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Borders College

Finance & Resources Committee

Meeting at 17:30 Monday 12 June 2023

In the Board Room

Actions

Item	Action	Responsibility and Date	Action Status
43/22	Agree a brief summary of Key Performance Indicators for this meeting.	VP F&CS Director of Finance & Procurement September 23	Not yet complete - VP F&CS and S Wilson continue to work on this.
30/23	Papers for publication to be identified and published	Board Secretary September 23	
31/23	Decision to be made about whether joint F&R/Audit November meetings will be held online or in person.	Board Secretary/Chairs	Complete

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Minutes

ITEM	MINUTE
Present	Lynn Mirley (Chair) Pete Smith (Principal) Bernie Quinn Ugonna Mbaezue Samantha Hamilton-Green
In Attendance	Kirsty Robb (Vice Principal – Finance and Corporate Services) Ingrid Earp (Regional Board Secretary) Jane Grant (Executive Director, Enterprise and Business Innovation) Debbie Kerr (Director of People Services) Sara Wilson (Director of Finance and Procurement) Suzie Hartley (Minutes)
17/23	Chair's Welcome The Chair welcomed everyone to the first 'in person' meeting this year and a round of introductions was carried out.
18/23	Declaration of Conflict of Interest Nothing was raised.
19/23	Register of Members' Interest Nothing was noted.
20/23	Apologies for Absence There were no apologies. Members heard that Samantha Hamilton-Green had been held up and would arrive later.
21/23	Minutes of Previous Meeting held 17 Nov 2022 Members were happy that the minutes of the previous meeting accurately reflected the discussions held and these were approved. Updates to actions from the previous meeting were provided as follows; 43/22 Agree a brief summary of Key Performance Indicators for this meeting. ONGOING. 02/23 Register/Conflict of Interest change request form to be sent to U Mbaezue to note change of employer. COMPLETED

	<p>07/23 <u>Fee Policy</u> Item 3.1.2– Variations; “no variation to published fee levels may be made without the prior approval of the Vice Principal - Finance and Resources. This to be added into 4.0 – Responsibilities. COMPLETED</p> <p>07/23 <u>Fee Policy</u> Point 3.4.2 states that a refund is to be given at the discretion of the Finance Department –this is to be changed to the Director of Finance and Procurement. COMPLETED</p> <p>The Fee policy has been approved and will now be published.</p> <p>10/23 <u>Business Growth and Employer Engagement Strategy Update – Paper E</u> One of the figures in the variance column has moved so no longer looks like a negative. To be amended. COMPLETED</p>
<p>22/23</p>	<p>Matters Arising Nothing was raised.</p>
<p>SECTION A – ITEMS FOR APPROVAL</p>	
<p>23/23</p>	<p><u>Draft Budget 2023-24 (K Robb) – Paper B</u> VP Finance & Corporate Services noted that the budget setting process has been very challenging. The activities undertaken however have enabled the presentation of a balanced budget for 2023-24. 2024-25 and 2025-26 remain in deficit although work is ongoing to try and achieve a balanced result.</p> <p>The following key areas were highlighted;</p> <ul style="list-style-type: none"> - SFC have confirmed a flat cash position and a credit threshold reduction of 10%. - Optimistic, Realistic and Pessimistic scenarios have been prepared. - FFR still a work in progress and will be submitted to Board on a Realistic budget assumption. - Reliance on alternative funding, including commercial income has increased. - Decision to increase Tuition fees by 5% - Several different assumptions prepared in relation to the Shared Prosperity fund. Heriot Watt’s plans remain unknown but once confirmed will further inform the overall budget result. - Staffing costs make up a significant 70% proportion of the budget - no pay award agreed yet for 2022-23 but a final award above the Realistic assumption would result in additional budget pressures and require additional savings to be identified. - Job Evaluations are ongoing and remain unresolved which also presents a financial risk. - Savings are being achieved through a Voluntary Severance (VS) scheme (figures detailed in table 5 of the report) - Another key savings priority is the procurement of two new minibuses. - Some projects are ongoing and potential savings cannot be quantified yet. <p>Members questions;</p>

	<p>A member acknowledged the strain from 70% staffing costs and asked if there is a risk this could increase if agreement is not reached on the current pay offer.</p> <p>Samantha Hamilton-Green arrived to the meeting.</p> <p>Director of People Services responded that while locally, the College has good partnership working, pay offers are negotiated at a national level which takes it out with their control. Progress is being made through regular meetings however. The College are unable to agree to the request from unions to provide a guarantee on no compulsory redundancies - this decision has been backed by a letter from the Scottish Government confirming that as the College are not a Public Sector organisation, they are not obliged to provide a guarantee on this matter.</p> <p>A member asked if the staffing reduction will result in cutting programmes or adding pressure to remaining staff. Members were informed that a consultation process is still underway to determine which VS applicants are successful and, in the meantime, the College continue with the plan to re-shape services and management of staff. Terminating programmes is not part of this plan and only if there is no demand for a course, will a decision be taken to stop running it. It was also highlighted that not all VS applicants are from the curriculum side, therefore there should be no impact on course delivery. The timeline for completion of the VS scheme is 30 June 2023.</p> <p>A member queried how further savings could be achieved in 2025-26. Members were informed that the majority will result from streamlining the estate and that this provides both opportunities and challenges. A review of Student Support Services is currently underway which could also bring potential savings. Managers are also being asked to review all non-essential budget costs. In addition to this, further streamlining of staff has not been ruled out.</p> <p>A member queried to what extent international students pay tuition fees. It was noted that this is due to be discussed at the next Board meeting and that there are very few students paying fees. Additionally, it was highlighted that the increase in fees is in line with other colleges.</p> <p>The implications of a 10% reduction in the credit threshold was queried. Members were informed that this has effectively increased the value of credits and that while it is an option to reduce students/programmes to reduce the risk of overtrading, these programmes may never return if closed, so for now, they continue to keep as many running as possible and take the consequences.</p> <p>Members were happy to approve the recommendations in the report to; approve the assumptions leading to a balanced budget position, to note future years budget assumptions for 2024-25 and 2025-26 and to recommend the draft budget to the board for approval.</p>
SECTION B – ITEMS FOR DISCUSSION	
24/23	<u>Voice Over Internet Protocol (VOIP) (K Robb) – Paper C</u>

	<p>VP Finance & Corporate Services gave an overview of the report. The main points noted were;</p> <ul style="list-style-type: none"> - Current phone system is due expire and requires upgrading – this means switching from the traditional desk phone set up to an internet-based system. - This will provide quick savings. - Summer break identified as the best time to do this to ensure minimal disruption. - Procurement process is underway with seven bids received ranging in value from £160 to £308k for a seven-year contract. - A final decision will be made on Thursday 15 June. <p>A member asked for the rationale behind the project and why it is proposed to implement this now and the total savings anticipated. VP Finance & Corporate Services explained that this will mean quick savings of around £15/20k and that if not done now, they'd need to wait until next summer.</p> <p>A member commented on the wide pricing range and queried whether it is wise to focus predominately on price rather than quality. It was noted that most of the package is made up of standard, 'off-the-shelf' products so there is not much difference in the standard. Also, Openreach provide the line at the same cost, regardless of who supplies the rest of the product. There is also an element of service contract as the College's IT department will not provide the whole package.</p> <p>Members were happy to note and will await the tender decision.</p>
25/23	<p><u>Business (Finance) Review and Update – Paper D</u></p> <p>The Director for Finance and Procurement gave an overview of the current financial position and an indication of future direction.</p> <ul style="list-style-type: none"> - Initial £180k deficit has increased to £380k, largely due to the increase in the forecast pay award from 2% to 5%. - Other factors include; a reduction to some of the anticipated income due to be received throughout the year and additional £190k costs identified to fund the VS scheme. - Most significant risk is the pay award. - There is currently a freeze on any non-essential spend across the College. - Baxter Storey is working at a loss this year and have again been awarded the contract for coming years on a 'no cost' basis. - Agreement reached with HWU on the 2021-22 budget and invoices are being sent. - BC & HWU relationship is improving. - HWU currently pay a significant portion to BC for facilities management. <p>A member queried if the £190k figure for VS is for eight FTE posts. It was clarified that this figure is for twelve posts and includes costs for attached pension schemes.</p> <p>Members were happy to approve the paper.</p>
26/23	<p><u>Business Growth and Employer Engagement Strategy Update (J Grant) – Paper E</u></p>

	<p>The Executive Director, Enterprise and Business Innovation gave an overview of her report and highlighted some of the key areas;</p> <ul style="list-style-type: none"> - Alternate funding is being sourced to offset costs. - Flexible workforce has been reduced by 30% - The Apprenticeship programme has been stunted due to reduction in funding. Next year's plan is to start adding in funding from the City Region Deal. - KPI's –close working continues with Finance and Curriculum areas to anticipate what is coming down the pipeline, based on 5-year forecasts. - Shared Prosperity fund - £530k over two years, green skills and retrofit - Net Zero Skills Accelerator, £23m over four colleges, six local authorities, physical spaces across region, big slice of rev for deliver training. We done well through data driven innovation - College has pledged to make this year's Graduation event cost free for students and nearly £10k in sponsorship has been raised to date. - Innovation vouchers – the College are currently sector leading in this area. There is significant money attached and the College are well placed to get involved with industry partners. <p>Members raised the following questions;</p> <p>A member asked how much innovation is being done in terms of the Innovation Vouchers scheme. It was explained that each voucher is worth £5k and is a marker. Other institutions may take up the offer on funds but don't do any innovation. The College intend on using it on a significant piece of PR, involving the Principal and CEO of interface and a government minister. This could then develop into bigger pieces of work.</p> <p>A member queried the College's engagement with businesses and was informed that the College work with South Of Scotland Enterprise and business gateway.</p> <p>It was noted that two of KPI's in the report are now in red – this will be amended for the upcoming Board meeting.</p>
27/23	<p><u>People Services Update (D Kerr) – Paper F</u></p> <p>The Director of People Services presented the results from the GPTW survey;</p> <ul style="list-style-type: none"> - The College only just qualified for the Large Employer category. - Slight dip in results from last year but no particular concerns raised. - The college continue to perform well in terms of engagement and have maintained their position in terms of leadership. - Communication continues to be positive. - Increase in the majority of areas related to values, from last year. - Ethics has reduced slightly however and investigations will be undertaken to determine why. - Based on feedback, GPTW have made recommendations around leadership, management behaviours and culture and wellbeing. Each manager has identified three actions to improve on their areas' data for next year.

	<ul style="list-style-type: none"> - Quick wins have been achieved, for example through holding a wellbeing day. - The survey will be repeated next year, when a dip in figures is anticipated due to ongoing budget challenges. <p>The following questions were received;</p> <p>A member asked if an engagement survey before the main external survey will be carried out. Director of People Services advised they are conscious about not over surveying staff, they occasionally use Pulse surveys containing a one-off question to check in.</p> <p>Another member identified the point in the report about management behaviours and in particular, acting with integrity and the lower score in relation to this. They felt this to be in conflict with the positive comments received and it was queried whether discussions have been had to determine the reason behind this. National Bargaining and slowness of change were cited as contributing factors and out with the College's Control. The modernisation of policies has been put on hold, for example, the discipline and grievance policy.</p> <p>All were happy to note paper F.</p>
28/23	<p><u>Fair Work at Borders College (D Kerr) – Paper G</u></p> <p>Director of People Services advised that the paper gives an overview of the key dimensions of the Fair Work Framework and what the College are doing to meet these. This is a new document which in time, will be shared widely with staff.</p> <p>Members felt this was a great piece of work and that the concept is understandable.</p>
29/23	<p><u>People Services – External Policy Development Update (D Kerr)</u></p> <p>Director of People Services highlighted that a lot of the Colleges ability to drive change is hindered by national bargaining. Since brought about in 2016, they are only on the first draft of the discipline policy. A guidance document is soon to be published and a there is a request from many support staff, through the pay claim, to have access to a number of different policies. Initial discussions about a four-day working week are also beginning. Central policies have been agreed but continue to be added to.</p>
SECTION C – ITEMS FOR INFORMATION	
30/23	<p><u>Papers for Publication (Standing Item)</u></p> <p>Board Secretary will identify and publish the relevant documents.</p> <p style="text-align: right;">ACTION: Board</p> <p>Secretary</p>
31/23	<p><u>Any Other Business (Standing Item)</u></p> <p>Members agreed to the proposal sent previously via email; to hold a joint Audit and Finance & Resources Committee in November to consider the Annual Accounts. Audit will take place first, then F&R will continue on from this at 6pm. Further consideration is to be given to whether this is held online or in person.</p>

	ACTION: Board
	Secretary/Chairs
32/23	Date of Next Meeting The date of the next meeting is Thursday 21 September 2023 via Teams.

Signed.....

Signed.....

Chair

Board Secretary

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