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## Borders College

### Finance & Resources Committee

Meeting at 17:30 Thursday 21 September 2023

#### On MS Teams

#### 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	Ongoing
39/23	Amendments to be made to Annual Report to Regional Board and circulated via email for approval	L Mirley I Earp  October Board Meeting	

**Borders College**

**Finance and Resources Committee**

**Meeting at 17:30 Thursday 21 September 2023**

**On MS Teams**

**Minutes**

<b>ITEM</b>	<b>MINUTE</b>
<b>Present</b>	Lynn Mirley (Chair) Pete Smith (Principal) Bernie Quinn Samantha Hamilton-Green
<b>In Attendance</b>	Ingrid Earp (Regional Board Secretary) Sara Wilson (Director of Finance and Procurement) Scott Moncrieff Suzie Hartley (Minutes)
<b>33/23</b>	<b>Chair's Welcome</b> The Chair welcomed everyone to the first meeting of the new academic year.
<b>34/23</b>	<b>Declaration of Conflict of Interest</b> No areas of conflict were raised.
<b>35/23</b>	<b>Register of Members' Interest</b> No additions to the register were requested.
<b>36/23</b>	<b>Apologies for Absence</b> Apologies were noted from Ugonna Mbaezue, Kirsty Robb and Debbie Kerr.
<b>37/23</b>	<b>Minutes of Previous Meeting held 12 June 2023</b> No inaccuracies were raised and all agreed that the minutes were an accurate reflection of discussions.  The following updates to actions were noted;  <b>43/22</b> Agree a brief summary of Key Performance Indicators for this meeting – <i>Ongoing, VP F&amp;CS and Director of Finance continue to work on this and will present in a paper once completed.</i>  <b>30/23</b> Papers for publication to be identified and published – <i>Complete</i>  <b>31/23</b> Decision to be made about whether joint F&R/Audit November meetings will be held online or in person – <i>Complete,</i>

	<i>There is no requirement for future joint meetings as this committee does not need to see a final version of the accounts but are instead content to note progress throughout the year.</i>
<b>38/23</b>	<b>Matters Arising</b> No matters were raised.
<b>SECTION A – ITEMS FOR APPROVAL</b>	
<b>39/23</b>	<b><u>Annual Report to Regional Board (I Earp, L Mirley, ToR 2.18)</u></b> It was queried whether reference to the constitution or the inclusion of staff members in the attendance log is required or could they be removed. More detail was requested about the work of the Committee throughout the year.  L Mirley and I Earp will make the suggested amendments prior to Board at the end of October and all agreed that approval of the updated version can be sought via email.  <b>ACTION: LM/IE</b>
<b>SECTION B – ITEMS FOR DISCUSSION</b>	
<b>40/23</b>	<b><u>Business (Finance) Review and Update (Paper C, ToR 2.1/2.4)</u></b> Director of Finance gave an overview of the financial position as at July 2023.  The following key areas were noted; <ul style="list-style-type: none"> <li>- Original forecast Outturn of £181k with an Adjusted Operating Result (AOR) of £180k.</li> <li>- Updated Mid-Year Return shows a reduced outturn at £299k and an AOR of £300k, mainly due to an increase in the forecast pay award from 2% to 5%.</li> <li>- Pension adjustments are yet to be calculated.</li> <li>- A significant portion of deficit has been reduced - the reasons for this are noted within the report.</li> <li>- £638k income figure (noted in Appendix 1) significantly better than expected and the result of; Flexible Workforce Development Fund (£66k), Skills Development Scotland income (£166k), recovery of catering losses (£113k), various miscellaneous grants (£125k), catering contract (£38) and a positive release from Deferred Capital Grants (£49k).</li> </ul> Key uncertainties throughout the year; <ul style="list-style-type: none"> <li>- Baxter Storey projected loss for 2022-23 was £45k, the final result however is a £69k loss with Heriot Watt University (HWU) sharing this on a 50/50 basis.</li> <li>- There are positive and negative variances in a number of grants but the net amount is positive.</li> <li>- One-off extra funding offered to the College and previous SOSEP project funding released as part of a tidy up exercise.</li> <li>- SFC requested a repayment of £170k due to the College not achieving full credit allocation for NTF and delivery of apprenticeship training.</li> <li>- Staffing and property both over budget.</li> <li>- Reactive maintenance over budget and HWU reluctant to agree to the use of the Life Cycle Fund. 2022/23 reconciliations have since been agreed however and the BC-HWU relationship is improving.</li> <li>- Spend on vehicles.</li> </ul>

	<ul style="list-style-type: none"> <li>- Pay award not yet agreed. A full and final pay award of a cumulative £3.5k over two years remains on the table, the accounts are based on this.</li> <li>- Teaching related expenditure is £40k over and fees are due to SQA. Pro solution should give us a more accurate predication of future fees.</li> <li>- Bad debts; - student funding (£36k) and trade. Usually written off at year end and payment pursued, however staff changes and a lack of training has resulted in no action. A much-improved position is planned for next year.</li> <li>- IT Budget underspend due to less than anticipated VOIP project costs and the spread over budget periods.</li> </ul> <p>The following questions were raised;</p> <p>A member queried the reason for SFC's request to return some of the funding allocated to the College, back to them. Director for Finance explained that funding is allocated against courses and that although the College met the credit target, they did not deliver the number of foundation apprenticeships required. The indication from SFC at the time was that there would be no 'claw back' so the request was somewhat unexpected. It was also queried whether there is a cap on the amount of Flexible Workforce Development Funding that can be applied for. Members were advised that this is a fixed pot of funding and distributed on a first come-first served basis.</p> <p>A member queried the variances for DEBI and rural skills. Members were informed that the DEBI unit is over achieving in SDS, as are other course areas such as Early Education &amp; Supported Programmes/H&amp;SC and hairdressing. It was recognised that there isn't a student demand for healthcare, however there is a regional need. The College are actively working on ways to promote this area, however the difficulty in making these courses appealing was recognised, given the low paid nature of the sector and concerns post Covid.</p> <p>A member raised concern about their ability to interpret some of the information at this meeting and asked whether training could be provided. The Chair suggested having a session with K Robb.</p>
41/23	<p><b><u>Asset Management Strategy Update and Progress (Paper D, ToR 2.7)</u></b></p> <p>The report is produced on a six-monthly basis and provides an update on the progress of each priority area including; property, IT, fleet and systems. The two current key areas of focus are cyber and estates – including HWU requirements and the Colleges own footprint. Vice Principal, Corporate &amp; Finance will begin a project group on return from leave to progress these areas further.</p> <p>Other plans include the replacement of two minibuses - supplier availability has delayed this however and alternative suppliers are now being considered. The Director of IT &amp; Digital highlighted the current work being undertaken to review the IT network which is now 7/8 years old. The tender is anticipated to be in the region of a quarter of a million pounds, with options to split this up into two or three separate projects,</p>

over different budgets. An update paper on this will be provided for the next committee.

A member asked if there was any progress with the Tweedbank site. Members were informed that the lease comes to an end in July 2026 and that the intention is not to renew, due to difficulty in delivering the full student experience from this site as well as budget constraints. Decisions are also dependent on the intentions of HWU, which are currently no further forward - an announcement however is expected in December of this year and the Principal will provide a confidential update to the December Board meeting.

A member commented that it is positive to see digital poverty as a key focus and also asked when student survey feedback in relation to the new catering contract is likely to be available. Members heard that a recent meeting to discuss this was postponed and is due to be re-scheduled. Informal feedback from around the campus so far indicates that the new menu and updated décor has been well received by staff and students.

A member queried whether a post implementation review had been carried out in relation to HALO. Director of IT and Digital updated that the migration is not quite complete with around four to five support areas on board currently and another three or four to follow by the end of December. Feedback from staff and students has been positive and Finance will be the next to come on board. Once HALO is complete, discussions around a physical 'one stop shop' area on campus will be revisited.

A member queried if a CRM contract has been awarded or if Halo is covering some of these areas. It was confirmed that no contract has been put in place, however MIS are looking to utilise and integrate existing features within Pro-solutions.

The following questions were raised by a member who was absent from the meeting and responses were provided and shared afterwards by VP Finance & Corporate Services;

**Question:** "Could the DTP, Estates strategy and the capital plan be provided so members can have something to measure the asset management strategy against."

**Response:** "The DTP and Estate strategy were both previously incorporated into the Asset Management Strategy (circulated along with the response, for information) The Capital plan was approved at the Board on 22 June as part of the 2023-24 budget (also circulated) going forward the capital plan monitoring will be included in the Business Review and Update papers presented to the F&R Committee."

**Question:** "Could an update be provided on the VOIP work and also the RAAC survey in the buildings."

**Response:** "The VOIP project has progressed very well with phase one fully complete (transfer of all desk phones to VOIP and training of staff on system) Phase two is progressing and will see VOIP and Teams fully integrated and a review of the current use and number of mobile phones provided by the College. An initial RAAC report has been received and has identified RAAC in the Main Campus building only. More detailed inspections are planned for w/c 16/10/23. The initial risk profile identified

	<p>areas of concerns around the workshop corridor and these have been mitigated by urgent installation of timber propping works as agreed with the consultant.”</p> <p><b>Question:</b> “Also, regarding maintenance, to highlight that we should probably do some work around the state of the College car park and staff parking in the disabled carpark.”</p> <p><b>Response:</b> “The issue of staff parking in the disabled carpark was discussed at the Senior Leadership Team on 19 Sept, to remind staff not to park in disabled parking bays unless there is a medical need.”</p>
42/23	<p><b><u>Strategic Risk Register (K Robb, ToR 2.15)</u></b></p> <p>The proposed change in format was acknowledged – twelve strategic risks have been identified, five of which have been allocated to this committee and the remaining ones assigned to other committees as appropriate. Members were asked to consider the risks and risk appetite and provide feedback.</p> <p>Some members raised concern that there is little or no reference to the inability to use buildings and the presence of RAAC within the College. It was noted that this is included in the full register and wouldn’t be under this committee’s remit to consider, and is more of a corporate business continuity risk. Members were content to consider this at the full Board meeting.</p> <p>A member questioned if the register covers the event of a significant cyber-attack or GDPR leak. It was highlighted that this is referenced in point 3.4 but will be considered in more depth by the Audit Committee.</p> <p>Risk appetite definitions were shared. These are categorised into five definitions - Averse, Minimal, Cautious, Open and Hungry (in red) Members were asked for their feedback. A member requested clarification on the ‘Open’ description as although they understood the concept, they were unsure how to apply it in context. It was suggested to hold a half-hour session at the next Board Development Day to support the Board’s overall understanding and requested that a copy of the register including the traffic light key is shared prior to this.</p> <p>Members did not reach the stage of being able to approve all the changes but were content that the register will be seen on an ongoing basis.</p> <p>The following question was raised by a member who was absent from the meeting and the response was provided and shared afterwards by VP Finance &amp; Corporate Services;</p> <p><b>Question:</b> “Risk 001 – I have concerns that the role of the Executive Director has been passed to the VP finance. Given the current situation of finance in the College, should the VP not be left with those matters? Concerns are that the requirements of the role could be too much for one-person i.e Business Development, Marketing &amp; PR and Stakeholder engagement. Should the risk score not be higher than 16?”</p> <p><b>Response:</b> “The Executive team has full responsibility for all risks on the risk register but to ensure the agreed actions are taken forward, the most appropriate member of the SLT is noted as leading the work. The</p>

	<p>monitoring and updating of the risk register is discussed by the Executive and Senior Leadership Team on a monthly basis. The recommended score of 16 for the risk identified around non-core funding is reflective of the following:</p> <ul style="list-style-type: none"> <li>• Non-core funding represents less than 25% of the college overall income.</li> <li>• There are number of mitigations in place including; budget monitoring, membership of national and local groups, identifying protentional funding sources.</li> </ul> <p>Additional mitigation actions have been identified and the progress on the implementation of these will be reported at the F&amp;R Committee meetings.”</p>
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**SECTION C – ITEMS FOR INFORMATION**

<p>43/23</p>	<p><b><u>Cyber Security Update (S Moncrieff)</u></b>  The Director for IT &amp; Digital provided an update on the key areas of cyber security within the College.</p> <p><u>University West of Scotland Cyber Breach.</u></p> <ul style="list-style-type: none"> <li>- A significant attack in early July resulted in the theft of the personal data of staff and students.</li> <li>- A ransom of just under half a million pounds was demanded and data subsequently leaked to the dark web when this wasn't paid.</li> <li>- Lessons learned are yet to be announced.</li> <li>- The College has various early warning platforms and are up to date with firewall patching and infrastructure although can never claim to be 100% safe.</li> <li>- The cause of the breach and resulting recommendations are yet to be published and will be included in the next report.</li> </ul> <p><u>Cyber Essentials Plus</u></p> <ul style="list-style-type: none"> <li>- The College's Cyber Essentials accreditation is due for renewal at the end of January.</li> <li>- An application to renew has been submitted and Cyber Plus status will hopefully be re-instated.</li> <li>- A change in criteria has meant additional work to achieve 'Cyber Plus' status. Future consideration may be required to determine if this is essential and if it provides benefit to the College.</li> </ul> <p><b>Members questions</b>  A member asked if the College has GDPR insurance. The College don't currently have this in place. Director for IT and Digital will seek clarity however around whether it is a mandatory requirement and if not, consideration to be given to whether it would add value or not. A member queried whether a million-pound insurance policy would cover a ransom. It was noted that Police Scotland's advice is not to pay any ransom as there is no guarantee that data will be returned after payment.</p> <p><u>Email Phishing campaign</u></p> <ul style="list-style-type: none"> <li>- A recent spoof email campaign identified the level of awareness amongst staff which will inform future training needs.</li> <li>- Targeted training will be delivered later on in the year which is in addition to the current online training required to be completed every two years.</li> </ul>
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	<p>A member asked if the College has dedicated phishing software. Director for IT &amp; Digital advised that JISC provide an email phishing campaign platform where they can choose from dozens of email campaigns which can then be personalised to the College's needs. They also collate the resulting information and produce a report, indicating the areas of training requiring focus. A member advised that their organisation has software to detect spoof/phishing emails and targets training from this and asked if the College would consider something like this. Members were advised that the College has software in place already to detect and stop threats via firewalls. If there is evidence that further mitigations are needed however, the College would consider extra options such as this.</p> <p><u>Cyber-attack initial response</u></p> <ul style="list-style-type: none"> <li>- A poster has been created outlining a 6-point step of who to contact in in the event of a cyber-attack.</li> <li>- A session was held with the Board prior to the summer break to highlight the communication process, as part of the Colleges cyber-attack strategy.</li> </ul> <p><u>Operational enhancements</u></p> <ul style="list-style-type: none"> <li>- The College operate various early warning solutions including several servers and 3-4 firewalls which are all automated.</li> <li>- The Colleges HR system has recently undergone upgrading to address vulnerability issues.</li> <li>- Multi-faceted authentication is in the pipeline.</li> <li>- Microsoft exchange has recently undergone enhancement.</li> </ul> <p><b>Members questions</b></p> <p>A member asked if there are ways for the Senior Leadership Team to communicate in the event of an attack and was informed that this is via a WhatsApp group.</p> <p>A member asked if occasional cyber-attack drills are held. The committee heard that a drill has been undertaken solely within the IT team. Director of IT and Digital acknowledged the possibility of extending this to include the whole College and that this would give an opportunity to test IT resilience and business continuity plans. At present, a disaster recovery scenario is undertaken but does not include the entire organisation. A member also highlighted the risk of paper damage.</p> <p>The following question was raised by a member who was absent from the meeting and the response was provided and shared afterwards by VP Finance &amp; Corporate Services.</p> <p><b>Question:</b> "If the effectiveness of the compliance training provided to staff is debateable, what is being done to remedy it?"</p> <p><b>Response:</b> "Staff are required to ensure their training on key areas are up to date - data security is one of these areas. Staff are required as part of their annual review process to confirm all training modules are up to date and Managers are required to review this. Work is currently planned, following the upgrade of the HR system, to improve reporting for managers to be able to monitor compliance more easily."</p>
44/23	<b>Papers for Publication (Standing Item)</b>



	I Earp will identify papers for publication and check with K Robb if clarity is required.
<b>45/23</b>	<b>Any Other Business (Standing Item)</b> No other items were raised.
<b>46/23</b>	<b>Date of Next Meeting</b> The date of the next meeting is Thursday 30 November 2023 at 4:30pm via Teams.

Signed.....

**Chair**

Signed.....

**Board Secretary**

DRAFT