

## Performance and Resources Committee Meeting

Date of Meeting	Tuesday 5 December 2016
Paper Title	Draft Performance and Resources Committee Annual Report
Agenda Item	15
Paper Number	PRC3-L
Responsible Officer	Robin Ashton, GCRB Executive Director
Status	Disclosable
Action	For Approval

### 1. Report Purpose

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

### 2. Recommendations

- 2.1. The Committee is invited to:
- **note** and comment on this draft annual report;
  - **agree, subject to any amendment**, the priority issues set out in section 9 of the report; and
  - **endorse** this report to the GCRB Board at its meeting on 12 December 2016.

### 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 of Management with an overview of the work of its Performance and Resources Committee for the period October 2015 to October 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;
- 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.

**Glasgow Colleges' Regional Board**

**Performance and Resources Committee**

**Terms of Reference**

**1. CONSTITUTION**

- 1.1** The performance and resources committee is constituted as a committee of the Board of the Glasgow Colleges' Regional Board (hereinafter referred to as the Board).
- 1.2** The committee's terms of reference may be amended at any time by the Board.
- 1.3** The committee may from time to time investigate, discuss or review matters outside its terms of reference if required to do so by the Board.

**2. AUTHORITY**

- 2.1** The committee is authorised:
  - a) to seek any information it requires from any employees of the Board in order to perform its duties;
  - b) to obtain, at the Board's expense, outside legal or other professional advice on any matter within its terms of reference;
  - c) to co-opt members for a period of time (not exceeding a year, and with the approval of the Board) to provide specialist skills, knowledge and experience which the committee requires at a particular time; and
  - d) to invite any person to a meeting of the committee as and when required; and
  - e) to seek any information from its colleges which it may reasonably require for the purposes or in connection with the exercise of any of its functions.

**3. MEMBERSHIP**

- 3.1** The committee shall be appointed by the Board from amongst its members and shall consist of not less than four members, at least one of whom should have recent and relevant financial experience.
- 3.2** The Chair of the committee shall be appointed by the Board.
- 3.3** The period of members' appointment will last from their date of appointment until the earlier of: the end of their current period of appointment as a Board member; and a date determined by the Board. The Board will review the membership of all committees at least annually.

**3.4** The Board Secretary is Secretary to the committee.

#### **4. ATTENDANCE AT MEETINGS**

**4.1** The quorum necessary for the transaction of the business of the committee shall be at least two committee members.

**4.2** Only members of the committee have the right to attend committee meetings. However, other individuals such as the Chair of the Board, members of the Board's staff, Assigned College Principals and Assigned College staff may be invited to attend all or part of any meeting, as and when appropriate.

#### **5. FREQUENCY OF MEETINGS**

**5.1** Meetings shall be held at least three times a year at appropriate times in the reporting and audit cycle and otherwise as required.

#### **6. NOTICE OF MEETINGS**

**6.1** Meetings of the committee shall be called by the Secretary of the committee at the request of any of its members.

**6.2** Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the committee, any other person required to attend, no later than five working days before the meeting.

#### **7. MINUTES OF MEETINGS**

**7.1** The Secretary shall minute the proceedings and decisions of all meetings of the committee, including recording the names of those present and in attendance.

**7.2** The draft Minute shall be agreed with the Chair of the committee or the person acting as Chair of that meeting prior to circulation of the minutes. The Minute will be formally agreed at the next meeting of the committee but may be considered, for information, in draft form, at the Board meeting following the committee meeting.

#### **8. FINANCE**

**8.1** The committee shall oversee the Board's financial affairs and in particular:

- a) advise the Board on the proper control and management of the Region's financial resources;
- b) advise the Board in relation to any matter relating to compliance with the Financial Memorandum by any of its assigned colleges;

- c) advise the Board on any matter relating to the making of a grant, loan or other payment and the conditions relating to any such payments;
- d) monitor progress against agreed financial targets as set out in the Regional Outcome Agreement;
- e) advise the Board in relation to ensuring the economic, efficient and effective use of funds;
- f) monitor the agreed annual plan and budget for the GCRB and advise the Board on any matters of concern and consider and recommend to the Board any proposals for significant or subsequent amendments to the plan or budget during the year.

## **9. PERFORMANCE**

**9.1** The committee shall:

- a) monitor progress against agreed targets as set out in the Regional Outcome Agreement;
- b) advise the Board on all matters relating to the monitoring of performance of the assigned colleges;
- c) advise the Board on all matters relating to monitoring the quality of fundable further education and fundable higher education provided by its colleges;
- d) advise the Board in relation to the carrying out of studies designed to improve economy, efficiency and effectiveness in the management or operation of the assigned colleges;
- e) advise the Board on any matter, internal or external to the Region, which might have a significant effect on any regional plan, outcome agreement or budget during the year; and
- f) ensure that a strategy is in place to achieve Best Value and Value for Money.

## **10. PROJECTS**

**10.1** The committee shall:

- a) oversee the implementation of regional projects and make recommendations to the Board in relation to implementation and advise on any matters of concern; and
- b) monitor and keep under review the effectiveness of the implementation of regional projects and receive reports on a regular basis.

## **11. REPORTING PROCEDURES**

**11.1** The committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

**11.2** A report of the committee's discussions shall normally be considered at the Board meeting following the committee meeting. A copy of minutes of the meeting may form the basis of the report.

- 11.3** The committee will provide the Board with an Annual Report, timed to support finalisation of the accounts and the governance statement, summarising its conclusions from the work it has done during the year.

## **12. OTHER MATTERS**

- 12.1** The committee shall:

- a) have access to sufficient resources to carry out its duties, including access to the board secretariat for assistance, as required;
- b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- c) oversee any investigation of activities which are within its terms of reference; and
- d) arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure that it is operating at maximum effectiveness and report the results including recommendations of any changes it considers necessary to the board for approval.