Glasgow Kelvin College

Board of Management

Finance and Resources Committee

Draft Minute

Minute of the meeting of the Finance and Resources Committee held on 16 February 2021 at 5pm via Microsoft Teams

1. Sederunt

L Birch (Chair);
R Doyle (Vice Chair);
D Smeall (Principal);
I Patrick;
M Razaq;
M Allison;
H McNeil;
S Birrell

In Attendance:

J Evans (Vice Principal);
L Clark (Director of Corporate Services);
D Shiels (Director of Human Resources);
A Carr (Head of Finance);
D Wilson (Clerk to the Board): and
M Connelly (Senior Committee Coordinator) for recording purposes

2. Apologies

No apologies were received.

3. Declaration of Interest

I Patrick declared an interest as he is a Member of the Board of the Glasgow Kelvin Learning Foundation in relation to Item 6.

4. Minute of Previous Meeting held on 24 November 2021

The minute was approved as an accurate record of the meeting held on 24 November 2020.

5. Matters arising from the minute of the previous meeting held on 24 November 2020

There were no matters arising from the meeting held on 24 November 2020.

6. Finance Report – Not In The Public Domain

A report was submitted by the Vice Principal Operations and the Head of Finance for noting, detailing a comprehensive finance update at the end of January 2021, highlighting that

1) the Quarter 2 Forecasting Section 3 presents a breakeven Adjusted Operating Result (AOR), as Quarter 1. However, this Forecast reflects a significant improvement on Quarter 1 as this position includes: an increase of £588k in Voluntary Severance costs, effectively now providing for the maximum payment of 12 months; a £50k provision for ICT costs and a £100k provision to support delivery of the Transformation & Renewal Plan;

2) the Management Accounts at 31 December 2020 present the detailed income and expenditure for the first 5 months of the financial year. The Accounts show a year to date (YTD) AOR of £265k against a Quarter 1 Forecast YTD of £93k – an improved position of £172k. This positive position has allowed the inclusion of the additional costs in the Quarter 2 Forecast, while still achieving the breakeven AOR;

3) the Bad Debt Provision (BDP) expenditure line was increased from the Budget figure of £12k to £120k at the Quarter 1 Forecast to take account of the increased payment risks arising as a result of Covid 19. Although there has been an increase in Prior Year Debt compared to this time last year, the Quarter 2 Forecast remains £120k and the position continues to be closely monitored;

4) Student Funds for the year totalled £6,604k, including funds brought forward. At 25 January 2021 £5,293k was spent or committed, with £1,311k available for allocation during the remainder of the year. To date 685 awards have been provided from the Support Funds. As well as the usual awards for Childcare, General Hardship, approximately, 200 students were awarded financial support from the Support Funds for the cost of a laptop; and

5) the Cash Flow Forecast to 31 July 2021 was submitted to the Scottish Funding Council (SFC) on 15 January and does not reflect all of the expenditure now built into the Quarter 2 Forecast. This will be reflected in the February Cash Flow submission and will reduce the projected Cash balance at 31 July accordingly.

The Vice Principal Operations provided clarification to members on two matters outstanding from the Financial Awareness Training which took place on 9 February 2021, confirming:

I. the college is a Public Body or General Public Body as per the Office for National Statistics (ONS) rules; and

II. the Strathclyde Pension Fund is an invested fund, while the Teachers' pension fund is funded by the contributions of working members topped up by Central Government as required.

Members discussed at length the work done by the college to receive the Lennartz Income refund and how it may be spent. The Principal gave reassurance to members regarding previous discussions with the Arm's Length Foundation highlighting the College's clear intention to rebuild the fund in the future.

Following discussion, Members of the Finance and Resources Committee agreed to:

a) note the contents of this report and the financial performance of the College for the five months to 31 December 2020;

b) note that the College currently believes it is on track to operate within the Quarter 2 Forecast as presented; and

c) note that only Lennartz income actually received has been built into the Quarter 2 Forecast and that the Members will be notified at future meetings should additional funds be received by the College.

7. Capital Expenditure and Sustainability Update

A report was submitted by the Director of Corporate Services for noting, updating the Committee in relation to Estates Capital Planning/Expenditure for 2020/21 and sustainability matters, highlighting that:

1) the total capital allocation for Very High Priority Maintenance (£500,000) and High Priority Backlog Maintenance (£103,767) is £603,767. The Capital Report at Appendix 1 details the projects related to this allocation, with images at Appendix 2. The College is currently on track to meet the deadline for this expenditure of 31 March 2021;

2) Capital funds received have been allocated to essential items in line with the College Sector Estates Condition Survey document produced by Gardiner & Theobald on behalf of the SFC. The Capital Report at Appendix 1 is routinely submitted to Glasgow Colleges Regional Board (GCRB), to provide detail and a progress update in relation to this allocation;

3) the sustainability update report provided information on a number key achievements:

- the annual Public Sector Climate Change Duties Report was completed and submitted by the deadline of 31 November 2020 - a link to the full report was provided. Since completion of the first Public Sector Climate Change Duties Report in 2014/15, the College has reduced its annual carbon emissions by 55% to 1,462 tonnes in session 2019/20;
- following an in-depth review, Cycle Friendly Scotland have awarded the West End Campus "Cycling Friendly Status with Distinction." In addition, the Springburn Campus has recently re-applied to be Cycle Friendly Campus and has also been awarded this with Distinction;
- the Regional Environmental Sustainability Manager has now been appointed with an expected start date of 1 April 2021;
- the installation of LED lighting in stairwells and main public areas in Springburn Campus has commenced and New eco-friendly boilers have been installed in the West End Campus. Now all campuses (apart from Springburn) are fitted with these energy efficient boilers. Both initiatives will greatly assist with energy reductions/cost savings and will further reduce carbon emissions; and
- the Green Gown Awards 2021 have recently opened and the College is currently working on a submission to these prestigious awards.

Following discussion, Members of the Finance and Resources Committee agreed to:

a) note the content of this report and its appendices;

b) note the detail of Public Sector Climate Change Duties Report and the positive outcomes presented within it; and

c) note the key role of the Director of Corporate Services in securing funding for the Regional Environmental Sustainability Manager as well as supporting the recruitment of the position and planned future involvement with this role.

8. Human Resources Update

A report was submitted by the Director of Human Resources for noting, updating the Committee on HR matters, highlighting that:

1) the College received a 'Notice of Statutory Ballot for Action' on 26 January 2020. Colleges Scotland wrote to the EIS seeking to challenge its summary of the trade dispute as they considered that it misrepresented the extent of the issues that remain unresolved, however the EIS disagreed. The EIS have issued notice that it intends to hold a statutory ballot on industrial action regarding the dispute and the ballot will open on 05 February 2021;

2) the pay settlement for Support Staff remains unresolved at the date of issuing papers;

3) lecturing staff at Glasgow Kelvin College are part of the first group of lecturing staff who are required to register with the General Teaching Council for Scotland (GTCS) as identified by the College Lecturers' Registration Working Group. Progress to date includes: joint delivery of two sessions which provided an introduction to GTCS registration to teaching staff - 89% of teaching staff participated; sessions for promoted teaching staff and line managers in their role as a reviewer have been scheduled throughout February 2021, together with a number of other initiatives to support this registration Pilot;

4) in comparing the absence statistics for 01 August 2020 to 31 October 2020 (Quarter 1) to the previous session for the same period, the total absence percentage has decreased by 2%, from 4.7% to 2.7%;

5) the National Living Wage has increased from £8.72 to £8.91 and it has been extended so that it will apply to 23 and 24-year olds for the first time. This and any other statutory increases required within the College will be applied; and

6) the Restriction of Public Sector Exit Payments Regulations 2020 brought into force the £95,000 cap on public sector exit payments that had been expected for some time. The College adheres to the Scottish Funding Council, Guidance on seeking approval for severance schemes and settlement agreements, which currently applies a £95,000 cap on exit payments.

Following discussion, Members of the Finance and Resources Committee agreed to:

a) note the content of this report; and

b) note the actions planned or taken by the College to ensure compliance with pending changes to the legislation for April 2021.

9. Annual Procurement Report 2019-20

A report was submitted by the Vice Principal Operations and the Procurement Manager, for noting, providing the Committee with Glasgow Kelvin College's Annual Procurement Report, covering the period from 1 August 2019 to 31 July 2020 for noting - attached at Appendix 1.

The following matters were highlighted:

1) Advance Procurement in Universities and Colleges (APUC) provides a regional procurement shared service to the three Glasgow Colleges whereby they employ qualified procurement staff who are placed in each College. This arrangement ensures appropriate professional supervision and that regional collaborative procurement can take place. It also helps avoid duplication and contributes to the work of the Glasgow Colleges Group and GCRB;

2) One of the requirements of the Procurement Reform (Scotland) Act 2014 is that all public bodies publish a detailed report on procurement activity. The Annual Procurement Report has been prepared by APUC staff and outlines the main procurement activity and plans at the College. It also confirms that the College is fully compliant with the requirements of the Act; and

3) the College's most recent Scottish Government Procurement and Commercial Improvement Programme (PCIP) was conducted in 2019. Due to the value of College expenditure it was subject to a "lite" assessment. Glasgow Kelvin College achieved a score of 87% and a banding of Gold. This scoring demonstrated excellent performance across the core assessment areas and contract compliance is increasing year on year.

Following discussion, Members of the Finance and Resources Committee agreed to:

a) note the content of this report;

b) note that in future years the report would include comparison metrics;

c) note that Community Benefits are sought wherever reasonable from every procurement exercise, not just those above the legal requirement; and

d) note that the College will concentrate on the critical areas for continual annual review, with a particular focus on a more formal and consistent approach to Contractor Performance Management.

10. Public Sector Equality Duty Report

A report was submitted by the Director of Human Resources for endorsement. The College has a statutory responsibility to publish by the 30 April 2021 documents, which include: a mainstreaming Report, including staffing data; Equality Outcomes and Action Plan; Pay Gap Information and Equal Pay Statement. Members were made aware that the College is required to report on its pay gap for gender, race, and disability every four years in line with the Regulations and gender every two years.

The purpose of this paper is to inform the Finance and Resources Committee of the main areas which demonstrate that the College has made progress towards meeting its statutory obligations and the areas where further work is required.

The following highlights were brought to the attention of the Committee:

1) the College took the decision due to the overlap in reporting data that it would produce one report containing three of the four reporting areas. A link was provided to the full Public Sector Equality Duty Report 2021 (PSED), which covers: Mainstreaming, including staffing data; Pay Gap Information (gender, race and disability); and the Equal Pay Statement;

2) highlights relating to Staffing Data at 1 April 2020 and Pay Gap information was summarised from the main PSED report and presented in the covering paper;

3) a report on progress against the Board's Equality Outcomes, the Equality Outcomes (EO) Progress Report, 2017 – 21 and new Equality Outcomes, 2021 – 2025 will be published separately and a link was provided to the full Progress Report;

4) the EO Progress Report 2017-21 highlights the progress in meeting the Outcomes. It demonstrates where an outcome has been fully met as evidenced in the PSED Report 2021. It identifies areas where Equality Outcomes have not yet been fully met and how these will be progressed as part of the College's new Outcomes over the next four years. This is in line with the requirements of the specific duties, as outlined in the Equality Act 2010; and

5) the majority of the planned Equality Outcome actions have been completed. The outstanding actions and the evidence gathered during consultation and involvement processes, and available data have informed the development of the new set of proposed Equality Outcomes for 2021-2025, which were presented.

Members discussed at length the progress. Members asked D Shiels to revise the wording in relation to ethnicity representation and the date of the Board Vice Chair appointment, to clarify the information presented in the report.

Matters Arising 10

Following discussion, Members of the Finance and Resources Committee agreed to:

a) note the content of this report;

b) endorse the PSED Report 2021, the Equality Outcomes Progress Report 2017-21, and the new Equality Outcomes 2021-25;

c) request that the Director of Human Resources present the PSED Report 2021, the EO Progress Report 2017-21 and the new Equality Outcomes 2021-25 to the Board of Management at the scheduled meeting 01 March 2021 for approval;

d) note that the new Equality Outcomes and its associated Action Plan will be presented at the Board of Management, 01 March 2021; and

e) note the detail and volume of work contained within the PSED report.

11. Correspondence

a) Colleges Scotland – Scottish Draft Budget 2021/22 Analysis

Members noted the content of the correspondence.

b) Colleges Scotland - Parliamentary Briefing EIS/FELA Dispute

Members noted the content of the correspondence.

c) Letter from the Minister for Business, Fair Work and Skills

Members noted the content of the correspondence.

12. Equality Management

There were no equality issues highlighted.

13. Risk Management

There were no risk management issues highlighted.

14. Data Protection

There were no data protection issues highlighted.

15. AOCB

The Chair noted that she was very happy with the new format of the papers and reports and thanked the staff for their preparation.

The Chair then thanked members for their attendance, contribution, and questions. The meeting closed at 6pm

Date of Next Meeting

5pm on Tuesday 11 May 2021

Finance and Resources Committee – Matters Arising Meeting 16 February 2021			
Agenda Item No.	**Agenda Description**	**Matter Arising**	**Responsible**
10	Public Sector Equality Duty Report	It was noted that discussions relating to: • the ethnicity wording: and • the dates of appointment to the Board on the paper required revised for clarity. Please refer to Agenda Item 10	D Shiels