



Agenda

NCL Board Finance Committee

Monday 7th September 2026 – 5.30 pm at the Coatbridge Campus and Via Teams

1. Chair's welcome
2. Apologies for Absence
3. Declarations of Interest
4. Minutes of Meeting 18th May 2026 Minute Posted - PB
5. Matters Arising from the minutes Verbal Update - LM
 - 5.1 Format Management Accounts
 - 5.2 Update Sale of the Coatbridge Nursery
6. Financial Sustainability **(FI)**
 - 6.1 NCL Cash Flow Management Paper Posted – LM
 - 6.2 Strategy 2030 Update Papers Posted –ES
 - 6.3 NCL FFR Return 25/26 Paper Posted - LM
7. NCL Management Accounts **(FI)** Paper Posted – LM
 - 7.1 Management Accounts to June 2026
 - 7.2 NCL 24/25 Financial Position
8. NCL Educational Foundation Update **(FI)** Verbal Update – LM
9. Cumbernauld Nursery **(FI)** Paper Posted - JL
10. Approval of publication of committee papers from this meeting **(FA)** BS
11. AOB
 - 11.1 Any matters arising from RGP papers provided for information. Papers Posted –
RG
 - 11.2 AOB
12. Date of Next Meeting NCL Finance Committee: The next scheduled meeting of the committee is the 16th November 2026 at the Cumbernauld Campus and via Teams.

FI = For Information FA = For Approval FR = For Recommendation

***= non disclosable # = Future Publication .**

Name Abbreviations: CM = Christopher NCL Principal; BS/DMcG = Board Secretary/Governance Professional; RS= Ronnie Smith :RG = Ronnie Gilmour Deputy Principal; JL=Jennifer Lowe Deputy Principal
PB = Paula Blackadder; CP= Cath Pollock; DC=Dugald Craig; LM= Lynn McKenzie Assistant Principal
Finance; PN=Penny Neish



**NEW
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RGP Committee Papers For Information (FI)

Papers Posted

Estates

ICT Update

Information Systems

Digital Strategy

Innovations and Library and Learning Centres

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Diane McGill Board Secretary

New College Lanarkshire: Registered Charity Number SC021206



Minute NCL Board Finance Committee

Monday 18th May 2026 – 5.30 pm at the Motherwell Campus and Via Teams

Present: Paula Blackadder, Barbara Philliben, Moira Jarvie, Elaine Loudon, Christopher Moore.

In Attendance: Ronnie Gilmour, Moira Jarvie, Jennifer Lowe, Diane McGill, Nicola Mulholland, Penny Neish, Lynn MacKenzie, Elliot Scott, Ronnie Smith.

1. Chair's welcome: Paula Blackadder welcomed all to this meeting of the Committee.

2. Apologies for Absence: There were no apologies - all members were present and there were no attendees on-line on this occasion.

3. Declarations of Interest: Ronnie Smith declared an interest as a Director of AMCOL, the Chair of the South Lanarkshire People in Places Initiative (PIP), Moira Jarvie and a member of the Cumbernauld Nursery Group and Jennifer Lowe as the Chair of the Cumbernauld Nursery Group.

4. Minutes of Meeting 23rd February 2026: The minutes were approved.

5. Matters Arising from the minutes: Lynn Mackenzie informed the Committee that she had now considered improvements to the format of the Management Accounts to bring a more strategic approach for the Committee. She would have a meeting with Paula Blackadder to finalise a new format for the next meeting.

6. Financial Sustainability

6.1 NCL Cash Flow Management: The cash flow continues to be managed through advance payments from the SFC which are then returned and transfers to and from the AMCOL accounts. There is a balance in this to try to bring in the optimum cash position and the cash flow is front loaded for the first part of the year at 64%. A request will have to be made to AMCOL in mid- July for £2 million and the Committee will be asked to approve this approach. The SFC have an on-going scrutiny and the SFC £4.5 million loan is also still in place and there will be discussion in the SFC Finance Committee about renewal of the loan. The NCL Forward Plan has been submitted to the SFC and they are due to give feedback at the end of the week and this will be reported to the Board on the 8th June. There are two other SFC funds on which the the SFC is due to give sector updates – RISE funding and child poverty funding. This will also be reported to the Board at the June meeting.

6.2 Strategy 2030 Update: Elliott Scott presented his report to the Committee which sets out that reporting to the Board Committees will be structured through the 2030 strategy pillars. The pillars that are relevant to each committee have been mapped and the Committees will receive reports slanted towards the relevant pillar. The Finance Committee will receive reports that focus on the financial targets for activities in the Forward Plan. He also drew attention to the column in the report that sets out that there will be work undertaken to determine potential structures for establishing a social enterprise which could encompass the Braw Wee Shop, training restaurants, hair and beauty salons and the Foundation. There will be further reports on this to the Committees.

6.2.1 Paula Blackadder asked what mechanism there was for triggers to flag up where there was a problem in the targets or delivery of Strategy 2023. Elliott Scott informed the Committee that the Strategy

Office had responsibility for monitoring delivery of the plan and that there would be regular reports to the Executive Board and there would also be reports to the Board's Committees structured around the reporting outlined above on the pillars in Strategy 2030.

6.3 NCL Mid - Year Return. Lynn MacKenzie noted the following:

6.3.1 The Financial Forecasting Return (FFR) was prepared and submitted to the SFC on 24th June 2025. The budgeted Group Underlying Operating Position (UOP) for academic year 2025/26 was £-1,349k deficit: College £-1,724k, Amcol £375k.

6.3.2 The documents were presented to the Finance Committee on 8th September. The deficit was noted and in the period between the Finance Committee and Board meetings, the Executive Board prepared a proposal to balance the budget to break-even. This proposal was approved by the Board of New College Lanarkshire at the next meeting on 6th October 2025. Mitigations to balance the deficit were agreed as:

Settlement received in relation to Motherwell building defects	£475k
Proceeds from the sale of Coatbridge land (estimated)	£250k
Other in-year savings	£150k
Voluntary Severance Scheme	<u>£475k</u>
Total	£1,350k

6.3.3 In alignment with Strategy 2030, the College endeavours to produce a balanced budget and manage its cash resources appropriately to arrive at medium-term financial sustainability. The College aims to prioritise resources to maximise student outcomes by driving efficiencies in Credits per FTE, optimising class sizes and strengthening early retention. This approach will be aligned to the deployment and development of highly skilled staff, ensuring that curriculum delivery is both future-fit and sustainable. The forecast for the next six months is based on the commencement of Strategy 2030 and incorporates the expected impact of its initial implementation.

6.3.4 Recognising the continuance of the public sector landscape and based upon the current funding model, the College has successfully adopted two strategic income-generating initiatives – the Undergraduate School and The Learning Well. These key projects complement ongoing work to control costs, increase existing income streams and continue to evolve the efficiency of our curriculum delivery model.

6.3.4 The Mid-Year Return (MYR) submitted to the SFC on 27th March 2026 shows a balanced UOP at break even for the College and its subsidiary Amcol, compared to the original FFR position of £-1,349k deficit. The assumptions used are per the MYR Guidance. The College deficit is forecast at £-375k offset by an Amcol surplus of £375k.

6.3.4 The Committee was informed that the SFC have indicated that the High Priority Maintenance Fund will be c. £10 million this year –up from £2.5 million. The SFC is currently re-doing the baseline survey of the college sector estate. The SFC is aware of the NCL £4 million cladding issue at the Motherwell Campus and having the Atkins report gives a strong external evaluation of the issues which can be used in the baseline review. In the meantime the Collge will have to proceed with the netting and kjeeping the building safe.The other projects needing to be funded from the High Priority Maintenance Funds have also been set out.



7. NCL February 2026 Management Accounts

Lynn MacKenzie updated the Committee as follows:

7.1.1 The UOP to date reflects a surplus of £1,100k, representing a favourable variance of £1,680k, as expected following the implementation of mitigating actions. This is mainly due to additional income from Galliford Try plus significant underspend on operating expenses. Income and expenditure were reviewed for the next six months of the year and adjusted accordingly in the Mid-Year Return (MYR).

7.1.3 Income is £396k (1.2%) favourable to budget. The variances are:

- SFC Grants £-385k unfavourable (-1.4%)
- Education Contracts £226k favourable (7.6%)
- Tuition Fees £101k favourable (5.8%)
- Other Grant Income £-18k unfavourable (-5.6%)
- Other Operating Income £458k favourable (27.7%)
- Investment income £14k favourable (82.2%)

7.1.4 Expenditure is £785k (2.3%) favourable to budget, of which:

- Staffing costs are £-48k (-0.2%) favourable.
- Other Operating Expenses are £1,020k (15.4%) favourable.
- Depreciation, Irrecoverable VAT and Interest costs are £-187k (-5.0%) unfavourable.

7.2 The College is currently on track to deliver a break- even budget as set out in the mid-year return (at 6.3 above)

8. NCL Educational Foundation Update:

Lynn MacKenzie informed the Committee paper had been posted to Teams for the Committee's information. She went on to updated the Committees as follows:

8.1 The Foundation's current balance is £30,075.73, which is £669.73 more than that which was reported in the last update, and remains sufficient to meet the commitment to providing complimentary breakfasts until the end of the 2025-26 academic year. There had been a number of donations from charity raising events by departments, pay roll donations, private companies, just giving and individual donations.

8.2 The Committee noted the update with thanks for the level of support from such a range of sources.

9. Cumbernauld Nursery

Jennifer Lowe informed the Committee that the nursery was doing well.

9.1 Occupancy Both under three years rooms are almost at capacity with the slight drop in numbers due to children moving up to older rooms. Places have been filled as much as possible from our waiting lists and numbers will increase again for the new term in August. The number of children



attending the nursery during non-term time weeks is continuing to increase, with 37% of the children on our register attending over the Easter Break. The three to five room now has 92% of all places filled. Local Authority funded places for three- to five-year-olds have been offered and accepted for the next academic year, 2026/2027. By April 2027, when all funded children will have taken up their place, the three to five rooms will be at 96% capacity. We are now having to pass applications for Local Authority funded places onto parents' second choice nursery. Student Funding Manager advised that 18 NCL students (20 children) had been allocated a place in the Nursery in academic year 2025/2026 and there are 16 children remaining after withdrawal. The income for this is £129,416.

9.2 Curricular Update: The Nursery is proud to launch **Building Bright Minds**, an innovative qualification designed to champion brain health across early years settings. This empowers practitioners with the knowledge and tools to nurture healthy brain development, while inspiring children to understand and value their own wellbeing from an early age. The qualification is centred on a robust portfolio of evidence for staff, alongside a creative "passport to brain health" for children encouraging engagement, curiosity and lifelong healthy habits. Building Bright Minds represents a significant step forward in embedding brain health at the heart of early education helping every child thrive today and into the future. The Nursery is committed to advancing oral health outcomes for children through a dynamic partnership with the dental department placing prevention and early intervention at the heart of everyday practice. **The Child Smile** initiative focuses on delivering clear, consistent messaging around the importance of good oral hygiene, healthy habits and regular care.

9.3 The Nursery has performed better than budgeted for the first 8 months of 2025/2026 with a favourable variance of £37k, an operating surplus of c£84k against a budgeted surplus of c£47k. Inclusive of estimated central overhead costs of c£53k, there is a surplus to date of c£30k against a budgeted deficit of c£7k. Based on the forecasting exercise carried out in March 2026, using the most up to date information available at that time, the 2025/2026 budgeted position is now expected to be improved upon. Inclusive of central costs, a surplus position of c£23k is now predicted.

9.4 The Committee noted the great progress that had been made and asked that the Committee's recognitions of the efforts being made should be conveyed to the staff.

10. Approval of publication of committee papers from this meeting: The Committee approved the publication of the agenda, the minute and Item 9.

11 AOB

11.1 Any matters arising from RGP papers provided for information. No matters were raised.

11.2 Estates Update: Ronnie Gilmour flagged that there were delays with the conveyancing on the land sale of the former Coatbridge nursery. This was now being closely monitored.

11.3 AOB:

11.3.1 Ronnie Smith informed the Committee of issues that had arisen on the contract for dental teaching with Heze Medical College (HMC) in China. This had also been reported to the ARC at its meeting on the 11th May 2026.



11.3.2 The Chairs' Committee had met on the 25th March 2026 to discuss an extension to an existing agreement with HMC in China for a joint delivery programme in dental nursing training. Ronnie Smith informed the Committee that there was pressure from HMC to sign the extension contract which is for another 5 years within a very short time-scale of a few days and that this had been brought to the Principal for signature. However, the amount involved exceeded the Principal's level of authority and this led to the matter coming to the Chairs' Committee for its consideration. The Committee noted that it did not want to act as a barrier to appropriate extensions to contracts and agreed in principle that the contract could be extended but only if the contracts were in order and the further clarifications resolved. However, it raised a number of concerns about the pressure to sign at short notice, the lack of knowledge and contact with Heze with the contract being managed by the agent, contractual issues and cybersecurity with the agent using an nclan address,

11.3.3 Following that meeting, the Executive Board had launched an investigation and this investigation had identified a number of issues about the contract and the management of the contract. The report was sent to the Internal Auditors for comment and they had stated that the report was thorough and at this stage they would not have anything to add though drew attention to possible VAT issues. It was then reported to the ARC. There will be further action following the report and discussions with relevant parties including the auditors. A further report will be brought to the ARC and Finance Committees in due course.

11.3.4 The Committee noted this report and that this was the only international project and "sales" project in the college. It was, therefore, most likely to be a one-off but this was being checked. It noted that the size of the contract meant that it was not material but clearly there would now be a consideration of measures to be put in place.

12.Date of Next Meeting NCL Finance Committee: The next scheduled meeting of the committee is the 7th September 2026 at the Coatbridge Campus and via Teams.