Item 10
For Endorsement

GLASGOW KELVIN COLLEGE

FINANCE AND RESOURCES COMMITTEE – 30 NOVEMBER 2021

FINANCIAL STRATEGY: 2022-2027

REPORT BY VICE PRINCIPAL OPERATIONS

1. Introduction

The purpose of this report is to seek approval of the Financial Strategy: 2022-2027. This was due for renewal earlier in the year, but a six month extension was approved to December 2021.

2. Financial Strategy

The Strategy has been created taking into account the College's overall Strategy for the next five years.

The key focus is on achieving ongoing financial stability to allow the College to achieve its Ambitions.

The Strategy has been compiled using the new format and is attached at **Appendix 1**.

3. Resource Implications

Implementation of this Strategy requires a properly structured and resourced Finance Team, together will a good understanding of financial duties and responsibilities across the whole college, especially those with control of budgets.

4. Risk and Assurance

Failure to implement a robust Financial Strategy could impact on the College's ability to deliver effectively in the short term and in its long term sustainability.

5. Equality

There are no adverse impacts on individuals with protected characteristics arising from the contents of this report.

6. Data Protection

There are no data security implications arising from the implementation of a Financial Strategy.

7. Recommendations

It is recommended that members:

i) note the contents of this report and its Appendix; and
ii) approve the Financial Strategy: 2022-2027.

8. Further Information

Members can obtain further information on the contents of this report from Jeanette Evans, Vice Principal Operations at jevans@glasgowkelvin.ac.uk

Jeanette Evans
Vice Principal Operations
November 2021

Appendix 1

2021-2026

Financial Strategy

Glasgow Kelvin College

Contents

Welcome:.....3
Strategy Purpose: 3
Strategy Ambition, Priority and Objetives :.....4
Strategic Enablers:.....5
5 Years: 6
Fast Track :.....7

Welcome:

The strategy is set in the context of the Scottish College sector, the SFC and Glasgow Region Financial Memorandums, the anticipated SFC funding model, non SFC income targets, the College's annual financial planning and monitoring, and the potential to access some funding for specific projects from the Glasgow Kelvin Arms' Length Foundation. There may be significant challenges in achieving a balanced budget during the strategy period which is a time of significant change and uncertainty. The prime aims are to optimise the generation of non-SFC funding and the management of efficient and controlled expenditure across all areas to enable high quality delivery and reinvestment in key areas of the College.

Strategy Purpose:

The overarching aim of this strategy is **to achieve financial sustainability and resilience for the College.** It will also allow the College to target available resources to support the College's Strategic Ambitions and Priorities, and to facilitate the development of agreed areas of the College's business where possible within the relevant financial period. The strategy is also intended to assist the College in meeting the challenges of achieving a balanced budget position annually within the parameters of regional funding allocations and through maintaining and increasing non-SFC income streams where there are opportunities to do so.

The three Strategic Priorities below and the associated activities will support the achievement of this Strategy.

Strategic Priorities	**A.** **Ensure high quality financial planning, monitoring and control.**	**B.** **Maximise income, control costs, and manage cash flow.**	**C.** **Ensure the best use of all resources – staff, financial and assets.**
Strategic Objectives	A.1 Prepare a variety of high quality, timely financial reports and share with appropriate audiences.	B.1 Achieve the annual Credit Target to maximise SFC and ESF funding.	C.1 Maximise the efficiency of staffing resources to support a high quality service provision.
	A.2. Develop a three year rolling balanced budget aligned with the College's Strategic Ambitions.	B.2 Actively seek full cost recovery additional funding sources and utilise these in line with guidelines, with standard cost modelling used when developing new activities.	C.2 Utilise and develop the asset base efficiently and effectively to achieve the College's Strategic Ambitions.
	A.3 Undertake robust quarterly forecasting to track progress against Budget and allow for contingency planning and action.	B.3 Profile and closely monitor all categories of expenditure, understanding the cause and impact of any variances and agreeing remedial action where possible.	C.3 Seek funding from the Arm's Length Foundation where this will enhance delivery of the College's Strategic Plan.
	A.4. Comply with all of the requirements of external regulations, ie Scottish Government, SFC, GCRB, Audit Scotland, external auditors etc	B.4. Manage the underlying cash balances in line with the 15-25 Day Target.	C.4. Ensure that the Finance Team is properly structured and staffed to support the Financial Strategy and raise financial awareness across Board Members, budget holders and the wider College staff.

Strategic Enablers

People

The success of this Financial Strategy is predicated on the Finance Team being resources with Appropriately Qualified and Experienced Staff

Funding, Cost Control & Cash

Sufficient Funding from the SFC and other sources, combined with effective cost control and sufficient cash reserves are vital in successfully delivering this Strategy.

Systems and Processes

Efficient financial systems and processes are key as these underpin all of the information processed, monitored and reported.

5 Years: measuring success

In 5 years' time, through the implementation of our Financial Strategy, we will create a College where:

We are recognised as a high performing, financially secure College.

We have developed and grown new, repeat profitable sources of income.

We have invested in our Campuses to improve Student Experience.

Increased financial awareness and understanding across the whole College.

We have a culture of excellence and improvement in relation to all financial matters.

Fast Track:

We will fast track delivery of our strategic objectives through a variety of mechanisms including:

We will enhance the current financial monitoring and reporting processes

Financial awareness training to be delivered to all Board Members.

Finance Team structure, including roles and responsibilities, to be reviewed.

Finance process to be reviewed as part of the College's Continuous Improvement programme.

Regular Finance updates to be provided to all staff.