

Performance and Resources Committee Meeting

Date of Meeting	Thursday 7 June 2018
Paper Title	Final Funding Allocation - 2018-19
Agenda Item	10 (b)
Paper Number	PRC5-K
Responsible Officer	Jim Godfrey, Finance and Resources Director
Recommended Status	Disclosable
Action	For Decision

1. Report Purpose

- 1.1. To provide the Performance and Resources Committee with the final funding allocation for 2018-19.

2. Recommendations

- 2.1. The Committee 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).
- **Request** that the Executive Director develops a proposal in respect of the £681,000 capital allocation and provides this to the Committee for consideration.
- **Request** that the Board approve the Regional Funding Allocations for 2018-19 on 18 June 2018.

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>

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 Committee for consideration.
- 4.7.** In summary, the final allocation is very similar to the indicative allocation and the Committee is recommended to; note the final allocations published by the Scottish Funding Council and request that the Board formally approve the 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 Performance and Resources Committee.

- 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.

Table 1: College sector - Overall A1budget for AY 2018-19

	Scotland
Revenue funding	AY 2018-19 <i>£000</i>
Core Teaching & fee waiver funding	413,906
National Bargaining Costs	34,158
Additional Financial Pressures	4,154
Rural & Remoteness uplift	1,000
ESOL transfer from Strategic funds	1,455
Total Teaching	454,673
Core Student Support	111,041
Student Support Review	5,200
SFC contribution to ESF programme activity	8,000
Flexible Workforce Development Fund - to be confirmed	10,000
Strategic funds	14,947
Total Revenue funding (includes ring-fenced amounts shown below)	603,861
SG Ring-Fenced Funds	
Flexible Workforce Development Fund - to be confirmed	4,000
Total SFC excluding ring-fenced grants	599,861
ESF Teaching Grant	5,135
Capital funding	FY 2018-19 <i>£000</i>
College Lifecycle Maintenance	12,510
Condition Survey: Very High Priority Backlog Maintenance	26,895
Project Funds	
Forth Valley College: new Falkirk Campus	42,000
New College Lanarkshire: loan repayment (former Coatbridge Campus)	1,100
Total Capital projects	43,100
Total Capital funding	82,505

Table 2: Final funding allocations for AY 2018-19

Final funding allocations including European Social Funding (ESF) activity

College/Region	Final core teaching funding allocation (excluding Childcare) 2017-18	Additional Childcare funding 2017-18	Indicative core teaching funding (including Childcare) 2018-19	Additional financial pressures	Additional Rural & Remoteness funding	ESOL transfer from Strategic funds	Total Funding for National Bargaining costs 2018-19	Core teaching funding allocation 2018-19	Change from indicative allocations as a result of change in activity targets	Final core teaching funding allocation 2018-19	Funding percentage change from 2017-18 core grant	ESF teaching (credit) funding 2017-18	ESF teaching (credit) funding 2018-19	Total teaching funding including ESF 2017-18	Total teaching funding including ESF 2018-19
	£	£	£	£	£	£	£	£		£	%	£	£	£	£
City of Glasgow College	33,520,295	45,725	33,389,204	315,839	0	82,367	3,529,848	37,317,258	0	37,317,258	11.3%	2,432,786	2,366,842	35,998,806	39,684,100
Glasgow Clyde College	28,619,281	45,725	28,514,007	270,582	0	97,401	1,360,386	30,242,376	0	30,242,376	5.7%	1,776,285	1,639,583	30,441,291	31,881,959
Glasgow Kelvin College	19,218,439	45,724	19,162,685	181,523	0	29,726	1,549,578	20,923,512	0	20,923,512	8.9%	606,327	559,853	19,870,490	21,483,365
Region	0	0	0	0	0	112,858	0	112,858	0	112,858	n/a	0	0	0	112,858
GCRB	381,000	0	378,994	50,810	0	0	0	429,804	0	429,804	12.8%	0	0	381,000	429,804
Glasgow	81,739,015	137,174	81,444,890	818,754	0	322,352	6,439,812	89,025,808	0	89,025,808	8.9%	4,815,398	4,566,278	86,691,587	93,592,086

**Table 2A: Final National Bargaining Harmonisation Costs showing Support Staff
& Middle Management Job Evaluation estimate for AY 2018-19**

	Support staff & middle management job evaluation estimate	Other national bargaining harmonisation costs	Total funding for national bargaining harmonisation costs
	£	£	£
City of Glasgow College	820,425	2,709,423	3,529,848
Glasgow Clyde College	611,798	748,588	1,360,386
Glasgow Kelvin College	361,098	1,188,480	1,549,578
Glasgow	1,793,321	4,646,491	6,439,812
Percentage of National Allocation	16.39%	20.02%	18.85%
Scotland	10,943,416	23,214,784	34,158,200

Table 3: Credit targets for AY 2018-19

College/Region	Final core credit targets (excluding Childcare) 2017-18	ESF activity targets 2017-18	Total activity targets 2017-18		Final core credit targets (including Childcare) 2018-19	ESF activity targets 2018-19	Total activity target 2018-19
	<i>Credits</i>	<i>Credits</i>	<i>Credits</i>		<i>Credits</i>	<i>Credits</i>	<i>Credits</i>
City of Glasgow College	171,151	10,668	181,819		170,849	9,187	180,036
Glasgow Clyde College	121,041	7,319	128,360		120,556	6,303	126,859
Glasgow Kelvin College	77,382	2,396	79,778		77,187	2,063	79,250
Glasgow Region	369,574	20,383	389,957		368,592	17,553	386,145
Percentage of National Allocation	21.85%	33.74%	22.26%		21.76%	34.55%	22.13%
Scotland	1,691,618	60,407	1,752,025		1,693,802	50,804	1,744,606

Table 3A: Final Childcare credit targets for AY 2018-19

College/Region	Baseline Childcare credits (prior to ELC expansion)	Additional credits for Childcare 2018-19	Credits for PDAs 2018-19	Credits for HNCs 2018-19	Total Childcare credits (to be sourced from core credit targets) 2018-19
	<i>Credits</i>	<i>Credits</i>	<i>Credits</i>	<i>Credits</i>	<i>Credits</i>
City of Glasgow College	760	1,084	288	2,696	2,984
Glasgow Clyde College	1,898	1,346	871	2,340	3,211
Glasgow Kelvin College	521	1,323	0	900	900
Glasgow	3,179	3,753	1,159	5,936	7,095
Percentage of National Allocation	14.76%	12.89%	53.71%	12.24%	14.00%
Scotland	21,540	29,125	2,158	48,507	50,665

Table 4: Student Support funding allocations AY 2018-19

College / Region	student support spend 2016-17	Core student support funding 2017-18	Percentage share of student support spend 2016-17	Total student support funding 2018-19
	£	£	%	£
City of Glasgow College	8,063,950	6,772,729	36.98%	8,194,584
Glasgow Clyde College	9,175,459	8,045,605	42.08%	9,324,719
Glasgow Kelvin College	4,567,097	4,224,588	20.94%	4,640,200
Glasgow Region	21,806,506	19,042,922	100.0%	22,159,503
Percentage of National Allocation	19.96%	17.73%		19.96%
Scotland	109,272,580	107,430,000	100.0%	111,041,450

Table 5: Capital funding for FY 2018-19

College/Region	FY 2018-19 capital allocation for lifecycle maintenance based on share of volume target	FY 2018-19 capital allocation based on gross very high priority backlog maintenance	Total capital funding based on lifecycle & high priority backlog maintenance (college estate survey) for FY 2018-19
	£	£	£
City of Glasgow College	1,286,586	-	1,286,586
Glasgow Clyde College	906,569	1,250,534	2,157,103
Glasgow Kelvin College	566,342	1,563,265	2,129,607
Unallocated	-	681,000	681,000
Glasgow	2,759,497	3,494,799	6,254,296
Percentage of National Allocation	22.06%	12.99%	15.87%
Scotland	12,510,000	26,895,240	39,405,240