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REGIONAL BOARD

26 October 2023

Principal's Report

1.0 PURPOSE OF PAPER
For discussion

1.1 This paper summarises College activities not reported elsewhere, as well as items which may be of general interest to the Board, including external engagements undertaken by the Principal and CEO. It also provides an update on Key Performance Indicators (KPIs).

2.0 EXECUTIVE SUMMARY

2.1 Since my last report, we have seen some significant changes in the College, particularly in some of the structural changes resulting from service re-design.

2.2 Overall, KPI's show a positive position, although it is early in the academic year.

2.3 The presence of Reinforced Autoclaved Aerated Concrete (RAAC) is a concern but is being dealt with in line with recommendations.

2.4 The other main concern is the continuing failure to agree outcomes on either national pay bargaining or job evaluation.

2.4 There are a number of positive developments of note, including the securing of additional funding from the Shared Prosperity Fund.

3.0 RECOMMENDATION(S)/ACTION(S) REQUIRED

3.1 This paper is presented for information and discussion.

4.0 UPDATES ON COLLEGE ACTIVITIES

4.1 Staff Matters

4.1.1 Jane Grant, our Executive Director for Enterprise and Business Innovation left the College in August 2023. In the current climate of financial constraint, we have decided not to recruit a direct replacement in the short term. Instead, other members of the Senior Leadership Team (SLT) and Executive have taken on elements of the role. This will be reviewed early in 2024.

4.1.2 After almost 28 years' service, Clare Nairn, our Director of Student Support Services, retired in early October 2023. After a robust recruitment process, assisted from a Board perspective by Ugo Mbaezue, we have appointed Amy

Brydon to the role. Amy was previously the College's Equality, Diversity and Inclusion Officer.

4.1.3 The curriculum restructure put in place in August, which saw us move from having seven curriculum and learning managers to four heads of sector (HoS) is bedding in. We have re-aligned some professional services to ensure each HoS has the necessary support to deliver for their new responsibilities and that the College can also build commercial capacity across its curriculum.

4.1.4 The re-design of our student support services is also now in place, intended to ensure greater coherence and sustainability across student and learning support services.

4.2 College Graduation Ceremony

4.2.1 The annual graduation ceremony took place at the Borders Events Centre on 22 September 2023, with over 90 students graduating.

4.2.2 For the first time, thanks to receipt of sponsorship funding, we were able to make attendance cost-free to students.

4.3 Annual Priorities 2023-24

4.3.1 Following Board feedback in June, we have developed a set of Annual Priorities for 2023-24; these are considered in a separate paper.

4.4 SQA Audit

4.4.1 On 26 September, the Scottish Qualification Authority (SQA) undertook a systems verification audit of the College. In all areas, the outcome was assessed as "High Confidence identified in the systems that support the maintenance of SQA standards within this centre". This is the best outcome that could be achieved.

4.5 Shared Prosperity Fund

4.5.1 We were successful in our bid to the UK Government's Shared Prosperity Fund for a total of £530,400 to enable us to continue to support re-skilling and upskilling over the next two years via our Sustainability Academy. This has been a key part of DEBI activity over the past two years.

4.6 Colleges Scotland Parliamentary Reception

4.6.1 The Colleges Scotland Parliamentary Reception took place at Holyrood on the evening of 26 September. At the event Borders College showcased the joint work we have been undertaking with SRUC, generating good interest from politicians and colleagues from across the sector.

4.7 Reinforced Autoclaved Aerated Concrete (RAAC)

4.7.1 As with many organisations, following recent incidents of structural faults and failure elsewhere, we are undertaking works to assess and mitigate any presence of RAAC in our buildings.

4.7.2 Initial surveys have detected the presence of RAAC in the workshop corridor of Scottish Borders Campus. We have taken immediate action to add bracing in the Borders College areas, with further urgent work to be undertaken in the Heriot-Watt areas. A full intrusive survey is currently underway and any resulting recommendations will be implemented as soon as possible.

4.8 Convention of the South of Scotland (CoSS)

4.8.1 On 11 September, the College hosted the Convention of the South of Scotland, chaired by the Deputy First Minister. For information, the outputs of that session are noted below: -

"***Regional Economic Partnerships***

Acknowledge the refreshed membership of the Regional Economic Partnership and welcome the focus on actively reviewing the delivery priorities in the Regional Economic Strategy (RES).

Endorse the proposal to focus on the three grand challenges of Housing, Transport and Skills over the coming two years and welcome the commitment to engage with partners to ensure progress is made against the main challenges facing the South of Scotland economy. Members welcomed the commitment from national partners to support South of Scotland ambitions.

Rural Delivery Plan

Welcomes the commitment from the Scottish Government to deliver a Rural Delivery Plan by the end of this Parliament and endorses the purpose, approach and ambition of the Plan.

Supports the Scottish Government in the development and delivery of the Rural Delivery Plan through active engagement to ensure the strengths of the South of Scotland are recognised and built upon.

Addresses the opportunity to attract new participants - especially from under-represented groups such as women and girls - to roles in the wider rural economy (including land-based industries) and recognise the potential opportunities arising from diverse energy infrastructure planning.

Gateways of Opportunity – Place Based

Recognise the value of place based approaches and commend the two case study projects, Stranraer and Tweedbank, as successful exemplar projects, that are rooted in the needs of their individual place and community.

Agree to explore a more pragmatic, responsive, agile and equitable approach to business case development and funding, based upon the principles of Verity House Agreement and the National Strategy for Economic Transformation, which recognises that the benefit goes beyond traditional economic measures and needs to reflect circumstances of Scotland's rural regions;

Agree to develop a more flexible place-proofed policy making and funding packages which support shared outcomes and are better adapted to local circumstances.

Recognise the wider benefits of infrastructure, including transport and digital, to future success of the South of Scotland.

Natural Capital

Confirm support for the opportunities provided by natural capital in the South of Scotland, recognising how the region can positively address climate and nature impacts by strengthening business and community resilience, whilst growing our economy for future generations, developing the appropriate skills.

Position the South of Scotland as the "Natural Capital Innovation Zone" for Scotland to encourage and accelerate responsible investment across the region, pioneer innovative methods of land and marine management, halt biodiversity loss, and build and strengthen supportive partnerships with public, private and third sector organisations.

Develop a Natural Capital investment pipeline of opportunities across the region that identifies nature-based-solutions, including regenerative agricultural projects, to demonstrate the delivery of the Wellbeing Economy, ensuring effective community engagement and empowerment.

Agree to take forward discussions on Green Finance using the convening power and insight of partners such as Heriot-Watt."

4.9 National Pay Bargaining and Job Evaluation

4.9.1 Nationally, there continues to be little or no progress with pay bargaining, although the mandate for the previous round of strike action and action short of strike (ASOS) concluded on 14 October, meaning that staff will be required to enter all outstanding result by 27 October 2023.

4.9.2 The National Joint Negotiating Committee (NJNC) – Side Table (Lecturing) met on Wednesday 11 October 2023. An update on the key item discussed is set out below: -

"*The management side acknowledged the revised claim from the EIS-FELA which was received on Friday 6 October 2023.*

An extract from the EIS -FELA revised pay claim is set out below:

> *"EIS FELA national representatives are submitting a three-year claim that covers years 2022/23, 2023/24 and 2024/25. The revised pay claim is for a consolidated flat-rated pay rise of £8,000 over three years, on all national salary scale points for unpromoted and promoted lecturers."*

The EIS-FELA requested an improved offer from the management side in response to the revised claim. The management side made it clear that the

revised pay claim was way in excess of what employers could possibly afford and advised that there was no movement from the current offer.

The Staff Side Joint Secretary also made it clear in his covering email, and in the meeting itself, that:

> *"…any statement on job security must be clear that there will no compulsory redundancies related to any pay award made."*

The form of words previously offered to the staff side was discussed and it sought stronger wording, more akin to the wording of the Staff Side Joint Secretary's email covering email, to address the concerns from the staff side on compulsory redundancies.

The staff side confirmed that it would not consider an independent pay review of college lecturers pay, and that it did not see any value in involving ACAS in discussions."

4.9.3 For support staff, the offer which remains on the table would increase salaries by £2000 pro rata from 01 September 2022 and a further £1500 from 01 September 2023, a consolidated increase of £3500 over the two years.

4.9.4 GMB have taken this offer to their members and they have accepted the offer, although all 3 unions need to accept the offer to enable an agreement to be reached and the monies to be paid out.

4.9.5 UNITE members narrowly rejected the offer.

4.9.6 UNISON, the largest support staff union in the sector, has not put the pay offer to their member to vote on despite this request being made repeatedly by the employers.

4.9.7 There has been little progress with regard to national job evaluation. In March 2023, scoring of all posts was complete and initial rank orders were issued to colleges earlier this year to commence the Quality Assurance stage of the project. At this Quality Assurance stage, serious concerns were raised by employers on the accuracy of the rank orders, and they determined they could not progress without further significant work being undertaken.

4.9.10 The employers remain committed to finding a positive resolution to the project, working in partnership with the trade unions. The staff side is now seeking a meeting date in November 2023, having advised they are unable to meet this month.

4.10 "Think the Unthinkable"

4.10.1 Convention 6 took place on 19 September and concluded with a session presenting to the Minister for Higher and Further Education, and a question-and-answer session. From "Think the Unthinkable", we have moved to the "Art of the Possible", identifying four priority transformational themes: -

- Colleges to plan and deliver apprenticeships/skills provision at the regional level.
- Work on models, including international comparative overview of different systems, structures and models and individual in-depth case studies including funding models from OECD.
- Developing the college workforce, maximising the potential for a diverse and responsive workforce to meet current and future demands.
- Digital Transformation to deliver and create the conditions for colleges to enhance their digital capabilities whilst also improving institutional sustainability.

4.10.2 These themes have been developed into a set of principles, designed to drive engagement with the Scottish Government: -

- Think Colleges First.
- Colleges are valued and growing within the skills delivery landscape, delivering maximum opportunities for learners and producing a skilled workforce for Scotland.
- Colleges are financially and operationally stable and sustainable.
- Colleges are the lead organisations for Regional Skills Planning and Delivery within the already established structures of Scotland's Regional Economic Partnerships.
- Colleges are evolving to be focused on place based opportunities and supporting their communities to thrive.
- Digital Transformation: harness, sustain, and evolve digital opportunities.
- The college workforce is highly skilled, diverse, resilient and valued.

4.10.3 There are also detailed actions that the college sector will take, and asks of Scottish Government, its agencies and other stakeholders, and impacts against each of the identified principles.

4.11 External Engagements and Liaison

4.11.1 Since the last Board meeting, in addition to attendance at the Colleges Scotland Parliamentary Reception and CoSS as noted above, and continued liaison with regional partners via the Regional Economic Partnership, Community Planning Programme Board and Elected Member Oversight Committee of the Edinburgh and South East Scotland City Regions Deal, my external engagements and liaison have included: -

- Hosting elected members of Scottish Borders Council at Scottish Borders campus to discuss provision in the Berwickshire area.
- Initiating the first of regular meetings with the Chief Executive of Scottish Borders Council to consider matters of mutual interest and benefit.
- Continuing regular meetings with the Chief Executive of South of Scotland Enterprise to consider matters of mutual interest and benefit.
- Attending initial meetings of the South of Scotland UCI Cycling Optimisation Group to consider how the College can contribute to the region's ongoing commitment to cycling.

- Hosting a visit by the Depute Principal of Abertay University to consider future partnership working and articulation agreements.
- Hosting elected members of Scottish Borders Council at Hawick campus to showcase the facilities available in Hawick.
- As part of the Borderlands Inclusive Growth Deal, attended meetings of the Galashiels Placemaking Town Team to ensure the College is included as part of any emerging strategy.

4.11.2 In July, we also welcomed the Scottish Borders Space Trail to the College to find out more about the project and give early consideration as to any mutual benefit.

4.11.3 Between October and December will have Cornerstone staff and clients utilising some of our facilities each week on Thursdays and Fridays on a commercial basis.

5.0 KEY PERFORMANCE INDICATORS

5.1 Student Outcomes

5.1.1 Learner Success is measured annually. Due to Action Short of Strike (ASOS) we are not yet able to provide a complete set of success KPIs for academic year 2022-23. There are currently 909 outstanding results, impacting 216 students. These outstanding results are in all levels and modes, with the exception of HEPT, where the college has improved Learner Success by 3.5% from 2021-22.

5.1.2 Based on the estimated Learner Success, it is anticipated that the college will also improve Learner Success in all other levels and modes, as shown below in **Figure 1**: -

Figure 1: 2022-23 Learner Success in comparison to 2021-22

Learner Success				
Mode	**Level**	**2021-22**	**2022-23 Estimated**	**Variance**
FT	FE	63.0%	68.6%	5.6%
PT	FE	72.2%	76.1%	3.9%
FT	HE	65.5%	68.8%	3.3%
PT	HE	85.4%	88.9%*	3.5%

5.1.3 Early Withdrawal and Further Withdrawal are contributory factors to Student Success; however, it is to early in the year for these to be meaningful for 2023-24; they will be included for future reports.

5.2 Credit Utilisation

5.2.1 As at 19 October 2023 the predicted credits are slightly under the threshold of 23,891. This is relatively low risk due to potential activity awaiting confirmation. See **Figure 2,** below: -

Figure 2: 2023-24 Credit Position (19 October 2023)

5.3 Financial Indicators

5.3.1 Staffing Expenditure as a Percentage of Total Expenditure is a helpful indicator of the College's vulnerability to nationally negotiated pay settlements, as well as its ability to be responsive in flexing resource allocations. Actual percentage for 2022-23, and budgeted percentage for 2023-24 are as follows: -

2022-23 (Actual) – 67%

2023-24 (Budget) – 68%

5.3.2 At the time of writing, we have yet to consider the first set of management accounts for Academic Year 2023-24; current figures will be added for future reports.

5.3.3 Non SFC/Credit Income as a Percentage of Total Income is a helpful indicator of the College's flexibility in resourcing non-core activity. Actual percentage for 2022-23, and budgeted percentage for 2023-24 are as follows: -

2022-23 (Actual) – 15%

2023-24 (Budget) – 14%

5.3.4 At the time of writing, we have yet to consider the first set of management accounts for Academic Year 2023-24; current figures will be added for future reports.

5.3.5 Cash Days held is an indicator of the College's liquidity and ability to meet ongoing commitments. SFC expects us to retain only around 15 days cash at any time, without drawing cash "in advance of need". The current Cash Days is shown in **Figure 3**, below: -

Figure 3: Cash Days

SFC Target	31/07/23 Actual	30/09/23 Actual
15 days	34 days	33 days

5.4 People Services Indicators

5.4.1 Voluntary Staff Turnover for the past two years was as follows: -

2021-22 (Actual) 15.5%

2022-23 (Actual) 12.0%

5.4.2 Staff Sickness Absence Days for the past two years against the sector average (for available colleges) is shown in **Figure 4,** below: -

Figure 4: Staff Sickness Absence Days

	2021-22 Actual	2022-23 Actual	2022-23 Sector
Days/FTE	17.7	11.1	13.0
Percentage	6.8	4.3	5.0

5.5 KPI Summary

5.5.1 While it is early in the year to read too much into trends, applications and enrolments for 2023-24 are good. If withdrawals remain at the same level as 2022-23, together with effective support, we would hope to maintain outcomes at the level achieved in 2023-24.

5.5.2 Financially, we remain on target to achieve our budgeted out-turn. Our People Services indictors show an improving trend.

6.0 IMPLICATIONS AND CONSIDERATIONS

6.1 Financial Implications

6.1.1 There are no direct financial implications as a result of this paper, although many of the measures discussed are intended to contribute to financial sustainability.

6.1.2 Mitigation measures to address the presence of RAAC will be funded from the Campus Lifecycle Maintenance Fund.

6.2 Learner Implications

6.2.1 The changes discussed in Section 4 are intended to provide improved services to support learners, with a resulting positive impact on outcomes.

6.3 Staff Implications

6.3.1 Staff implications are as discussed in Section 4.

6.4 Equality and Diversity Implications/Equality Impact Assessment

6.4.1 There are no direct implications as a result of this paper; however, work to improve our student support services should have positive impacts.

6.5 Sustainability/Environmental Implications

6.5.1 There are no direct impacts as a result of this paper.

7.0 RISK COMMENTARY

7.1 There are no direct risks resulting from this paper. The presence of RAAC has been included within the College Strategic Risk Register.

8.0 CONCLUSION

8.1 Overall, the academic year has started well, with good recruitment and enrolment numbers. There are a number of positive actions taking place, with risks being managed.

P D SMITH
Principal & CEO

19 October 2023