

Board Meeting

Date of Meeting	Monday 27 February 2017
Paper Title	Performance and Resources Committee Annual Report
Agenda Item	20
Paper Number	BM4-U
Responsible Officer	Frank Coton, Chair of Performance and Resources Committee
Status	Disclosable
Action	For Approval

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 Performance and Resources Committee annual report.

3. Background

- 3.1. It is recognised good practice for committees to produce annual reports to their boards that summarise the main issues addressed by the committee. This is the first such report from the Performance and Resources Committee and it seeks to outline the key areas of work undertaken by the Committee during the year and to set out its agenda for the year ahead.
- 3.2. This report seeks to provide the Board with an overview of the work of its Performance and Resources Committee for the period October 2015 to October 2016.
- 3.3. The Performance and Resources Committee agreed the report at its meeting on 9 December 2016.

4. Meetings of the Performance and Resources Committee

- 4.1. During the period from 1 October 2015 to 31 October 2016 the committee met on:
- 5 October 2015;
 - 14 December 2015;
 - 21 March 2016;
 - 15 August 2016;
 - 10 October 2016; and
 - 21 October 2016.

- 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 and equalities issues which were consequential to its discussions at each meeting.

5. Remit of the Committee

- 5.1. The Performance and Resources Committee remit is attached as Annex A to this report (including the amendment made by the Committee at its last meeting). The Committee's terms of reference set out three main areas of responsibility:
 - Finance;
 - Performance; and
 - Projects.

6. Committee Composition

- 6.1. The Committee was chaired by Linda McDowall between October 2015 and April 2016. Frank Coton has chaired the Committee since May 2016.
- 6.2. Other board members who are currently members of the Committee are:
 - Carol Kirk;
 - Caroline MacDonald;
 - Jim O'Donovan;
 - Paul Buchanan; and
 - Amparo Fortuny
- 6.3. Board members who have been members of the Committee in the past are:
 - Clare Ireland; and
 - Hollie Moran.
- 6.4. Other board members who have attended as observers to this Committee are:
 - Margaret Cook (Chair); and
 - Ali Jarvis (Interim Chair)
- 6.5. Members of staff (GCRB and college) who have attended this Committee are:
 - Robin Ashton (Executive Director);
 - Martin Fairbairn (Interim Chief Officer);

- Wendy Odedina (Executive Assistant);
- Sandra Hampson (Executive Assistant – maternity cover);
- Moira McCulloch (Minute Secretary – maternity cover);
- Alan Sherry (Principal, Glasgow Kelvin College);
- Alan Inglis (Depute Principal, Glasgow Kelvin College);
- Eleanor Harris (Depute Principal, Glasgow Clyde College);
- Alex Craig (Depute Principal, City of Glasgow College);
- Stuart Thomson (Vice Principal Finance, City of Glasgow College);
- Janet Thomson (Vice Principal Finance, Glasgow Clyde College);
- Alex Stewart (Head of Finance, City of Glasgow College); and
- Douglas Dickson (Head of Quality, City of Glasgow College)

6.6 External stakeholders who have attended this Committee are:

- Linda McLeod (Scottish Funding Council)

7. Work of the Committee, 5 October 2015 to 21 October 2016

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 a paper at each of its meetings, entitled Glasgow Regional Financial Report, which shows 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; ONS and changes to financial reporting; 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 considered the draft GCRB annual report and accounts for 2014/15 and agreed to recommend these for approval to the Board.
- 7.5.** The Committee discussed the Financial Memorandum between GCRB and the assigned colleges and delegated the authority of agreeing this to the GCRB Executive Director. In other governance matters, the Committee recommended the approval of the GCRB Scheme of Delegation to the Board.

- 7.6. Reports were presented to the Committee providing the articles of association for each of the colleges' arms lengths foundations and a summary of the matters that the foundations had considered.
- 7.7. The Committee received the internal audit report on GCRB's financial and ROA monitoring arrangements and subsequently approved amendments to GCRB financial procedures further to the recommendations from the report.
- 7.8. The Committee reviewed proposals from the colleges on the allocation of additional capital maintenance funding and made recommendations to the Board on how this should be distributed.
- 7.9. Discussions also took place around the prospect of developing a regional funding model for the allocation of teaching grant funding and this will be progressed moving forward.

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.

The Committee examined these reports alongside the Curriculum and Estates Plan.

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 considered the effect of the new credit methodology and made recommendations to the Board on the allocation of additional in year credit funding.

- 7.11. The Committee received various external reports on the performance of the assigned colleges including the Education Scotland review of City of Glasgow College and the SFC post-merger evaluation reports for Glasgow Clyde College and Glasgow Kelvin College. Each of these reports provided sufficient assurance to the Committee on progress made and effective arrangements being in place.
- 7.12. The Committee received various external reports on the college sector as a whole including the SFC college leaver destinations report and the 2014-15 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.
- 7.13. The Committee discussed the proposed new College Quality Arrangements for 2016-17 and expressed some concern frequency and purpose. This is an ongoing item which the Committee will continue to review.

Projects

- 7.14.** The progress report on GCRB becoming a fully operational fundable body has been considered by the Committee at several meetings. This has 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.
- 7.15** The Committee has received regular updates from the colleges on the project to create a common application system for the three colleges and agreed the recommendation to post pone any further significant development for the short-medium term.

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 2016/17

9.1. The Performance and Resources Committee has established a number of priorities issues and areas of work the remainder of 2016/17. These include:

- Consideration of GCRB financial statements 2015/16 for recommendation to the Board;
- Monitoring of GCRB and Glasgow region financial data and projections and reporting on any risk to the Board;
- Monitoring of 16/17 ROA progress and targets;
- Development and agreement of 17/18 ROA targets and associated funding;
- College review of shared service options;
- Access and Inclusion reports;
- Planning for withdrawal of ESF funding;
- Monitoring progress on additional capital maintenance projects;
- Regional estates planning;
- Transition planning and arrangements for fully operational fundable body status.

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. Regional Outcome Agreement 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.