

Performance & Resources Committee Meeting

Date of Meeting	Monday 25 January 2016
Paper Title	GCRB running costs
Agenda Item	18
Paper Number	BM4-M
Responsible Officer	Alex Stewart, Head of Finance, City of Glasgow College
Status	Non Disclosable
Action	For Noting

1. Report Purpose

- 1.1.** The purpose of this report is to provide the Board with an update on the financial position of the GCRB.

2. Recommendations

- 2.1.** The Committee is invited to **note**:

- in the initial period the GCRB was funded by a combination of SFC and the Colleges;
- the colleges have fully funded the GCRB costs from 1 January 2015 with the funding currently split evenly across the 3 Colleges;
- GCRB's currently-projected costs for 2016-17 are £21,107 less than previously projected; and
- the Scottish Funding Council has required funding for the full cost of the Interim Chief Officer for the period beyond the original period of the secondment (i.e. from 11 November 2015 onwards), the total cost of the secondment between that date and 31 March 2015 being £59,612.

3. Background

- 3.1.** GCRB related transactions processed in the period:

- Between 1/5/14 and 31/12/14 expenditure relating to GCRB was handled by SFC;
- Between 1/1/15 and 31/3/15 its expenditure was handled by Glasgow Caledonian University;
- And from 1/4/15 onwards it's been handled by City of Glasgow College.

- 3.2.** Under the accounting standards GCRB is not permitted to carry forward excess funds or create reserves to be utilised in future periods. The surplus at the 31st July 2015 was retained by SFC and is being used to partially fund the 2015-16 expenditure.

- 3.3. The assigned college boards continue to be responsible for the governance, financial management, operation and sustainability of the individual colleges.

4. Summary income and expenditure

- 4.1. The following is an estimate of the income and expenditure for the period to 1st August 2015 to 31st July 2016.

Glasgow Colleges' Regional Board Projected Income & Expenditure	12 months to 31/7/16	
	As reported to 5/10/15 meeting	Current projection
Income		
SFC College Funds C/Fwd	£69,379	£107,171
Colleges	£225,000	£225,000
	£294,379	£332,171
Expenditure		
Staffing	£181,132	£198,025
Chair	£34,320	£34,320
Office expenses	£20,000	£10,000
External Audit fees	£30,000	£10,000
Board Expenses	£7,500	£7,500
Internal Audit fees	£12,000	£12,000
Legal fees	£10,000	£2,000
	£294,952	£273,845
Surplus	-£573	£58,326

- 4.2. The increase in projected staffing costs is mainly due to the GCRB being charged by the Scottish Funding Council for the full cost of Interim Chief Officer for the period beyond the original period of the secondment (i.e. from 11 November 2015 onwards). The staff costs for 2015-16 also include staffing that is required to cover a maternity period. The forecast assumes there will be full coverage of staff throughout the year. The external audit fee reflects the reduction that is expected for the audit of the 15/16 accounts. The internal audit programme has not yet been set and therefore the original budget has been retained for the time being.

- 4.3. The SFC College funds carried forward are subject to audit confirmation.

- 4.4. The surplus should result in a reduction in the Colleges contribution from £225,000 to £166,674.

5. Risk Analysis

- 5.1. There are no specific risks associated with this paper.

6. Legal Implications

- 6.1. There are no specific legal implications arising from this paper.

7. Financial Implications

7.1. The GCRB running costs are fully funded by the Glasgow Colleges therefore this creates an additional pressure on the Colleges funding that most other Colleges do not experience.

8. Regional Outcome Agreement Implications

8.1. There are no specific implications for the Regional Outcome Agreement associated with this paper.