

# A

## Borders College

### Finance & General Purposes Committee

Meeting at 11:00 Thursday 19 November 2020

#### MS Teams

#### Actions

Item	Action	Responsibility and Date	Action Status
72/20	Suggestion of case studies being completed by students would be feedback to CLM.	Principal	Completed
74/20	Annual Accounts 2019/20 – a high-level overview of the College's financial plan going forward to be included on page 30.	VP Finance & Corporate Services	Completed
	Dual role of Interim Chair of the Regional Board and Chair of the Finance and General Purposes Committee to be declared within the annual accounts and at the forthcoming Regional Board meeting.	VP Finance & Corporate Services & Board Secretary	Completed
	Interim Vice Chair will join the Audit Committee meeting on 26 November 2020 to record F&GP annual accounts recommendation. An extract of this meeting minute to be made available.	Interim Vice Chair L Sulo	Completed Completed
76/20	Supporting strategies to be aligned to the format of the College's Strategic Ambition document.	VP Finance & Corporate Services / Principal	To be updated once all strategies agreed
83/20	The Annual Health and Safety Report would be discussed at the forthcoming Regional Board Meeting in December.	VP Finance & Corporate Services	Document complete for Board

**Borders College**

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**Minutes**

<b>ITEM</b>	<b>MINUTE</b>
Present  In Attendance	Elaine Acaster (Chair) Angela Cox (Principal) Jess McBeath Liz Parkes David Peace Sally Prentice (BCSA – VP for Education)  Debbie Kerr (Head of HR & Development) Item 72 David Eardley (Azets) - Items 73 and 74 Hazel Robertson (Vice Principal – Finance & Corporate Services) Ingrid Earp (Regional Board Secretary) Lorraine Sulo (Minutes)
<b>66/20</b>	<b><u>Chair's Welcome</u></b>  The Chair welcomed everyone to the meeting.
<b>67/20</b>	<b><u>Declaration of Conflict of Interest</u></b>  No declarations were raised.
<b>68/20</b>	<b><u>Register of Members Interest</u></b>  Members were reminded to advise the Board Secretary of any changes to their registers.
<b>69/20</b>	<b><u>Apologies for Absence</u></b>  All members were present.
<b>70/20</b>	<b><u>Minutes of Meetings held on 24 September 2020 – Paper A</u></b>  The previous minute was approved as an accurate record.
<b>71/20</b>  <b>59/20</b>  <b>60/20</b>	<b><u>Matters Arising</u></b>  The Campus Management Committee had approved the proposal of extending the current catering contract. SFC would be notified given the contract amount.  Dates for the Regional Board's Risk and Cyber Security workshops had been agreed for January 2021.

72/20	<p><b><u>Workforce Strategy and Annual Monitoring Report – Paper B</u></b></p> <p>The Head of HR &amp; Development joined the meeting and provided an overview of the paper. The initial draft of the Workforce Strategy had been considered by the Committee in March 2020. Further consultation and feedback had then followed with SLT agreement recently confirmed.</p> <p>The Annual Priorities for 20/21 are:</p> <ol style="list-style-type: none"> <li>1. Enhancing digital skills of staff;</li> <li>2. Engagement in placement/exchange opportunities;</li> <li>3. Equalities training which is engaging.</li> </ol> <p>The Principal added that a progress update would be provided in the new academic year. College data had shown that minority groups consistently underperform, therefore equalities training was a key priority area.</p> <p>With regards virtual learning, it was suggested by the VP for Education that case studies could be written by the student as this would show a level of understanding. This suggestion would be fed back to the Curriculum Learning Manager as awarding body requirements would require to be checked.</p> <p style="text-align: right;"><b>ACTION: Principal</b></p> <p>It was noted from the Annual Monitoring Report that the equal pay gap had reduced significantly. The statistics were obtained from the 2019 Mainstreaming Equalities report which was reported on every two years, therefore, a new version was due for publication in April 2021. Being a Living Wage employer had helped to address the gender pay gap.</p> <p>The Staff Sickness Absence was still high at 12.25 days during 2019/20 however, this was partly due to two significant long-term absences.</p> <p>The Committee approved the Workforce Strategy and Annual Monitoring Report.</p>
73/20	<p><b><u>External Audit Report 2019-20 – Paper C</u></b></p> <p>The VP Finance &amp; Corporate Services introduced the paper which was the near final version. The audit process had been very smooth this year and largely completed in line with the agreed timetable with external audit. A small number of non-material issues were still to be updated in the accounts and the audit report, prior to submission to the Audit Committee.</p> <p>D Eardley advised that the audit team were currently working on feedback received from the College and based on the audit work completed to date, a clean and unqualified audit opinion was being intended, subject to some outstanding points. The Committee was reminded that the audit opinion was subject to change up until the date of signing in December 2020.</p> <p>In terms of external audit plan issues, page 11 onwards, identified those risks which were flagged up at the planning stage.</p> <p>A main point of substance was paragraph 36 with one audit adjustment identified which related to the valuation of fixed assets capitalised in 2019/20.</p>

	<p>The details of the adjustment were set out in Appendix 3 which had been worked through with management.</p> <p>In response to a question asked by the committee, P11 point 17, David Eardley advised that this was standard audit terminology in relation to the risk of management override and revenue recognition. This is always assumed to be high risk, therefore is a significant element of audit testing, except for SFC grants which is easily verified so this receives a different audit treatment.</p> <p>Members approved the draft external audit report for 2019-20.</p>
<p><b>74/20</b></p>	<p><b><u>Annual Accounts 2019-20 – Paper D</u></b></p> <p>The VP Finance &amp; Corporate Services advised that on 24 September 2020 F&amp;GP had provided their comments on the first draft of performance and accountability report with main financial statements. A near final version was now provided for final consideration prior to being presented to the Audit Committee on 26 November 2020. There had been no substantive or material changes to the main statements since the first draft with overall performance remaining unchanged.</p> <p>In response to a question relating to the going concern statement and financial sustainability going forward, the external auditor, D Eardley, agreed that the report was fair and reasonably stated and that the College had plans for operating sustainably, which would be reviewed again next year. It was agreed that a short paragraph providing a high level overview of the College's financial plan going forward, in line with the Strategic Ambition, would be included on page 30.</p> <p style="text-align: right;"><b>ACTION: VP F&amp;CS</b></p> <p>Following a discussion, it was highlighted that the dual role being undertaken by E Acaster as both Interim Chair of the Regional Board and Chair of the Finance and General Purposes Committee would be declared through a brief narrative within the report and at the forthcoming Regional Board meeting. D Eardley confirmed that the dual role did not cause any governance issues.</p> <p style="text-align: right;"><b>ACTION: VP F&amp;CS &amp; Board Secretary</b></p> <p>Members confirmed their recommendation of the accounts to the Audit Committee, subject to minor changes being made. Interim Vice Chair, D Peace, kindly agreed to join the Audit Committee meeting on 26 November 2020 to record this recommendation with an extract of this meeting minute being made available. The Regional Board would ultimately endorse the accounts on 3 December 2020.</p> <p style="text-align: right;"><b>ACTION: Interim Vice Chair &amp; LS</b></p> <p>Appreciation of work was conveyed to the external auditors, Azets, the VP Finance &amp; Corporate Services and the Finance Team, particularly the Finance Business Partner, A Jones.</p>

75/20	<p><b><u>Final Draft Annual Report of the F&amp;GP Committee to the Regional Board 2019-20 – Paper E</u></b></p> <p>The required changes from the previous F&amp;GP meeting had been completed with no further changes recommended.</p> <p>Members approved the report for submission to the Regional Board.</p>
76/20	<p><b><u>Draft Asset Management Strategy – Paper F</u></b></p> <p>The VP Finance &amp; Corporate Services provided an overview of the new Asset Management Strategy which had been developed in order to ensure that the College can achieve its Strategic Ambition and particularly the Curriculum Strategy. The strategy sets out the need to integrate planning processes for technology, data, estates, fleet and other equipment.</p> <p>The new strategy allows the College to think strategically over a longer term with a review on curriculum requirements over a 3-5 year period also underway.</p> <p>There will be a more detailed operating plan and an annual plan which will look three years ahead. Measurement from a governance point of view will be:</p> <ol style="list-style-type: none"> <li>1. Creation of Asset Management Plan</li> <li>2. Annual progress against measurement of strategy (which will be part of normal reporting cycle to F&amp;GP Committee)</li> </ol> <p>Following a discussion on the presentation format of the report, it was agreed that supporting strategies would be aligned to the format of the College's Strategic Ambition document.</p> <p style="text-align: right;"><b>ACTION: VP F&amp;CS / Principal</b></p> <p>Members agreed that the strategy was a good approach and thereby recommended the adoption of the strategy to the Regional Board in December 2020.</p>
77/20	<p><b><u>Public Sector Climate Change Duties Report - Paper G</u></b></p> <p>The VP Finance &amp; Corporate Services advised that the format of the report return remained unchanged from previous years, however, Scottish Government had advised that due to the impact of COVID-19 there would be a focus on the overall reduction in CO<sub>2</sub> in year and not on current/future projects.</p> <p>There had been a significant decrease in tCO<sub>2</sub> from last year (535 to 416) due to the closure of campuses. The nature of emissions had changed due to the SHARC heating system being out of delivery prior to lockdown.</p> <p>The College's new Sustainability Strategy which will provide the focus for future years will be presented to the Regional Board in December 2020.</p>

	<p>The report has successfully gone through the EAUC quality assurance process. Members were asked to forward any further observations direct to the VP Finance &amp; Corporate Services.</p> <p>The report was approved for submission subject to any further changes received.</p>
<p><b>78/20</b></p>	<p><b><u>ISLT Strategy Implementation Update (Paper H)</u></b></p> <p>The VP Finance &amp; Corporate Services provided details on the College's Digital Transformation Programme. The primary purpose of the paper was to provide members with information on the strategic intention and some indication of the costs and potential funding mechanisms.</p> <p>The programme had passed the discovery phase and would reach the end of the design phase in a further two weeks. Procurement of infrastructure and MIS was progressing with VLE not as time critical due to a national procurement framework which was being retendered in February 2021.</p> <p>Funding approval for BFET for £70k to cover upfront costs had recently been approved. Discussions with other colleges on a collaborative approach have been positive but are at an early stage. A largely revenue funded solution would be challenging but the present way of funding was not sustainable with infrastructure requiring replaced but no capital funding provided by SFC.</p> <p>It was noted that there was an importance for expectations to be well managed and what would or not be deliverable well communicated.</p> <p>Following a discussion, members endorsed the proposed way forward.</p>
<p><b>79/20</b></p>	<p><b><u>Business Review (Paper I)</u></b></p> <p>The VP Finance and Corporate Services advised that the management accounts were still be finalised due to the early month close date in November and work to finalise the statutory accounts, however, a high-level overview was provided within the report.</p> <p>Key points highlighted:</p> <ul style="list-style-type: none"> <li>• An additional £50k of financial support for students has been provided by the College;</li> <li>• £75k underspend after savings;</li> <li>• Early signs of improved income but detail is still to be worked through;</li> <li>• Cashflow remains strong;</li> <li>• No concerns with debtors;</li> <li>• Creditors performance has improved however payments within 30 days has dropped so there is a need to understand why.</li> </ul> <p>The Principal added that there was confidence that savings would be met in year, however, such savings may be one off efficiencies due to not being on campus therefore revenue costs would require to be reviewed.</p> <p>Members noted the current financial position.</p>

	David Peace left the meeting.
<b>80/20</b>	<p><b><u>Strategic Risk Register (Paper J)</u></b></p> <p>The redesign of the risk register continued with Board risk workshops now confirmed for January 2020.</p> <p>The current register continues to be reviewed with risks 3b and 5m recommended for closure. Following a discussion, it was agreed that 5m would remain on as a managed risk for now.</p> <p>No additional strategic risks were identified.</p>
<b>81/20</b>	<p><b><u>Equality &amp; Diversity (Standing item)</u></b></p> <p>No items were raised.</p>
<b>82/20</b>	<p><b><u>Papers for Publication (Standing item)</u></b></p> <p>No draft papers or commercially sensitive papers would be published.</p>
<b>83/20</b>	<p><b><u>Any Other Business</u></b></p> <ul style="list-style-type: none"> <li>• Annual Health &amp; Safety Report to Regional Board</li> </ul> <p>The Chair requested for the annual Health and Safety Report to be part of the December Regional Board Agenda. It was noted that there had been a delay with this due to the interim H&amp;S Manager duties being prioritised to COVID-19 duties.</p> <p style="text-align: right;"><b>ACTION: VP F&amp;CS</b></p> <ul style="list-style-type: none"> <li>• Post Covid-19 – Mental Health</li> </ul> <p>BCSA VP for Education highlighted the long-term effects which COVID-19 may have on the mental health of students 2-3 years post the pandemic. It was suggested that longer-term provision of support could be discussed further with the Head of Student Services.</p>
<b>84/20</b>	<p><b><u>Date of Next Meeting</u></b></p> <p>The next F&amp;GP Committee meeting will take place on Thursday 25 February 2021 with a provisional time of 17:30.</p>

Signed.....

**Chair**

Signed.....

**Board Secretary**