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Borders College

Finance & General Purposes Committee

Meeting at 17:30 Thursday 24 February 2022

MS Teams

Actions

| Item | Action | Responsibility and Date | Action Status |
|-------|---|---------------------------------|---------------|
| 60/21 | Feedback on Public Sector Climate Change Duties Report to be followed up by new Sustainability Manager. | VP Finance & Corporate Services | |
| 08/22 | ToR - comments to be forwarded to Board Secretary. | All By end of 28/02/22 | Completed |
| 09/22 | An additional F&GP Committee meeting would be required at the end of April for budget discussions. | Board Secretary | Completed |
| 11/22 | Enterprise & Business Innovation Update to be made available to full Board. | Board Secretary | Completed |
| | Future agenda title would be changed to Enterprise and Business Innovation Update. | L Sulo | Completed |

Borders College

Finance and General Purposes Committee

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MS Teams

Minutes

| ITEM | MINUTE |
|---------------|--|
| Present | Elaine Acaster (Chair) Angela Cox Karl Davy Jess McBeath Lynn Mirley Liz Parkes David Peace |
| In Attendance | Ray McCowan (Regional Board Chair) Jane Grant (Executive Director – Enterprise & Business Innovation) Debbie Kerr (Head of HR & Development) Hazel Robertson (Vice Principal – Finance & Corporate Services) Ingrid Earp (Regional Board Secretary) Lorraine Sulo (Minutes) |
| 01/22 | <u>Chair's Welcome</u> The Chair extended a warm welcome to the College's new Regional Board Chair, Ray McCowan. It was agreed that Paper I would be discussed earlier in proceedings to allow the Head of HR to depart the meeting. |
| 02/22 | <u>Declaration of Conflict of Interest</u> No declarations were raised. |
| 03/22 | <u>Register of Members Interest</u> No items were raised. |
| 04/22 | <u>Apologies for Absence</u> All members were present with K Davy joining the meeting later. |
| 05/22 | <u>Minutes of Meetings held on 7 October 2021 – Paper A</u> The previous minute was approved as an accurate record. |

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| <p>60/21</p> | <p><u>Matters Arising</u></p> <p>The following matters arising were raised:</p> <p>The Public Sector Climate Change Duties Report had been submitted, however, it was noted that no response to the submission had been received which was disappointing given the diligent completion by the Estates Department. The new Sustainability Manager who had been appointed to support the college would be asked to seek feedback.</p> <p style="text-align: right;">ACTION: VP F&CS</p> |
| <p>63/21</p> | <p>Some funding for Foundation Apprenticeships had been confirmed for the new financial year although the amount was not yet clear.</p> |
| <p>07/22</p> | <p><u>Mid-year Financial Forecast Return – Paper B</u></p> <p>The report provided members with an overview of the College’s financial position at period 6 2021/22. Members were pleased with the anticipated surplus position of £110k given the financial pressures on the College.</p> <p>The VP Finance and Corporate Services provided further details on the mitigating actions which included:</p> <ul style="list-style-type: none"> • Potential VAT receipt of £200k, in relation to a previous Lennartz college sector claim of £1m which had received HMRC support; and • The withdrawal of consultancy support which was further discussed under Paper E. <p>The report identified a potential variability within the overall position which would allow the transfer of excess funds to BFET (Borders Further Education Trust), however, this would require Regional Board approval by 31 March 2022. An explanation of the independent body was provided for the benefit of new members.</p> <p>R McCowan raised that he had offered to fill a recent vacancy on the BFET Board and queried if that would be appropriate given his position as Regional Board Chair. The Board Secretary advised that part of the constitution was for a member of the Regional Board and a member from the College, therefore, there was not a problem with that being the Regional Board Chair and the Principal.</p> <p>Members approved the recommendation to the Regional Board of up to £250k to be transferred to BFET and the submission of the mid-year-return to SFC with a planned surplus of £110k.</p> |
| <p>08/22</p> | <p><u>Terms of Reference – Finance & General Purposes Committee – Paper C</u></p> <p>The Board Secretary outlined the report following an annual review of the Terms of Reference for the Committee. Members were also advised on a report which would be discussed at the forthcoming Regional Board meeting following a mapping exercise of College strategies and performance measures to Committee structures. The ownership of strategies by some Committees could therefore be subject to change.</p> |

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| | <p>The allocation of the Asset Management Strategy to the Audit Committee was queried with a request for this to remain with F&GP given financial and planning implications. This would be discussed further at the Regional Board meeting.</p> <p>Members were asked to forward any further comments to the Board Secretary by the end of Monday 28 February.</p> <p style="text-align: right;">ACTION: All</p> |
| <p>14/22</p> | <p><u>HR Report – Paper I</u></p> <p>The Head of HR and Development provided an overview of the report which provided an update on the return to campus working, hybrid working and progress on Workforce Strategy.</p> <p>Following the relaxation of national COVID regulations, footfall continued to gradually increase on campus. A Hybrid Working Toolkit had also been implemented in order to utilise the benefits of working from home and provided staff and managers with the correct model of delivery. The toolkit continued to be reviewed each month by the Senior Leadership Team and would evolve and be adjusted as necessary. The Principal continued to meet with trade union representatives through informal meetings.</p> <p>A Member raised the challenges of hybrid meetings which had been experienced in their own workplace. The chairing of hybrid meetings did require specific training and would be introduced in the future if necessary.</p> <p>Members were advised on forthcoming award news for the College which was currently embargoed.</p> <p>Members noted the report.</p> |
| <p>09/22</p> | <p><u>2022/23 Outlook – Paper D</u></p> <p>The report provided an update on the overall financial position of the College. Confirmation of SFC funding for 2022/23 was yet to be confirmed. The College had been advised to plan for flat cash which was a significant challenge for the coming year with other issues such as pay uplifts and ongoing cost pressures.</p> <p>Two scenarios had been modelled to show a least pessimistic and most pessimistic view which were outlined in the report. There were indications that funding for mental health services would continue with at least a 1% uplift in terms of flat cash. Positive news on funding for Flexible Workforce Development Fund (FWDF) had been received with the sector also receiving £10m for the Young Person’s Guarantee Fund.</p> <p>Staffing costs had increased by the greatest amount from £74k in 2017/18 to £84k 2020/21. Following a question from a Member, the VP Finance and Corporate Services advised that the benchmark for staff costs was between 60-70%. It was considered that 55% would be the lowest threshold without resilience and service delivery being compromised. The Finance Directors’ Network would be sharing working information on this and it was hoped that an update figure would be available for the next meeting.</p> <p>It is expected that the SFC budget announcement would be received around mid-March with the aim of a budget for approval by June 2022. An additional</p> |

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| | <p>F&GP Committee meeting around the end of April would be necessary for recommendation of the budget to the Regional Board.</p> <p style="text-align: right;">ACTION: BS</p> <p>This year's national pay award was still unknown and under negotiation with trade unions through the Employers Association, but currently at £800 for consolidated and £200 per head for non-consolidated.</p> <p>The outlook was significantly more challenging than in recent years. Following confirmation of SFC funding, the forward look for three years would be extended to enable the preparation of an FFR for consideration and approval.</p> <p>Members noted the report.</p> <p>The Chair welcomed K Davy to the meeting who apologised for his late attendance. The Regional Chair advised that he would be happy to meet with K Davy on campus at a mutually convenient time.</p> |
| 10/22 | <p><u>Business Review – Paper E</u></p> <p>The report provided an overview of the financial position at period 6 which confirmed a year-end surplus (before pensions), a strong cash position and a continued improvement with the management of all debt and improved creditors' payments.</p> <p>Other points noted included:</p> <ul style="list-style-type: none"> • The dispute with Heriot Watt University had been resolved; • Student debt and commercial debt had escalated in January, but the majority of this was due to timing issues. A three-year period review would be helpful; • Slippage of Melrose Road receipt had been resolved, with SFC confirming satisfaction with proposed plans and being treated as cash management for next year; and • The majority of consultancy support had been to progress the Digital Transformation Programme (DTP) as the College did not have the required expertise, however, this support would be ceasing with College staff taking forward. <p>Members thanked the VP Finance and Corporate Services and Principal for the overall positive position.</p> |
| 11/22 | <p><u>Paper F - Department for Enterprise & Business Innovation (DEBI) Update</u></p> <p>An overview of the report was provided by the Executive Director of Enterprise & Business Innovation. A number of items were highlighted and included:</p> <ul style="list-style-type: none"> • Curriculum and Commercial group had been established with finance meeting to set targets on income generation into next year; • Delivery of Apprenticeship programme was performing well and on track. College had biggest impact in terms of delivery excellence; • A further 65k for Flexible Workforce Development Fund (FWDF) in year and £100k for 22/23 was currently being bid for; • There were a number of opportunities around sector campus development and rural skills programmes linked to the Prince's Foundation; |

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| | <ul style="list-style-type: none"> • Retrofit training demands - awareness raising through pilot project with housing associations and partners; • Final installation of equipment in the College's Technology Enhanced Care Hub, including a dedicated VR room for all areas of the curriculum to use; • An Ecommerce Fast Track course developed with SDS in partnership with Glasgow City and Edinburgh will roll out in May 2022; • Carbon Literacy event with the Riddell Estate and the Ale Water Valley Group as part of CRF; and • Profile of College is generating leads and interest from within and outwith region. <p>Future agenda titles would be changed to Enterprise and Business Innovation. ACTION: LS</p> <p>L Parkes advised on a recent visit to the Hawick STEM facility which she had found an inspirational facility with skilled members of staff and students. The College had also hosted a very successful visit from Scottish Government representatives earlier in the week.</p> <p>Members were very pleased with the quality and range of activities which were being progressed and it was agreed that it would be of benefit for the full Board to be aware of the work which was underway. The Board Secretary agreed to take this forward. ACTION: BS</p> |
| 12/22 | <p><u>Asset Management Strategy Update – Paper G</u></p> <p>The VP Finance and Corporate Services provided an overview of activity in relation to Integrated Asset Management with the following points highlighted:</p> <ul style="list-style-type: none"> • A number of staff workshops had been held to assist in the future design and utilisation of space; • A number of strategic workstreams were underway; • Capital Plan – SFC funding was fairly limited with other sources of funding necessary which were shown in Appendix 3; • There was a need for a creative approach with the campus redesign carried forward to next year; • Flipping the campus would see a move of support services from the ground floor in Galashiels to the tower area although further exploration of the impact of hybrid working would be necessary; • The implementation of a one stop shop was under discussion; • The College would be pursuing external funding opportunities for items such as EV chargers which would be strengthened through the newly appointed Sustainability Manager; • As discussed under item 10/22, SFC had confirmed approval to carry Melrose Road receipt funds to 22/23. <p>Members were satisfied with the contents of the report and the noted recommendations.</p> |

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| 13/22 | <p><u>Strategic Risk Register – Paper H</u></p> <p>The report provided Members with an update on progress/changes to the Strategic Risk Register. The VP Finance and Corporate Services highlighted the following changes to the risk profile:</p> <ul style="list-style-type: none"> • Increase in COVID impact (risk 1b) to 6, which remained a medium risk. The recent change in language from Scottish Government around hybrid working was enabling more on campus activity; • Reduction in finance risk (risk 2) from 16 to 12. Scenario planning on least pessimistic and most pessimistic scenarios provide options for achieving a break even position in 2022/23 although there was still a lot of risk in relation to potential pay increases; and • New risk in relation to potential inadequacy of governance arrangements, scored at 2 which is low. <p>Members reviewed and noted the changes in the register with no further recommendations made.</p> |
| 15/22 | <p><u>Equality, Diversity & Inclusion (Standing item)</u></p> <p>No items were raised.</p> |
| 16/22 | <p><u>Papers for Publication (Standing item)</u></p> <p>No draft or commercially sensitive papers would be published.</p> |
| 17/22 | <p><u>Any Other Business</u></p> <p>The Chair confirmed that following Nominations and Regional Board agreement, L Mirley would take over as Chair of the F&GP Committee in the summer.</p> |
| 18/22 | <p><u>Date of Next Meeting</u></p> <p>The next F&GP Committee meeting would take place at 17:30 on Thursday 26 May 2022 via Teams.</p> |

Signed.....

Chair

Signed.....

Board Secretary