

Board Meeting

Date of Meeting	Monday 18 June 2018
Paper Title	Final Funding Allocation - 2018-19
Agenda Item	13
Paper Number	BM5-K
Responsible Officer	Jim Godfrey, Finance and Resources Director
Recommended Status	Disclosable
Action	For Decision

1. Report Purpose

- 1.1. To provide the Board with the final funding allocation for 2018-19.

2. Recommendations

- 2.1. The Board is asked to:

- **Note** the Final Funding Allocations for 2018-19 issued by the SFC.
- **Note** that Glasgow Kelvin College are unable to spend £681,000 of the original capital allocation (in accordance with the Scottish Funding Council's criteria) and that the Executive Director will submit a proposal to the next meeting of the Performance and Resources Committee.

3. Background

- 3.1. On 27 February 2018, the SFC announced the indicative funding allocations for 2018-19. The indicative allocation was considered by the Performance and Resources Committee on 7 March 2018.
- 3.2. The Board considered, and approved, the indicative regional funding allocations at its meeting on 26 March 2018.
- 3.3. SFC issued the final funding allocation on 14 May 2018, which is available via the following link: <http://www.sfc.ac.uk/publications-statistics/announcements/announcements-2018/SFCAN092018.aspx>
- 3.4. The Performance and Resources Committee considered the final funding allocation at its meeting on 7 June and recommended this for approval by the Board.

4. Report

- 4.1.** At a national level there are some changes between regions as a result of changes in activity targets. However, the final activity targets (for the Glasgow college region) have not changed and therefore there is no change to the level of regional funding.
- 4.2.** There has been some change in the allocation of Childcare targets (and this will be addressed within the discussion on this agenda regarding the Regional Outcome Agreement). There is no change to funding as a result of the change in the Childcare targets.
- 4.3.** An extra £10,000 has been allocated at a national level to meet costs of lifecycle maintenance. This has resulted in a small increase to the amount allocated to the Glasgow college region.
- 4.4.** There is one internal change within the region with an additional amount (£48,000) allocated to GCRB for 2018-19. This is offset by a reduction in the amount allocated to colleges in the indicative allocation. This transfer of funds is to offset the strategic grant provided by SFC to meet GCRB running costs in 2017-18. The budgeted running costs of GCRB are £430,000 for 2018-19 compared to £436,000 for the previous year¹.
- 4.5.** The final allocation was considered at a meeting of the Glasgow Colleges Sustainability Group on 23 May. No issues were raised.
- 4.6.** Glasgow Kelvin College and Glasgow Clyde College have presented their capital plans for 2018-19. These plans are presented as a separate item on this agenda. Members will note that Glasgow Kelvin College has advised that it is unable to utilise the full amount of grant allocated to meet the criteria set out by the Scottish Funding Council. As a result, this sum of money will not be allocated to the college at this stage. The GCRB Executive Director will work with others to develop a proposal as to how these funds may be utilised and provide this to the Performance and Resources Committee for consideration.
- 4.7.** In summary, the final allocation is very similar to the indicative allocation and the Board is recommended to; note the final allocations published by the Scottish Funding Council and approve the final allocations for 2018-19.

5. Risk Analysis

- 5.1.** One of the key risks facing the Glasgow Region is that “Financial sustainability is jeopardised by a reduction in funding and/or an increase in costs.” The funding announcement contains a number of sources of funding that enable the Region to meet significant costs in 2018-19. For example:
 - The funding announcement provides £6.4m to meet the costs of National Bargaining in the Glasgow Region. This reduces the significant risk posed to financial sustainability in 2018-19.

¹ The GCRB Budget for 2018-19 is a separate item on the agenda of the Board.

- The provision of £6.2m of capital funding enables the Region to address the items deemed to be 'very high priority' within the recent National Condition Survey. This reduces the financial risk associated with meeting the costs of backlog maintenance.

5.2. The funding announcement therefore helps to support the financial sustainability of the Glasgow Region in 2018-19. The reduced level of risk is reflected in the latest risk registers of the colleges².

6. Legal Implications

6.1. There are no legal implications associated with this paper.

7. Resource Implications

7.1. The funding available to the region for 2018-19 is set out in the SFC Announcement of 14 May 2018. The allocation to individual colleges is set out in this report.

8. Strategic Plan Implications

8.1. The provision of funding for 2018-19 provides the resources necessary to enable delivery of the Regional Outcome Agreement and implementation of the Glasgow Region Strategic Plan for College Education 2017-22.

² As reported to the GCRB Audit Committee at its most recent meeting on 29 May 2018.