

Matters arising

Purpose

1. To update the Finance Committee on matters arising from the minutes of the previous meetings not addressed elsewhere on the agenda.

Publication

2. This paper will be published on the Council website in edited format, as it contains information which will be withheld under the Freedom of information (Scotland) Act 2002, Section 30: Prejudicial to the effective conduct of public affairs.

Recommendation

3. The Finance Committee is invited to note the matters arising reported.

Further information

4. Contact: Lorna MacDonald, tel: 0131 313 6690, email: lornamacdonald@sfc.ac.uk.

Agenda item	Matter raised	Update	Owner
<p>Governance and financial sustainability of the university sector: analysis of 2019 Strategic Plan Forecasts (FC/19/36)</p>	<p>The Committee agreed that:</p> <ul style="list-style-type: none"> The Operating position as a percentage of income by university graph, from the Audit Scotland Report: Finances of Scottish Universities would be reproduced in future Governance and financial sustainability of the university sector papers. 	<p>To be incorporated in the paper presented to the next Finance Committee meeting.</p>	<p>AM</p>
<p>Governance and financial sustainability of the university sector: FC/20/03</p>	<p>The Committee requested:</p> <ul style="list-style-type: none"> Clarification of the term 'derecognised' used in paragraph 4 of the Glasgow School of Art summary of issues. 	<p>Accounting for pledges</p> <p>The accounts of Glasgow School of Art (GSA) consolidate the accounts of the School, its subsidiaries and also the Glasgow School of Art Development Trust. The Development Trust is included within the GSA accounts as it is deemed to be controlled by GSA.</p> <p>Income from donations and grants is recognised in income in the GSA Development Trust (and in turn in the GSA accounts) when three conditions are met:</p> <ul style="list-style-type: none"> - the Charity is entitled to the income; - it is probable that the income will be received; and - The income can be measured reliably. <p>The Trust had received funding "pledges" from various sources after the 2014 fire and,</p>	

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		<p>as these pledges met the criteria above, these were recognised as income in the accounts in the year the pledge was received even though the actual payment was not scheduled until later years.</p> <p>During the 2018-19 year, some donors requested repayment of the funds previously donated (£290k) and some of the donors who made pledges (£950k) asked for these to be 'derecognised' – i.e the terms of the pledges changed and the Trust could no longer recognise this income. This meant that these sums were deducted from current year income as they are effectively being 'repaid' to donors. The accounts note that the donors remain committed to GSA but they wish to utilise the funds to support other projects when it is unlikely that GSA will be able to utilise the funds in the short term.</p> <p>Complete</p>	
<p>College and University indicative funding allocation for Academic Year (AY) 2020 – 21: FC/20/07</p>	<p>The Committee agreed:</p> <ul style="list-style-type: none"> • The basis on which the indicative funding allocations should be taken forward, further developed and returned to the Committee for approval. • Agreed with the executive recommendation of Option 1 in the draft college budget, After a full 	<p>FC/20/ 14</p> <p>Complete</p>	

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	<p>discussion, it was agreed that that pensions should also be funded for the 4 month period from April to July 2020 costing c£4 million.</p> <ul style="list-style-type: none"> • Agreed with the executive recommendation of Option 2 in relation to the draft university budget 		