

## Board Meeting

Date of Meeting	Monday 18 December 2017
Paper Title	Performance and Resources Committee Annual Report
Agenda Item	11
Paper Number	BM3-P
Responsible Officer	Robin Ashton, GCRB Executive Director
Status	Disclosable
Action	For Information

### 1. Report Purpose

- 1.1. Consider the contents of the Performance and Resources Committee's annual report to the Board of GCRB.

### 2. Recommendations

- 2.1. The Board is invited to **note** the draft annual report of the Performance and Resources Committee.

### 3. Background

- 3.1. This report seeks to provide the Board of Management with an overview of the work of its Performance and Resources Committee for the period November 2016 to November 2017.
- 3.2. It is recognised good practice for committees to produce annual reports to their boards that summarise the main issues addressed by the committee. This report outlines the key areas of work undertaken by the Committee during the year and sets out priorities for the year ahead.

### 4. Meetings of the Performance and Resources Committee

- 4.1. During the period from November 2016 to November 2017 the committee met on:
- 09 December 2016
  - 06 February 2017
  - 13 March 2017
  - 2 May 2017
  - 16 June 2017; and
  - 09 October 2017
- 4.2. The minutes of Performance and Resources Committee meetings are routinely made available to the Board of Management for information and are included as a standing item on the Board's agenda. This provides the Chair, and other members of the

Performance and Resources Committee, with the opportunity to raise any matters of concern at a full Board meeting.

**4.3.** The agenda, papers and minutes of meetings are also available on the GCRB website.

**4.4.** In compliance with the Board's risk management procedures, the Performance and Resources Committee also had an opportunity to identify and discuss any new risk management issues which were consequential to its discussions at each meeting.

## **5. Remit of the Committee**

**5.1.** The Committee's terms of reference set out three main areas of responsibility:

- Finance;
- Performance; and
- Projects.

## **6. Committee Composition**

**6.1.** Frank Coton has chaired the Committee since May 2016.

**6.2.** Other GCRB Board members who are currently members of the Committee are:

- Carol Kirk;
- Caroline MacDonald;
- Jim O'Donovan;
- Paul Buchanan;
- Megan Cartwright; and
- Alastair Milloy

**6.3.** Board members who have been members of the Committee in the past are:

- Amparo Fortuny

**6.4.** Other board members who have attended as observers to this Committee are:

- Margaret Cook (Chair); and
- Grahame Smith (Interim Chair)

**6.5.** Members of staff (GCRB and college) who have attended this Committee are:

- Robin Ashton (GCRB Executive Director);
- Jim Godfrey (Interim GCRB Finance and Resources Director);
- Wendy Odedina (GCRB Executive Assistant);
- Penny Davis (GCRB Board Secretary);
- Alan Sherry (Principal, Glasgow Kelvin College);
- Alan Inglis (Vice Principal, Glasgow Kelvin College);
- James Gow (Vice Principal, Glasgow Kelvin College);
- Jon Vincent (Principal, Glasgow Clyde College);
- Brian Hughes (Acting Principal, Glasgow Clyde College);
- Eleanor Harris (Depute Principal, Glasgow Clyde College);
- Janet Thomson (Vice Principal Finance, Glasgow Clyde College);

- Janis Carson, (Depute Principal, City of Glasgow College);
- Joanna McGilivray, Vice Principal, City of Glasgow College);
- Stuart Thomson (Vice Principal, City of Glasgow College);

**6.6** External stakeholders who have attended this Committee are:

- Kevin Webster, Project Manager, Hardies
- Craig Gilmour, Project Manager, Hardies
- John Hetherington, Project Manager, Mott MacDonald

## **7. Work of the Committee, November 2016 to November 2017**

**7.1.** The sections below provide an overview of the main activities carried out by the Performance and Resources Committee during the previous year with respect to its areas of key responsibility as set out within its terms of reference.

### ***Finance***

**7.2.** The Committee has received regular Glasgow regional financial reports showing the combined financial forecast returns to the SFC for each of the three assigned colleges. Stemming from these reports, discussion have taken place on the issues of: implications of the Curriculum and Estates review; financial sustainability of the colleges; the withdrawal of ESF funding; and the new build unitary charge for City of Glasgow College.

Issues of consistency and different reporting practices across the 3 colleges were discussed and the Committee has requested that this be addressed moving forward in order to provide increased assurance, particularly when considering risk.

**7.3.** At each meeting of the Committee, members received an update on the running costs of the GCRB. The Committee monitored spend on an ongoing basis and considered the planned budget for the following year. The Committee also discussed GCRB becoming a fundable body and considered possible costs that may arise as a result of functions moving to GCRB from SFC.

**7.4.** The Committee reviewed the GCRB Annual Report and Accounts for 2015-16 and agreed from a finance perspective to advise the board that there were no matters that prevent the accounts being approved.

**7.5.** As part of work to achieve fully-operational fundable body status the Committee reviewed draft financial procedures manual and recommended these to the Board for approval. The committee also considered governance issues related to arrangements for SFC administering the GCRB bank account and raised these to the attention of the Board. At a later meeting, the Committee then reviewed a Service Agreement with the Scottish Funding Council and agreed to recommend it for approval by Board.

**7.6.** The committee considered a proposed funding allocation framework to underpin Indicative Assigned College Funding Allocations for the 2017-18 ROA. The Committee agreed to recommend to the GCRB Board the indicative funding allocations for core teaching grant, European Social Funds, and student support funding for the assigned colleges for 2017-18 as per the funding allocation framework detailed in the paper. The Committee also agreed that GCRB and college management should continue to further

develop regional funding approaches for future allocations, including strengthening the alignment of funding to regional strategic goals and outcomes.

- 7.7.** The Committee considered and agreed to recommend a draft appeals procedure in relation to the allocation of funding to the assigned colleges by GCRB to the Board for approval.
- 7.8.** Due to Additional Grants being provided for ESOL funding, Flexible Workforce Development Funding and additional childcare, the Committee recommended further college funding allocations to the Board and requested that the GCRB executive engage with Scottish Funding Council and Scottish Government representatives to mitigate risks to regional funding levels.
- 7.9.** The Committee considered the implications on long term financial planning of collated college financial forecast information, discussed the significant challenges that face the region financially and noted that lobbying should be undertaken, backed-up by robust evidence, to make the case for appropriate levels of funding in Glasgow.

### ***Performance***

- 7.10.** A main focus of the Committee has been to review, monitor and develop the Regional Outcome Agreement (ROA). This takes place through three reports which present:
- an evaluation of the previous academic year's ROA;
  - the in-year monitoring and progress report for the current year's ROA; and
  - the development of the next year's ROA.
- 7.11.** Members scrutinised priority outcomes, key outputs and the achievement of targets within the ROA. They monitored actions being taken to address any issues and assessed the risk of not achieving these. They oversaw timelines and discussed stakeholder engagement. The Committee reviewed an SFC Long Term Activity Plan and agreed that based on concerns regarding the indicative credit targets for Glasgow that a paper should be prepared on this for full Board discussion.
- 7.12.** The Committee discussed SIMD10 targets in depth and agreed that there should be a balance between setting realistic but challenging targets. The Committee acknowledged that there are no 'quick fixes' that can be taken to increase levels of participation from SIMD10 areas and agreed that it was more beneficial to do solid ground work which would will have a longer term effect. The Committee agreed to recommend to the Board the submission of the college access and inclusion strategies to the SFC.
- 7.13.** The committee monitored the implementation of the Scottish Government's initiative for the expansion of early learning and childcare and the impact of this on curriculum planning in Glasgow.
- 7.14.** The Committee discussed the proposed new College Quality Arrangements for 2016-17 and noted the progress made in developing the arrangements to reflect the role of GCRB and the SFC within the Glasgow College Region structure.
- 7.15.** The Committee received various external reports on the college sector as a whole including the SFC college leaver destinations report and the 2015-16 national

performance indicator report. They considered the performance of Glasgow's colleges in comparison to national averages and discussed how best to use the data to inform future planning.

### **Projects**

- 7.16.** Progress reports on GCRB becoming a fully operational fundable body were considered by the Committee at several meetings. This included discussions on timescale, achievement of actions on the SFC's checklist, the potential role of the committee in any monitoring arrangements and transition planning.
- 7.17.** The Committee monitored the implementation of capital projects funded by additional in-year capital maintenance funding provided in 2016-17. In order to mitigate risks to delivery, the Committee received regular professional project management reports.
- 7.18.** City of Glasgow College provided the Committee with a briefing on their NPD Contract in relation to its new campuses. The presentation outlined the financial obligations and the elements of the contract that are covered under the unitary charge repayment.
- 7.19.** The Committee considered a draft Capital Funding Policy 2017-18 which had been prepared in consultation with the assigned colleges. The Committee provided comments on the strategic priorities, aims and underlying principles and agreed the set of priorities for capital funding to be provided to the Board, which were then be used as the criteria to assess requests for capital funds. The Committee recommended to the Board that it gave delegated authority to this Committee to approve capital funding proposals for 2017-18. A further meeting of this Committee was arranged to consider capital funding proposals for 2017-18. The Committee also recommended to the Board that strategies for ICT and estates are developed for the region based upon an objective assessment of need, to be used to inform capital funding from 2018-19 onwards.

## **8. Committee Governance**

**8.1.** In line with standard governance practice, the Committee has:

- Approved minutes of its previous meetings;
- Updated and reviewed its long term agenda plan;
- Reviewed its terms of reference;
- Completed an annual review of effectiveness of the Committee;
- Completed an annual review of the effectiveness of the Committee Chair.

## **9. Priority issues for 2017/18**

**9.1.** The Performance and Resources Committee has established a number of priorities issues and areas of work the remainder of 2017/18. These include:

- Consideration of GCRB financial statements 2016/17 for recommendation to the Board and updates on progress towards consolidated annual accounts for 2017/18;
- Monitoring of GCRB and Glasgow region financial data and projections and reporting on any risk to the Board;
- The development of regional strategies for Finance, Estates and ICT;

- Monitoring of 17/18 ROA progress and targets;
- Development and agreement of 18/19 ROA targets and associated funding, including planning for withdrawal of ESF funding, increases in additional childcare activity and delivery of ESOL provision across Community Planning Partnerships.
- The specification and development of a regional approach to student data management and the regional procurement of an MIS system for the region; and
- Delivery and further development of Flexible Workforce Development Funding;
- Monitoring progress on capital maintenance projects and considering assigned college capital allocations for 2018-19.

## **10. Risk Analysis**

**10.1.** Consideration and production of annual reports is a key part of the arrangements to ensure a proper system of governance and internal control.

## **11. Legal Implications**

**11.1.** No legal implications are identified.

## **12. Financial Implications**

**12.1.** There are no specific financial considerations arising from this paper.

## **13. Strategic Implications**

**13.1.** Through the conditions of grant associated with the Regional Outcome Agreement, GCRB and the assigned colleges are required to conduct their affairs in accordance with the expected standards of good governance.