented throughout that process.

Capital Investment and Asset Management

13. The Committee approved the Capital Expenditure Budget for 2026-27 and maintained close oversight of the College's capital investment programme throughout the year. Members noted the significant gap between asset replacement requirements and available funding and recognised the diminishing availability of Foundation resources to support future capital investment.

14. Members also considered the longer-term condition and replacement requirements of the College's assets, particularly digital and IT infrastructure. The Committee recognised that future capital investment decisions would require increasing prioritisation due to the disparity between replacement needs and available funding.

15. The Committee approved revised asset write-off arrangements and welcomed improvements in asset management controls and reporting.

16. Members also welcomed plans to further strengthen asset planning and reporting through improved integration of asset condition information, replacement schedules and capital investment priorities.

Procurement, Governance, and Control

17. The Committee approved the Annual Procurement Report 2024-25 and welcomed continued strong procurement performance, including retention of Gold Procurement Status and high levels of procurement compliance.

18. In June 2026, the Committee approved the Procurement Strategy 2026-2030, recognising procurement's contribution to financial sustainability, regional economic development, student experience and sustainability objectives.

19. Members welcomed the Strategy's emphasis on community wealth building, sustainability, SME engagement and Student Added Value. The Committee recognised the increasingly strategic role of procurement in supporting organisational resilience, environmental sustainability, and wider economic impact across the Glasgow City Region.

20. Members approved revised Financial Regulations and a revised Fraud Prevention Policy. These reviews strengthened the College's control framework through enhanced procurement, treasury management, fraud prevention, asset management and governance arrangements, while aligning key controls with updated organisational structures and regulatory requirements.

21. The Committee additionally approved Student Accommodation Charges and the revised Refund of Course Fees Policy.

Joint Audit & Finance Committee

22. Members participated in the annual Joint Audit & Finance Committee meeting held in November 2025 to consider the Draft Annual Report and Accounts 2024-25. Following discussion of the College's financial performance, liquidity, financial planning assumptions and strategic risks, the Joint Committee recommended the Annual Report and Accounts to the Board of Management for approval.

23. The Joint Committee also highlighted the importance of continuing to monitor liquidity and cashflow risks and agreed that these matters should remain a particular focus for both management and the Board.

Risk Management

24. The Committee regularly reviewed strategic risks within its remit.

- **SR19 – Failure to Achieve Operating Surplus:** The Committee maintained close oversight of financial performance, forecasts and cashflow arrangements throughout the year and increased the net probability score to reflect the emerging financial outlook.
- **SR23 – Funding to Secure a Sustainable Model/Level of Funding:** This remained one of the College's highest-rated risks throughout the year and reflected continuing concerns regarding the College's relative funding position and the sustainability of the current funding model.
- **SR24 – Failure to Secure Sufficient Capital Investment:** This risk remained high throughout the year and reflected the ongoing disparity between available capital funding and the College's capital investment requirements.

25. The Committee welcomed ongoing work to strengthen strategic risk reporting, helping members better understand the relationship between strategic risks, performance and the College's long-term objectives.

Committee Effectiveness

26. The Committee reviewed its Terms of Reference, Schedule of Business and performance measures during the year to ensure they remained aligned to the Board's priorities, strategic risks and assurance requirements. Members also considered the effectiveness of performance reporting and concluded that future development should place greater emphasis on strategic objectives and outcomes.

27. The Committee further considered opportunities to strengthen governance arrangements, future business planning and the operation of the annual Joint Audit & Finance Committee meeting.

Members' Attendance

28. The attendance of members of the Committee for this academic session, and the previous four academic years, is as follows:

Year	No. of Meetings	Possible Attendances	Actual Attendances	Percentage Attendance
2021-22	5	28	22	79%
2022-23	4	20	16	80%
2023-24	4	20	14	70%
2024-25	4	20	15	75%
2025-26	4	16	14	88%

Conclusion

29. The Finance Committee operated during a period of significant financial challenge for both the College and the wider sector. Through its oversight of financial performance, strategic risks, funding reform, procurement and capital investment, the Committee provided assurance to the Board of Management and supported the College's focus on long-term financial sustainability and organisational resilience.