

# Financial Strategy **2030**

Resource Innovation and Sustainable Growth



# Your College, Your Future

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# Financial Strategy 2030

Resource Innovation and Sustainable Growth

## Foreword and Introduction

Borders College **Vision 2030** “Your College, Your Future” is our statement of ambition, setting out what we want to achieve for the Scottish Borders by 2030 in terms of curriculum delivery, re-skilling and up-skilling, support for business, and ultimately economic growth. In order to achieve these ambitions, we are clear that we must follow a path of efficient resource utilisation and sustainable growth, and this Financial Strategy is therefore one of the six key supporting strategies which will be pivotal in ensuring our ambitions are realised.

We operate against a background of extremely challenging public sector funding and, with the majority of our learning being publicly funded full- and part-time further and higher education, and apprenticeships, we must ensure we deliver value for money.

Our overarching driver must always remain the success of our learners, supported by our Skills and Enterprise Strategy.

This strategy is therefore about setting the financial framework which will support the realisation of **Vision 2030** and all its supporting strategies. The strategy is framed around three key areas:

- Revenue diversification and growth
- Cost efficiency and resource management
- Financial stewardship

A handwritten signature in black ink, appearing to read "Pete Smith".

**Pete Smith**, Principal and CEO



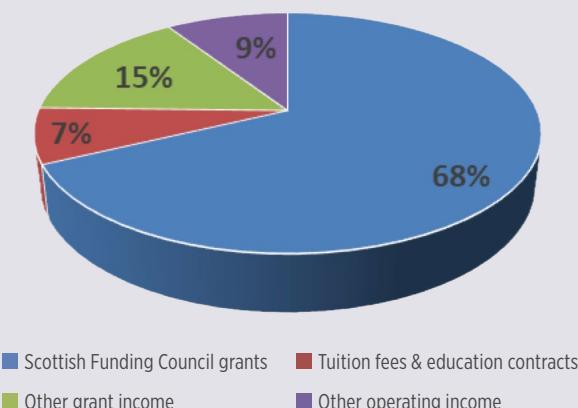
# Financial Context

This strategy is set in a time of severe financial constraints, with Audit Scotland's "Scotland colleges 2025" report highlighting a 20% real reduction in funding from Scottish Funding Council between 2021/22 and 2025/26 to colleges.

The public sector regulatory framework means that the College cannot incur commercial borrowing, and is restricted in its ability to retain reserves for future investment or to protect against future cost pressures.

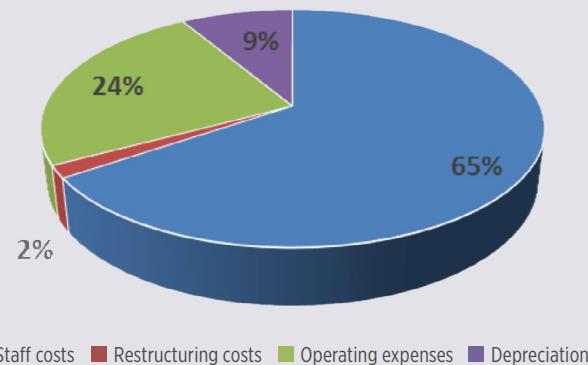
The College is highly reliant on funding from Scottish Funding Council, currently funding 68% of our activities, with the balance being funded from commercial activities and external grants, as shown in the chart.

Income Sources by % for 2024/25



The College's cost base is centred around staff and operating costs. The chart below shows the breakdown of costs for 2024/25.

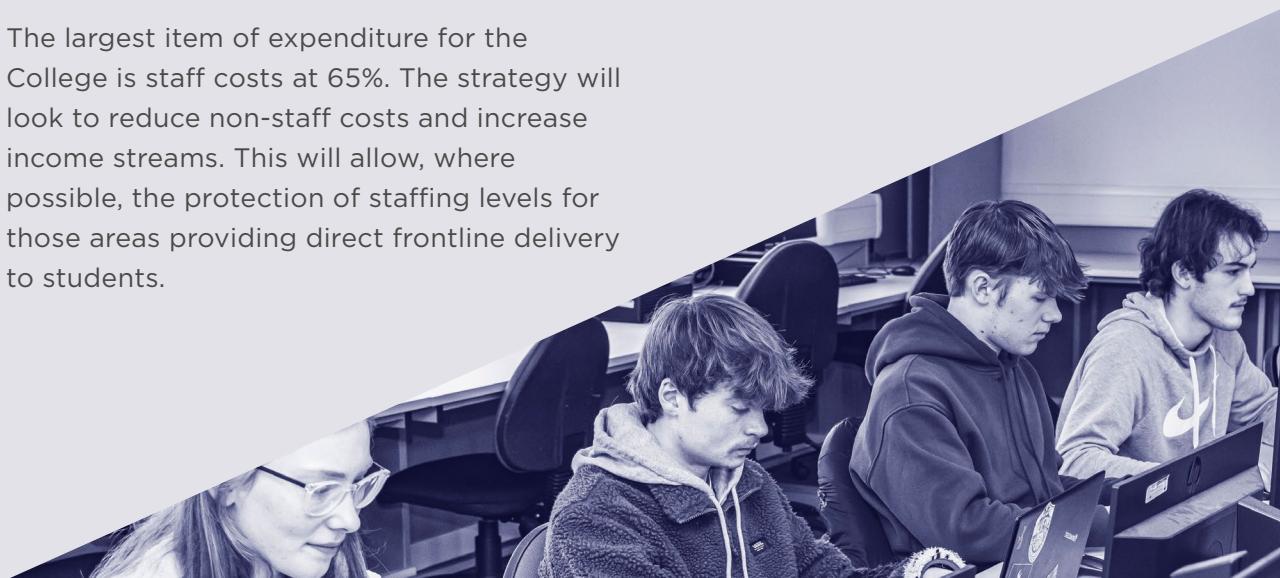
Expenditure Category by %



The largest item of expenditure for the College is staff costs at 65%. The strategy will look to reduce non-staff costs and increase income streams. This will allow, where possible, the protection of staffing levels for those areas providing direct frontline delivery to students.

Additional financial pressure will occur with the ceasing of the co-location and shared services of the Galashiels campus. This will provide opportunities for us to develop and rationalise our estate to meet the future skills delivery of the Borders, but will require capital funding to do so.

Set against these constraints, through robust financial planning and management, it is our intention to increase flexibility and to target our resources to have the best positive impact on student outcomes and the economy of the Scottish Borders.



## Growing the economy

The skills we will deliver for the Scottish Borders are designed to support economic growth across the region and Scotland.

## Revenue Diversification and Growth

To reduce dependency on public funding we will look to grow non-core revenues by: growing commercial income; expanding partnership income; increasing employer-funded training income streams.

To achieve this, we will:

- Develop commercial training products & services for local employers (short courses, CPD, bespoke training)

- Strengthen employer partnership programmes (joint funding, cost-sharing)
- Seek trust/grant income for specific projects

The success measure will be:

- Achievement of steady growth of our commercial income over the period of the strategy. An annual target will be approved by the Board as part of the budget

## Cost Efficiency and Resource Management

Reduction of costs, improved efficiency and productivity of resources will assist in achieving financial sustainability. Support and operating costs currently represent 48%. We will aim to increase control on costs: improve productivity; ensure sustainable staffing/overheads; maintain or improve quality while reducing waste.

To achieve this we will:

- Leverage external funding (grants, government innovation funds) for strategic projects

- Monitor and update estate strategy to support flexible learning, improve space utilisation and provide best possible learning environments and facilities
- Review business processes and learning delivery to improve efficiency

The success measures will be:

- Savings delivered from process efficiencies
- Rationalisation of our estate (where funding allows)
- Reduction of 6% of the support and operating costs from the 2024/25 baseline by 2030

Income from our commercial courses will increase

We will deliver increased publicly-funded student activity

## Our mission

Our mission is to provide the highest quality learning experience and outcomes, to support business and drive economic growth in the Scottish Borders.

## Financial Stewardship

Strong financial stewardship is key to achieving the aim of long-term financial sustainability, which will require changes to our operating models, increased non-core funding and increasing efficiency. These changes will be complex and will be implemented and achieved over the coming years. Reporting and monitoring will ensure we are on track to achieving financial sustainability.

To achieve this, we will:

- Implement the Financial Sustainability Plan and the savings identified
- Set clear income targets for Delivery teams for commercial and non-core income
- Monitor and report savings targets
- Retain modest positive cash balances in line with public sector requirements

The success measures will be:

- Positive cash positions maintained



# Financial Strategy 2030

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## Credits

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NC Art and Design students.

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