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Borders College

Finance & Resources Committee

Meeting at 16:00, Thursday 13 March 2025

On MS Teams

Actions

Item	Action	Responsibility and Date	Action Status
39/24	Revisit ToR point 2.3 (To consider performance benchmarking information to assess the effectiveness of use of College resources) at the next review of ToR in terms of how it's undertaken and worded within the ToR.	I Earp For May/June meeting to take to June Board	ONGOING
07/25	Circulate action plan to mitigate financial risks to Board members.	I Earp	

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Minutes

ITEM	MINUTE
Present	Ugo Mbaezue (Chair) Vernice Key (Board Member) Garry Dickson (Board Member) Heather Boyce (Board Member) Pete Smith (Principal) Ray McCowan (Regional Board Chair)
In Attendance	Ingrid Earp (Regional Board Secretary) Kirsty Robb (Vice-Principal Finance & Corporate Services) Sara Wilson (Director for Finance & Procurement) Conor Bradley (Director for IT & Digital) Debbie Kerr (Director for People Services) Suzie Hartley (Minutes)
01/25	<u>Chair's Welcome</u> The Chair welcomed everyone to the second meeting of the academic year.
02/25	<u>Declaration of Conflict of Interest</u> No areas of conflict were raised.
03/25	<u>Register of Members' Interest</u> No updates to the register were requested.
04/25	<u>Apologies for Absence</u> Apologies were received from new member Sonia Phythian. The Chair advised he is due to meet with her next week at the College.
05/25	<u>Minutes of Previous Meeting held 28 November 2024</u> The previous minutes were approved as an accurate representation of discussions.
06/25	<u>Matters Arising</u> 17/24 Re-group following Members having undertaken CDN training to identify any gaps and tie this in with Committee evaluation. – COMPLETE – CDN are updating the Board Secretary on what training has been completed so far and by whom. Members will complete as much as possible until the March Board meeting and then regroup to identify what further training is required. The Board Chair highlighted that March is a rough deadline and this way, organising bespoke training can be avoided, with the onus on individual members to identify their own training needs and

	seek to undertake what's relevant to them. If any other training outwith the current offer is required, this can be raised as a group. 39/24 Revisit ToR point 2.3 (To consider performance benchmarking information to assess the effectiveness of use of College resources) at the next review of ToR in terms of how it's undertaken and worded within the ToR (Board Secretary for May/June meeting to take to June Board) – ONGOING – we agree any changes then go to June board for enactment at start of new academic year. 56/24 Actions being taken to control costs and minimise the deficit – wording to this effect to be formulated for the Committee Report to Board. – COMPLETE - Text will be included in the Committee Report to the March Board and going forward will be more explicit about assurance sought regarding the financial situation.
SECTION A – ITEMS FOR DISCUSSION	
07/25	<u>Strategic Risk Register (Paper B, K Robb, ToR 2.16)</u> Vice Principal for Finance & Corporate Services provided the latest update, noting the key risk - financial sustainability. A significant amount of work has been done, with contributions from the sub-group to develop the plan. At the time of writing the report, a fuller paper was expected for the board on 27 March. However, the grant indicative allocation is expected later than planned and a paper will go to the Board development day on 17 April instead, focussing on financial sustainability elements. All other actions are progressing well, with no additional risks or actions added. Risk 1.2 remains outside the risk appetite. A member asked for further details about the tabletop exercise for Business Continuity planning at the end of March. Vice Principal for Finance & Corporate Services advised that internal auditors are currently reviewing business continuity and the College's Health & Safety manager has been working alongside Police to identify a suitable training plan. The recommendation from internal audit is to conduct these exercises more frequently. The last 'live' exercise was conducted during the Covid Pandemic. A hold is being placed in diaries for 27/28th March 2025 for the next exercise and Vice Principal for Finance & Corporate Services will follow up with the health & Safety Manager regarding plans. The Chair recognised that risk noted in 1.2 of the report is the most significant and that the college appear to be doing all it can to mitigate this, including reviewing staffing structures, and asked if the report for this is available to view. Director of People Services confirmed this is a public document which they are happy to share with staff and Board members and would welcome feedback. Board Secretary will circulate the document to board members. ACTION: IE Regarding the estate strategy, work on the development plan includes all major capital developments. The estates element is intrinsic to the strategy and will be led by the Vice Principal for Finance & Corporate Services and team, based on Mott MacDonald's work. The master plan will be presented to the board on 17 April, and the estate strategy will be

	built up similarly to other strategies, aiming for approval in autumn. The strategy will reflect the reduction of campuses and feed into financial planning, ensuring no surprises when the estate strategy is presented. The Board Chair commended the executive team for their efforts in bringing forward proposals and managing the significant volume and scale of changes and will provide an update and paper at the development day, inviting questions. It was recognised that to date, the College and Board have worked strongly together and it is hoped that the Board approves the strategy to allow submission to SFC immediately after.
08/25	<u>Business (Finance) Review and Update (Paper C, S Wilson, ToR 2.1 / 2.9 / 2.10 / 2.12)</u> The Director for Finance & Procurement summarised the key areas from the report. Section 4.3 - At the time of writing the paper, mid-year review guidance was not available. Job evaluation expense staff costs have since been included (excluding income) which has been removed from the adjusted operating position (AOP). This change increased the deficit from £230k to £563k, but the AOP remains at £365k. Significant work in quarter two has helped pull back the AOP to £365k, with new grants and carry-forward grants from previous years contributing. Savings were also made in temporary lecturers and non-essential spending through discussions with budget holders. Appendix 1 provides a breakdown by department, and Appendix 2 reviews the possibility of funding smaller projects with revenue funding to save capital funding for the next quarter. The Board Chair sought clarity on the implications of job evaluation. The Director for Finance & Procurement explained that previously, income from the SFC was notionally accrued to offset expenses, resulting in no effect on the bottom line, however, due to discussions last year and funds being returned to the Scottish Government, there is no assurance that the money is still available. Consequently, the income was removed, but the expenses remained, leading to a larger deficit. The AOP removes some non-cash items, but expenses must still be included in the accounts. A member asked if a revised table for the mid-year FFR would be provided. The Director for Finance & Procurement confirmed it would go to the Board with an adjusted five-year figure but the same AOP. The member commended the team for bringing the budget back to the initially approved deficit of £365k and inquired about any future risks. Additionally, no further expenses are expected in the second half of the year, more savings might be possible and the College continue to ensure no unnecessary spending. A member asked about National Insurance (NI) contributions and was informed that increased costs from April to July are included, but no government funding is assumed. Initial indications from SFC suggest some funding might be available, covering 25-26 academic year costs, but currently, no assumptions have been made for income. A member sought clarification on the underspend on grants and the indication that funds for social items is not being spent and whether this

	is to make income sheets look more favourable. It was confirmed that sanitary products are purchased as needed, and the Mental Health fund has been ongoing since 2019, with underspend due to recruitment difficulties. No new funding is expected from the SFC for these areas, but it allows for extensions. The Board Chair enquired whether SFC are likely to cover 100% of NI costs for 2025-26. The Director for Finance & Procurement confirmed that the indication is they'll cover 60% although in real terms, only 40% is likely. A development plan is being devised and it was acknowledged that any funding received would help reduce the deficit but 60% would result in around a £130k reduction. The Chair extended thanks for a simple and easier to understand paper and the Committee were asked to approve the expenditure position as stated in the paper, with the caveat around job evaluation funds. Members were unanimously in approval.
09/25	<u>People Services Update (D Kerr, Tor 13)</u> The Director for People Services presented the mid-year monitoring report, covering key statistics in People Services, including absence and turnover rates. The GPTW survey had a 57% response rate so far, which is positive, and valuable feedback is expected, although there are no high expectations given the ongoing significant consultation period with staff. A new staff engagement group has been established to bridge the gap between union-represented staff and those without representation and to facilitate feedback both up and downwards. Some feedback has been very positive and has led to initiatives such as the weekly 'Well-being hour', led by Active Campus Coordinator, Eric Jones which includes planned activities such as wild swimming. Section 5.5 details an update on union relations, noting that EIS FELA relations remain strong with open conversations and a robust staff voice. Unison has made significant progress since the Unison FE branch was placed under special measures and underwent changes to staffing. The Director for People Services attended an NJNC side table meeting regarding pay for support staff, reporting a more positive relationship and reasonable discussions. There is hope that a pay award is achieved before 1st September. Job evaluation discussions are ongoing, with Unison working closely with Unite for the first time. They aim to conclude the process quickly, with the College managing costs for this locally and an aim to complete the project within six months. There is a possibility that negotiations are abandoned and dealt with locally, causing an issue with backpay reaching staff, however there is hope that a positive end is imminent. The discipline policy has been concluded and shared with colleagues. In eLearning, new modules are accessible through RBS Mentor, covering essential topics and providing wellbeing support. A better reporting system is also in place.

	A member asked about job evaluation and pay claims for support staff. It was clarified that while pay for lecturing staff is settled, support staff negotiations are ongoing, aiming for a two-year agreement for 25-26 and 26-27. The mood is positive, with hopes to finalise negotiations by 1st September. Concern was expressed about the financial risks, but assurance given that any additional costs would need to be funded directly by the Scottish Government. The director for Finance and Procurement explained that guidance on pay award assumptions has been provided, with job evaluation amounts accrued annually but not adjusted for inflation. A member asked about the impact of pay policy issues such as fire and re-hire or zero-hours contracts. Director for People Services confirmed that these do not affect the college, which adheres to fair work practices and pays above fair pay standards. The Board Chair raised concerns about the latest support staff pay claim. Director for People Services noted that pay claims typically start high and are negotiated down, with the current claim at 5.9%. The aim is to reach a middle ground without breaching limits. It was suggested to keep agreements broadly similar to those for lecturing staff, but it was indicated that lecturing staff have only been offered 3% to avoid unsettling the other side. The potential ramifications of support unions withdrawing from NRPA were discussed, with improved dispute procedures and lessons learned. A member asked about long-term absences and their impact on the college. Director for People Services confirmed that critical roles are generally backfilled, especially student-facing positions. Congratulations were extended to the team for securing the GPTW contract.
10/25	<u>Timing of Meetings 2025-26 (I Earp)</u> Members agreed to continue with the recently amended time of Thursdays at 4pm.
SECTION B – ITEMS FOR INFORMATION	
11/25	<u>Budget Planning Process (K Robb, ToR 2.1 / 2.4)</u> The VP for Finance & Corporate Services outlined key dates for the recently commenced budget planning process for 2025-26. The indicative allocation is expected on 27th April, with the final allocation before sign-off. The initial capital planning process has started, involving pitching ideas, which will next be scored by the Senior Leadership Team. The aim is to move to a longer planning cycle up to 2027-28. Key dates include: • Draft budget to be presented to the Executive and SLT by 28th May. • Final fund allocation to be signed off by SLT on 28th May. • Presentation to the Finance & Resources Committee on 5th June in person. • Time for adjustments before final approval by the board on 26th June.

	Submission to the SFC by the end of June. The process is on track, and the team is working hard to meet these deadlines.
12/25	<u>Cyber Security Update (C Bradley, ToR 2.17)</u> The Director for IT & Digital Learning provided updates on the Colleges cyber security measures. The attack surface update and data centre file share migration are on track, with all departmental areas except finance completed. The ID management system migration is scheduled for the end of this year. Work on the email server is progressing and is expected to be completed by Q3 2025. The network refresh project, awarded to a supplier in January, is set to be completed by the end of July, bringing all wireless networking equipment up to date. The student Multi-Factor Authentication (MFA) rollout in January was successful, significantly reducing the vulnerability of student accounts to attacks. There has been no significant increase in helpdesk login requests, indicating positive user adoption. An updated disaster recovery plan will be circulated in the next week or two, providing useful guidance on mitigation and response in case of a disaster scenario. A member extended congratulations on the successful MFA rollout and asked about the ongoing efforts to reduce the attack surface. Director for IT & Digital Learning explained that while challenges are increasing, efforts to reduce the attack surface are ongoing. The plan is to decommission the file server and transition to using Teams/SharePoint exclusively, with significant support from Microsoft for a 'cloud-first' approach. A member inquired about the migration of data centre hosted systems, and it was clarified that the current data centre is near Glasgow, managed by Data Vita, and the systems will soon be moved to Microsoft UK data centres.
13/25	<u>Papers for Publication (Standing Item)</u> The Board Secretary will identify which papers from this meeting are suitable for publication.
14/25	<u>Any Other Business (Standing Item)</u> No further matters were raised.
15/24	<u>Date of Next Meeting</u> The date of the next meeting is Tuesday 17 June 2025 at 3:30pm in the Boardroom.

Signed.....

Chair

Signed.....

Board Secretary