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Borders College

Finance & Resources Committee

Meeting at 16:00, Thursday 28 November 2024

On MS Teams

Actions

Item	Action	Responsibility and Date	Action Status
17/24	Re-group following Members having undertaken CDN training to identify any gaps and tie this in with Committee evaluation.	I Earp D Kerr	
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	
56/24	Actions being taken to control costs and minimise the deficit – wording to this effect to be formulated for their Committee Report to Board.	I Earp	Text will be included in the Committee Report to the March Board

Borders College

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Meeting at 16:00, Thursday 28 November 2024

On MS Teams

Minutes

ITEM	MINUTE
Present **In Attendance**	Ugo Mbaezue (Chair) Vernice Key (Board Member) Garry Dickson (Board Member) Heather Boyce (Board Member) Pete Smith (Principal) Ray McCowan (Regional Board Chair) 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)
48/24	**Chair's Welcome** The Chair welcomed everyone to the online meeting, noting that Bernie Quinn has now left the Board and that efforts to appoint a replacement are underway.
49/24	**Declaration of Conflict of Interest** No areas of conflict were raised.
50/24	**Register of Members' Interest** No additions to the register were requested.
51/24	**Apologies for Absence** Apologies were received from Heather, who advised she will try to attend but may join the meeting later.
52/24	**Minutes of Previous Meeting held 3 October 2024** The previous minutes were approved as an accurate representation of discussions. Updates to actions were provided as follows; **17/24** Develop a short questionnaire to identify training areas for Members and refine the skills matrix (Board Secretary / VP F&CS) – **COMPLETE** – the Board Secretary sent Board Members an email following discussions with the Principal and the Board Chair to synchronise the process. It was agreed that Members undertake College Development Network (CDN) training then regroup and check what else is needed. Re-grouping to take place in March 2025 and to tie this in with the Committee Evaluation.

	The Director of People Services noted that as part of the College's partnership agreement with CDN there is governance training available. Director of People Services and the Board Secretary to liaise over this. **37/24** - Update last minutes to include VP Finance & Corporate Services attendance (S Hartley) – **COMPLETE** - Members to agree on a consistent approach around how individuals are named/referred to in the minutes (Board Secretary by December Board Meeting) – **COMPLETE** **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** - ToR item 2.12 – "to ensure the College adheres to the Financial Memorandum issued by the Scottish Funding Council" External Audit's report provides assurance on this. Add in reference to this to the report (Board Secretary) - **COMPLETE**
53/24	**<u>Matters Arising</u>** No additional items were raised.
SECTION A – ITEMS FOR DISCUSSION	
54/24	**<u>Asset Management Strategy Update and Progress (Paper B, K Robb)</u>** The VP Finance & Corporate Services summarised the key areas of the report noting that it has been agreed that the Strategy, which was reviewed six months ago, will now move to an annual review. This is largely because it's recognised that for this Strategy, in particular, there are aims and objectives that are longer term. Significant progress has been made against the current Strategy, with many actions complete as the Strategy nears its end. A small number of IT- related tasks remain, and attention is being focused increasingly on building and estate management because of the termination of Heriot-Watt's lease. Overall however, everything is progressing well and there are no delays. Member's questions: The Chair recognised the ongoing extensive work around the digital transformation programme and estates and enquired about funding. The VP Finance & Corporate Services explained that work on the 2025-30 strategy has begun and that previously, the asset strategy combined building and IT, but the Scottish Funding Council (SFC) now requires separate strategies for estates/buildings and digital, including curriculum development. Colleges Scotland has also been working on this as the College continues to consider what the next five years will bring in terms developments and changes in requirements of IT, AI, etc.

	In terms of the real-time data analytics for student activity, the Chair recognised that while systems are in place, there is still a heavy reliance on human input, which could lead to error. The VP Finance & Corporate Services explained that some data comes through internal audit work and credit reviews, with extensive behind-the-scenes checks to ensure data accuracy from various sources. This is crucial for substantiating data for credit claims, ensuring it is timely and accurate. The Chair inquired about the sector-wide digital strategy developed by Colleges Scotland and its impact on shaping the work of the College. The VP Finance & Corporate Services explained that they have only 'unofficially' seen the strategy so can't comment in detail yet. Data is currently being collected however, which will be integrated into the College Strategy in the run up to the official release in December 2025. Members expressed concern that the planned progress of the sector-wide strategy is not ambitious or timely enough, with deliverables being delayed. The VP Finance & Corporate Services acknowledged that while the themes should be similar, the College's timelines and scales could differ. The Principal agreed, and felt that while the sector's ambition is correct, deliverability is where it falls short. Given the significant investment required, the College needs to focus on what is within their control, themes will be similar but without the same level of coordination or financial benefits.
55/24	**Strategic Risk Register (Paper C, K Robb, ToR 2.16)** The VP Finance & Corporate Services provided an update on the five risks, noting the following actions added to the red rated risk, 1.2, regarding long-term affordability. 1. The Principal and Chair will work with the Board and the Executive Team to jointly deliver a fully costed financial plan for submission to SFC that will close the projected forecast deficit anticipated to accrue when Heriot-Watt University (HWU) exits from the Galashiels Campus in September 2026. This plan will be based on there being no intervention or support from SFC to address these financial challenges. 2. The Principal and Chair will work with the Board and the Executive Team to take forward an Estates Strategy Implementation Plan that will deliver the best possible solution for the College estate that enables our students to get the best possible college experience and at the same time provides the optimal balance between efficiency, effectiveness and regional stakeholder interest. Questions/comments: Members were reassured that the additional actions provide much more assurance regarding addressing the affordability risk. The Chair acknowledged the background work being carried out to address the deficit, and the confidence this has provided to the Committee but identified that some actions for 2024/25 appear to have gone astray, and suggested these are highlighted in the matters arising section of each meeting to ensure they are kept at the forefront and addressed. The VP Finance & Corporate Services said that actions were not missed but are moved to the 'mitigation' section of the Register and will be brought forward again if they remain incomplete. Members are

	encouraged, however, to inform the VP Finance & Corporate Services with any actions that may have been missed. Discussion took place around various methods to signpost actions and risks in minutes and it was agreed that, at this point, this isn't necessary.
56/24	**<u>Business (Finance) Review and Update (Paper D, S Wilson, ToR 2.1 / 2.9 / 2.10 / 2.12)</u>** The Director for Finance and Procurement reported that the forecast deficit has increased by £170k to £500k. This is primarily due to a £165k drop in tuition fee income and a £74k increase in National Insurance employer contributions. No allowance has been made for potential SFC or government funding to cover these increases, as there is no certainty around this. The funding of the Scottish Public Pensions Agency (SPPA) uplift also remains unconfirmed. It is anticipated that some funding will be received to offset the increased outgoings. Although grant income has increased by £205k, the net effect on the bottom line is only £18k. Appendix 2 provides a breakdown of grant funds, including £74k from the Turing Scheme, £50k from South of Scotland Enterprise for the 'Scot Borders Student Start-up' project, £20k for mental health, £10.5k from the City Deal, and two SEAP (Self-evaluation Action Plan) funding allocations. On the capital side, projects are progressing, with orders placed for two minibuses and a tender arranged for the network refresh project. Three 'carry forward' projects have been completed and the 'Finance to the Future' project is due to go live next week. Questions: The Chair recognised that there was lots of positive movement in the first quarter and also income offset by staff costs. A significant portion of the movement involved £136k in grant funded activity. The Director for Finance and Procurement confirmed that these are externally funded grants, such as those for the Turing Scheme which contributed £18k overall to the bottom line. Members asked about the use of agency workers and the associated cost, asking if this was the most efficient and effective option. The Director for Finance and Procurement explained that the Procurement Officer role, being specialised, required support from APUC (Advanced Procurement for Universities and Colleges), and similar arrangements were made for the DPO (Data Protection Officer) and EAUC (the Alliance for Sustainability Leadership in Education) roles. The facilities assistant role is filled by an agency worker for flexibility reasons as it will not be required once HWU changes are implemented. With regards to reducing staff costs over the coming months, the Director for Finance and procurement confirmed that work is ongoing with Heads of Sector and the curriculum teams to review hours and that an update will be provided at the next meeting. A Member felt it would be useful to include the actions the College are taking to control costs and minimise the deficit in the minute. It was noted that this is already covered in the Risk Register reports, within the Principal's update to the Board and also the Committee Chair's report to

	the Board. The Vice Principal Finance & Corporate Services and the Principal will formulate wording to this effect for the Committee Chair to include in their report. **ACTION: I Earp**
SECTION B – ITEMS FOR INFORMATION	
57/24	**Public Sector Climate Change Duties Report (Paper E, K Robb, ToR 2.8)** The Director for Estates and Facilities highlighted the key areas from the report, produced in collaboration with R Hill, EAUC Sustainability Project Manager. The EAUC has been assisting the College for several years in submitting reports for the past decade and gathering data since 2010. The yearly report indicates that the College is on target for a 50% reduction from the 2015 baseline. There was a setback last year due to an issue with the waste water heating system, which impacted output and resulted in a loss of approximately 60-70k CO_2 savings. Various positive changes to the waste chain have been implemented however, including achieving zero waste to landfill over the past five years, addressing supply chain emissions and introducing multiple waste streams. The waste water setback is not overly concerning and is now resolved and it is predicted that the College should be close to the 50% reduction mark by the end of the year. The report highlights that the use of fossil fuels for heating has increased due to the waste water heating issue, leading to a rise in CO_2 emissions. Full decarbonisation of the building is ongoing, with the groundwork completed, but funding is needed to progress further. Questions: The Board Chair asked about the baseline position and how the figure was determined, as well as benchmarking. The Director for Estates and Facilities explained that the baseline dates back to 2010, originally developed through the Carbon Trust, with most Scottish colleges targeting around a 25% reduction. The College's target however was significantly higher due to the waste water heating system. The Board Chair suggested that this positive story could be more widely publicised, given the current climate context. The Director for Estates and Facilities acknowledged this, advising that they have promoted it in the past but agreeing that as they approach the end of the five-year target this could be done. The Committee Chair inquired about the potential increase in the carbon footprint once campuses are consolidated. The Director for Estates and Facilities confirmed that this is very likely to happen, adding that the supply and procurement emissions will be significant and largely beyond their control, and that this will require careful management. The increase will be offset to a degree by changes at Hawick and Tweedbank campuses, resulting in a net gain, however, the overall footprint is still likely to increase.
58/24	**Workforce Strategy Update and Progress (Paper F, D Kerr)** The Director for People Services summarised the key actions and progress, noting that the current strategy is nearing its end.

	- Work has continued with Great Places to Work (GPTW) with another survey due for launch at the turn of the year and feedback expected at the next Committee meeting. - A staff engagement group has been established and a survey launched to gather feedback on the social aspects of college life will be reviewed to determine actions for the new year. - Staff continue to advance their digital skills and make use of the technology available on campus. - AI is emerging within learning and teaching and work with WorldSkills is ongoing to deliver training to curriculum staff. - Other training has focused on topics such as resilience and stress management with available places increased to 40 and feedback expected next week. - Trauma-informed practice is progressing well with training offered to staff incorporating examples of lived experience. - Further development and embedding of values and behaviours is ongoing with sessions being held with staff groups to review for the next Strategic plan. Questions: It was queried whether the GPTW survey results are compared year on year and the response rate. The Director for People Services confirmed that the survey results are measurable and will show year-on-year comparisons. She acknowledged that while the response rate has not been as high as desired, it is over 75% and the wider leadership team understands the importance of affording staff time and space to complete it. A Member asked if the College encourages staff to gain qualifications while working, either for free or at a subsidised cost. The Director for People Services confirmed that they do, with some staff undergoing apprenticeships, the Senior Leadership programme, and the Executive Leadership programme. Additionally, all teaching staff are put through training for teaching qualifications. A Member questioned the safeguards around AI in learning and teaching and ensuring quality. The Director of IT & Digital Learning highlighted two main strands: the use of Microsoft Co-Pilot as a safer option, to ensure data is not shared externally, and Teachermatic, which helps staff with repetitive tasks to improve efficiency. Staff are also reminded to check results. A review is planned after 12 months to determine the effectiveness of these tools.
59/24	**<u>Cyber Security Update (Paper G, C Bradley, ToR 2.17)</u>** The Director of IT & Digital Learning highlighted the main points from the report: - Major incidents response review, updating from basic response steps to more specific procedures, particularly for malware and phishing, to ensure consistency. - Efforts are ongoing to reduce the number of servers. - The transition to Teams and SharePoint is on track and various areas are being decommissioned as part of this process. - The network refresh project is progressing and is still on schedule to commence in the summer of 2025.

	- The rollout of multi-factor authentication (MFA) for students is set to begin in January 2025. There were no questions or comments and Members noted the report.
60/24	**<u>Papers for Publication (Standing Item)</u>** The Board Secretary will identify any papers for publication and upload to the website.
61/24	**<u>Any Other Business (Standing Item)</u>** <u>Architectural Services Procurement (Paper H)</u> VP Finance & Corporate Services apologised for the late paper, which was in part due to the figures arriving later than anticipated. The paper details the outcome of the procurement exercise for the use of architectural services regarding the College estate re-design. The following key areas were noted: - In line with the Procurement Policy, a framework was identified by APUC for the scope of works to redesign the Galashiels campus to ensure it is fit for purpose and used most efficiently. - The appointment of a multi-disciplinary team will enable a master plan for the whole estate to be developed and detailed designs for phase 1 (transfer of Tweedbank). - Mott MacDonald were ranked as the top supplier with the value of phase one work estimated at £248,585 – which requires approval from this Committee before proceeding. - The estimated cost of the whole project is between £1.5 million and £3 million. - There are some funds available in the lifecycle maintenance budget and a meeting with SFC is being held next week to discuss additional funding. - Approval for the contract of works is being sought from the Committee, subject to final costings. Questions: The Chair commended the thorough scope of works and tender process and asked about mitigations if the SFC does not provide the £1 million funding. The VP Finance & Corporate Services explained that they have considered phasing the work, with Tweedbank being a priority. There should be enough money in the lifecycle fund to cover phase 1, and they are also looking at other funding sources, including two bids into the Borderlands fund, which include some of the works. The Director for Estates and Facilities added that within the schedule and agreements from Mott McDonald, there should be a masterplan by February, which will include probable costs before moving to full technical design and tenders. Mott McDonald have also been asked to break down the costs so that if the project is not viable by April, they do not have to commit to the next stage. It is also worth noting that the design process is based on current knowledge. The Committee approved the contract.

62/24	**Date of Next Meeting** The date of the next meeting is Thursday 13 March 2025 at 4pm on Teams.

Signed…..……………………………… **Signed…..…………………………………**

Chair **Board Secretary**