BORDERS COLLEGE
REGIONAL BOARD

Actions from the meeting of the Regional Board meeting held in the Board Room at 17:30 on Thursday 27 June 2024.

Item	Action	Responsibility and Date	Action Status
34/24	Amendments to be made to the narrative of the paper and letter to SFC, consult with SFC, and send submission next week (w/c 1 July)	VP Finance & Corporate Services	Completed
41/24	Schedule initial meeting to begin discussion on a 'Plan B'	Board Secretary	Completed
48/24	Review risk rating for financial sustainability and take to next F&R meeting as necessary.	VP Finance and Corporate Services	Completed
49/24	Review the frequency of sustainability updates at committee meetings.	Chair	

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Meeting of the Regional Board held in the Board Room at 17:30 on Thursday 27 June 2024.

ITEM	MINUTE
Present:	Ray McCowan (Chair) Chris Alder Jessica Elder Carol Gillie Vernice Key Philip Macdonald Ugo Mbaezue Bernie Quinn Douglas Ormston Dave Roberts Pete Smith (Principal) Nick Sparks
In Attendance:	Ingrid Earp (Governance Specialist/Board Secretary) Kirsty Robb (Vice Principal - Finance & Corporate Services) Anne-Marie Sturrock (Vice Principal - Student Experience) (Online) David McNabb (Oberlanders Architect) (Online) Suzie Hartley (Minutes)
29/24	**Chair's Opening Remarks** The Chair welcomed everyone to the meeting and AM Sturrock, who was joining online.
30/24	**Apologies for Absence** Apologies were received from Lindsay Hastie, Andrew Buckingham and Micah Hall. This was Micah's last Board meeting and thanks were extended for his contribution. Andrew Buckenham was also noted to be leaving his post with the College and therefore his position on the Board and was also awarded thanks.
31/24	**Minutes of previous meeting held on 28 March 2024** The minutes from the previous meeting were approved as an accurate record.
32/24	**Matters Arising** All actions from the previous meeting had been completed with no further comments made.
33/24	**Declaration of any Conflicts of Interest/Register of Interests Update** P Macdonald highlighted his involvement in item 40/24 (Landbased Campus Business Case) and advised he will leave the meeting for this discussion and re-join for the remainder.

34/24	**2024 Budget & FFR (Paper B)** Members were updated that a continuation in flat cash funding and unchanged credit allocation has contributed to an unfavourable budget position. Despite efforts to identify savings across the College, including Voluntary Severance and staff consultation around identifying potential savings, a balanced budget has not been achieved. The paper details key assumptions including pay awards and presents optimistic, realistic, and pessimistic scenarios based on the impact of impact of further funding reductions and the withdrawal of Heriot-Watt University from the Scottish Borders campus, in 2026-27. The budget position is expected to worsen over the next few years and the College estimate being able to operate on a cash basis for two years before funds run out. Other colleges are also in deficit positions with some already having run out of money. The capital budget is £404k, with lifecycle maintenance and network refresh being key components as the current College infrastructure nears its 'end-of-life'. Funding from BFET (Borders Further Education Trust) will be applied for to support the network refresh. Concerns were raised about running with a deficit for the year ahead and beyond, with some members feeling deeply uncomfortable about being in this position. Members requested reassurance that a turnaround is possible and that more detail on the actions being taken to achieve this be shared with Board. Members were informed that the College plan to initiate discussions with SFC to gauge the likelihood of interventions over the next two years and will send an initial letter to them soon. Other actions being progressed include the estates redevelopment programme, redesign of the curriculum and the implementation of business process efficiencies. Measures taken will not realise instant benefits however and there is no set funding – there are some capital lifecycle funds but no other revenue or funding that can be applied to support this. It was noted that a consultation has also begun on the implementation of the Withers report, looking at addressing areas like creating efficiencies and increasing resources to institutions. This will run until September 2024 with the direction of travel hopefully becoming clear by March 2025. It was queried what would happen if the College run out of money and if this could result in closure. The unknowns were acknowledged, as well as the need for greater clarity about future funding of the sector and the need to develop alternative options should there be no more funding. Discussion ensued around SFC; their awareness of the situation and whether they could be prompted to intervene once colleges begin to run out of money. Members indicated their support for sending the letter, but emphasised the need for clarity around the purpose and to highlight the College's good track record on budgets and the unique pressures created by the Heriot-Watt situation. It was also proposed to include a deadline. A member queried the worth of broadening the discussion beyond the minister to local MSPs, MPs, and other parties. The risk in broadening this too much was recognised although it was noted that the College Principal is already in regular contact with elected MSPs and elected members in the area, who are aware of the overall situation. Should a satisfactory response not be received, it was reasoned that the issue could then be communicated wider.

	The paper is due for submission tomorrow and it was agreed to include the additional suggestions to the narrative and letter to SFC and to delay submission of both for a week. Subject to these changes, members approved the content of the paper and letter and agreed to begin talks on 'Plan B'. VP Finance & Corporate Services will make the amendments, consult the SFC, and the submission will be sent next week. **ACTION: VP F&CS**
35/24	**Student Mental Health Agreement (Paper C)** C Alder and E Forrest's efforts were commended by Board in producing a clear and easy to read report and thanks were also extended from the Senior Leadership Team. All were content to approve the report.
36/24	**Ratification of Internal Audit Procurement (Paper D)** The paper was approved.
37/24	**Committee Terms of Reference (Paper E)** One revision was noted in relation to CQSE and the College's British Sign Language plan. All were content to approve the ToR's for 2024-25.
38/24	**BFET College Nomination (Paper F)** Members were in agreement to approve the nomination of David Peace to the BFET Board.
39/24	**College Fellow (Paper G)** There were two potential candidates for College Fellow with Katie Scott being the recommended choice. It was agreed that Katie would fit the role in many ways and would be a great asset to the College as Honorary Fellow.
40/24	**Confidential – Land-based Campus Business Case (Paper H)** P Macdonald left the meeting for the next two items in relation to the future College estate, given Oberlanders' close involvement with this. David McNabb, Oberlanders Architects, joined the meeting and provided a presentation on the Newtown land-based campus study. The main issues identified with the campus include outdated facilities, inadequate parking, and poor student experience and three options are being proposed: 1. New build 'Land-based' Campus 2. Integration of some of 'Land-based' into the Galashiels campus 3. Refurbishing the existing Newtown campus. Option 2 is the College's preferred option. A member queried if alternative locations for Newtown (referring to existing Auction Mart and Agri-Hub plans) are being considered and highlighted that these are not included in the report. The possibilities were acknowledged but are not included in the report at this stage. Feedback from students was noted, indicating a preference for farm-style land and a staged transition to the chosen option.

	A member suggested that consideration should be given to what the course offer could look like in ten plus years. Assurance was given that curriculum planning and development has been factored in and that this initial stage is to gather information and determine what is not currently working and that a fuller brief will be developed from this. The 60km figure in relation to future space requirements was noted as being in relation to field space, much of which is currently rented by the College on a temporary basis. Concern was raised about funding a new build amid current financial pressures. The risk was acknowledged, however, so too was the potential for growth and demand in this area and the College's strategy to promote this. Ultimately, a balance is needed, whether achieved by reducing some areas, maintaining others and identifying areas of growth for the future. A member felt they did not have enough information to support any of the suggested ways forward and that they would expect to see a business case presented to Board around this. It was explained that a business case would be the next stage and that today, members are being asked to approve Option 2 so that funding can be applied for and a full business case developed. The funding requirement is estimated at £10 million. The affordability of a business case was questioned and members were advised that external funding grants would be sought to cover the cost. Further discussion was had around the risks of approving option 2, balanced with the need to start moving things forward and the risks around taking no action at all. Agreement was reached to develop a full business case for Option 2, while also considering the other options in detail, ie an options appraisal. External funding will have to be sought and the proposal refined to meet SFC requirements. The Chair thanked D McNabb for his work to date and recognised the significant task that lies ahead to complete the project.
41/24	**Confidential – Future College Estate (Paper I)** VP Finance & Corporate Services updated on the upcoming radical changes to the wider estate, advising on Heriot-Watt's recently confirmed decision to retract fully from the Galashiels Scottish Borders Campus building by 2026. This would result in a 50% increase in prime usable space which could be used in the rationalisation of the estate. The Tweedbank site lease ends in 2027, Hawick campus is owned by the College and the gym space at Tri-Fitness is rented and an increase in available space would enable the accommodation of all three areas at Galashiels. Concern was noted that without a redesign of the estate, the budget deficit could worsen. Dilapidation costs were discussed and could potentially be avoided for Tweedbank, however members were alerted that costs would need to be cut if funding was to fail. A member noted support of the overall approach but expressed concern over the tone of the papers, whether it is necessary to utilise all available space and the potential wider impact of closing or repurposing the Hawick building. It was reasoned that Hawick is underutilised and continues to run at a cost and therefore doesn't make economic sense to retain the building. All acknowledged that careful consideration and proactive communication is needed if selling, renting out or repurposing the Hawick campus. A member queried the staff compensation for relocation and whether funding has been set aside. It was clarified that this would apply to Hawick-based staff only.

	A suggestion to involve student representatives in the campus redesign was made and assurance given that students would be fully consulted and given options within a scale of affordability. The need for careful planning and communication with staff to manage reputational risk in relation to Hawick was acknowledged, as was the importance of acting in a timely manner. Members were reminded what they are being asked to decide on – to approve the discontinuation of the Tweedbank lease, approve the investigation of setting up a Gym in the main Galashiels Campus and discontinue the Tri-Fitness lease, to approve the disposal of the Hawick Campus and agree the next steps detailed in section 7 of the report. Members were content to approve the discontinuation of Tweedbank, however, it was agreed to defer staff communication regarding Hawick, pending further discussion and more detailed planning. Further discussion out with this meeting about a plan B is to take place. **ACTION: Board Secretary** Board agreed any decision around the Hawick campus could only be made around a clear case with all the pros and cons considered and clearly explored.
42/24	**Strategic Implementation Plan 23/24 (Paper J)** VP Finance & Corporate Services presented the plan for approval, proposing a change in approach for the next year. The plan is developed around four workstreams, including estates, over a two-year period. Incomplete actions will carry over to the next year. An update will be sent to staff tomorrow, detailing how these actions align with workshop suggestions. The Chair noted that the visuals are easier to read than previous versions and praised the progress indicated by the RAG rating, with many actions marked as green. All members were content to approve the new Strategic Implementation Plan.

43/24	**Audit & Risk Committee Report (Paper K)** The main updates from the committee were summarised; - Chris Brown is taking over from David Eardley as the College's external Auditor - the updated financial regulations were reviewed - the business continuity plan was considered and it was agreed to carry out an exercise to ensure that the plan works in reality as well as on paper. Details of the business continuity exercise have not been confirmed yet with various options being taken forward to the next Audit & Risk committee meeting. C Bradley (Director IT & Digital) is reviewing the approach to cyber security, focusing on recovery time and actions in the first 24-48 hours and educating users rather than 'catching them out'. A member praised this approach and felt it had provided significant reassurance. The importance of sharing learning and experiences with other institutions was emphasised and members heard that the College obtains regular information from the Contest group and keeps up to date with lessons learned. It was suggested for C Bradley to attend a future Board meeting and provide a summary of recent work.
44/24	**Finance & Resources Committee Report (Paper L)** The Chair of the F&R Committee provided a brief roundup of recently discussed matters including budget challenges and updates on the workforce strategy, ASOS, cyber security and the latest Great Places to Work (GPtW) report. The report was noted with no comments or questions.
45/24	**Curriculum, Quality and Student Experience Report (Paper M)** The piece of work around student wellbeing was positively received and there were no areas of concern to feedback on. The report was noted and no comments or questions were raised.
46/24	**Principals Report (Paper N)** The Principal added two points: the usefulness for the Board to note the additional income streams to the campus, and secondly, the national pay dispute—support staff unions have settled, but the dispute with EIS-FELA is ongoing. Regarding ASOS, a small percentage of students are affected, with 216 still awaiting results. The Chair remarked that the Board remains committed to addressing these issues and acknowledges the success of students.
47/24	**Strategic Plan Development Cycle (Paper O)** A high-level summary was provided, outlining the actions that have already taken place to move towards the next strategic plan. Concern was raised that if the pay settlement for teaching staff was more than for support staff, there could be a backlash. It was noted that part of the support staff settlement agreement was to match the teaching staff offer for the three years that the dispute has been around.

48/24	**Strategic Risk Register Update (Paper P)** No changes are being proposed at this time. The likelihood of the financial sustainability score needing to be increased to 5 was raised. It was highlighted that the relevant Board sub-committee doesn't set these scores but that they are reviewed by the SLT, who then propose scores to the committee for discussion at the next meeting. VP Finance and Corporate Services confirmed that actions will be reviewed and adjusted if felt necessary, and taken to the next Finance and Resources Committee meeting. **ACTION: VP Finance and Corporate Services**
49/24	**Sustainability Strategy Update (Paper Q)** Ongoing work is detailed in the report and VP Finance & Corporate Services suggested reconsidering the need for updates every six months, given the extensive work involved. A member requested measurable outcomes and was advised that a new strategy is in the initial stages of being developed, however this currently lacks a baseline and establishing this will be crucial in moving forward. The Chair agreed that the frequency of updates re the Sustainability Strategy should be reviewed and will address this beyond today's meeting. **ACTION: Chair**
50/24	**Learning for Leading Annual Report (Paper R)** VP Student Experience thanked Board members for their contributions, noting that staff greatly valued Board member visits. The Chair agreed, mentioning the significant insights gained, especially in relation to estates information. The Board Secretary invited members to express any preference for changing their assigned areas. A member challenged the current report format, stating a preference for a 'learning log' type of document instead. It was agreed that members can submit reports in their own preferred format.
51/24	**Board Development Plan Update (Paper S)** Updates on the progress of the plan from the year are detailed in the paper along with the Chair's observations and evaluations and members were encouraged to reach out with any specific points they would like to take forward.
52/24	**BCSA Operational Plan Update (Paper T)** Paper is for information only and, going forward, will be used as an end of year review.
53/24	**Community Empowerment Act (Paper U)** Paper is for information only.
54/24	**Board Secretary's Update (Paper V)** Paper is for information only.

55/24	**Standing Items** Health & Safety No items raised. Equality & Diversity No items raised. Environmental & Sustainability No items raised.
56/24	**Board Papers for Publication** No draft or confidential papers would be published.
57/24	**Any Other Business** No items were raised.
58/24	**Date of Next Meeting** The next Board Meeting will be held on Thursday 24 October at 5.30pm in the Board Room, Galashiels.

Signed:…… Signed:……

Chair Board Secretary