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Borders College

Finance & Resources Committee

Meeting at 15:30, Tuesday 17 June 2025

In the Boardroom

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	**COMPLETE**
07/25	Circulate action plan to mitigate financial risks to Board members.	I Earp	**COMPLETE**

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<u>Minutes</u>

ITEM	MINUTE
Present **In Attendance**	Ugo Mbaezue (Chair) Vernice Key (Board Member) Heather Boyce (Board Member) 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)
16/25	**<u>Chair's Welcome</u>** The Chair welcomed everyone to the meeting, noting that the date had moved from 5th June in order to recommend the budget and FFR for Board approval, and thanked all for accommodating the change.
17/25	**<u>Declaration of Conflict of Interest</u>** No areas of conflict were raised.
18/25	**<u>Register of Members' Interest</u>** There were no updates to the register.
19/25	**<u>Apologies for Absence</u>** Apologies were received from Pete Smith, Sonia Phythian and Garry Dickson. Heather Boyce was not present.
20/25	**<u>Minutes of Previous Meeting held 13 March 2025 (Paper A)</u>** The previous minutes were approved as an accurate representation of discussions.
21/25	**<u>Matters Arising</u>** **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) – **COMPLETE –** on the agenda and to be discussed at the meeting today. **07/25** Circulate action plan to mitigate financial risks to Board members (I Earp) – **COMPLETE –** this has been circulated and superseded since then.

SECTION A – ITEMS FOR DECISION	
22/25	**<u>Ratification of Procurement Decision (I Earp, Paper B)</u>** Vice Principal for Finance & Corporate Services confirmed that the procurement for roof repairs came in under budget and that the order has been signed following approval from a sufficient number of Committee members. The Committee formally ratified the decision.
23/25	**<u>Draft Budget 2025/26 and FFR (K Robb, ToR 2.12, 2.5, 2.4, Paper C)</u>** The Vice Principal for Finance & Corporate Services summarised the key areas from the draft budget and Financial Forecast Return (FFR) The paper is based on realistic assumptions. It assumes that support staff pay awards will align with lecturers and be funded above 3%. A small surplus was projected for 2026–27; however, since confirmation was received that only 46% of National Insurance costs are being funded, this is now a deficit. The paper includes both operational and real-term financial scenarios. A minor cash shortfall of £11k is anticipated in July 2026, linked to Voluntary Severance (VS) payments required to achieve savings. This will be managed through re-profiling rather than an overdraft. It was noted that Heriot-Watt University owes a substantial amount in unpaid funds, and legal discussions have commenced. A note will be added to the FFR, with a resolution deadline set ahead of the Board meeting. The paper also details strategic direction, subgroup developments, National Insurance funding issues and potential increase in the Tweedbank lease cost. The lease is due to expire earlier than expected in 2026, and an extension is required to complete internal works at the Galashiels Campus, however, funding for these works remains uncertain. The landlord has proposed doubling the lease cost and negotiations are ongoing, with the College seeking a break clause to ensure curriculum delivery can continue. A full paper will be presented to the upcoming Board meeting. A Member questioned the 10-year lease proposal and it was explained that the landlord's proposal includes break clauses at years 2, 5, and 10. The College has counter-proposed break clauses at years 2, 3, 4, and 5, and opposes the proposed rent increase. The increased rent has however been factored into the budget, including the lease terms. It was confirmed there would be no penalty for exiting at a break point. SFC have been informed of the need for funding clarity before any lease commitment is made. Ringfenced capital remains allocated for items such as minibuses. The Chair raised concerns about the risk of ringfencing capital into 2026–27 and Vice Principal for Finance & Corporate Services reassured that the revenue budget also includes provision for urgent equipment replacement. There was discussion around including more detail at the front of the development plan to SFC, highlighting the College's efficiency efforts to

	date. The Vice Principal highlighted that the current paper provides a foundation for the Board and that further detail can be added. A member expressed concern that the College is not yet progressing with action 2B and stressed the need for awareness around when critical decisions must be made. It was highlighted that actions 2b and 3 represent significant steps that, once initiated, cannot be reversed and that the College is currently implementing a proactive plan to maintain control. Further reductions at this time may compromise delivery. The Chair confirmed support for the paper. The Vice Principal for Finance & Corporate Services will incorporate Appendix 2 and the Board Chair's comments into the final Board paper. The Committee were content to approve the paper.
SECTION B – ITEMS FOR DISCUSSION	
24/25	**Strategic Risk Register (Paper B, K Robb, ToR 2.16, Paper D)** The Vice Principal for Finance & Corporate Services provided an update on the Strategic Risk Register, noting that the risk score remains unchanged at 1.2. Most actions have been completed or are progressing well. A full review of the register is planned for the October Board meeting with a Senior Leadership Team review prior to this, in August. The Chair queried whether further pressure could be applied to the Scottish Funding Council (SFC) and what additional avenues could be explored to influence decision-making. The need to adopt a more realistic stance was proposed, suggesting that previous communications may have been overly optimistic. A member suggested that collective action across the sector may be more effective and recognised the need to identify potential allies to support the College's position. The Chair extended thanks for a clear and easy to read report.
25/25	**Business (Finance) Review and Update (Paper C, S Wilson, ToR 2.1 / 2.9, Paper E)** The Director of Finance & Procurement provided an update on the financial position, noting that further efficiency savings had been achieved through vacancy management and tighter control of expenditure. Additional works related to the campus redesign were also highlighted and it was noted that a small amount of funding had been allocated to cover the increase in National Insurance contributions. A Member recognised that while significant savings have been made through the Voluntary Severance (VS) scheme, the payments are now due. It was confirmed that the VS settlement for one staff member had been accounted for as a committed cost, although it will not be paid until the following financial year, reducing pressure on next year's budget. Appendix 5 had been added to the paper to consolidate relevant information. On a positive note, external income has increased due to successful grant applications. Staff have been proactive in securing funding, and a list has been compiled of items that can be replaced using this income.

	However, it was noted that while income performance is strong, it is being absorbed by other pressures. It was confirmed that the Adjusted Operating Position remains unchanged from the original budget and that a spending freeze is in place. The Director of Finance & Procurement concluded that the College remains on target, provided no additional financial commitments arise.
26/25	**<u>People Services and GPTW Update (D Kerr, Tor 2.2, 2.7, 2.17, 2.18, Paper F)</u>** The Director for People Services highlighted the key developments. Staff absence and voluntary turnover have both reduced, and a number of staff changes and appointments were noted. Staff engagement in the annual Great Places To Work (GPTW) survey has improved, and the College has achieved GPTW certification as well as GPTW for Wellbeing, though this remains under embargo until the official announcement is made. Local union relations remain positive. Efforts continue to increase Unison visibility and membership, although challenges persist at national level. GMB have recruited two former union representatives who continue to disrupt the sector. In terms of the new delivery model - staff based in Hawick have now relocated, and the consultation process has concluded. Staff are settling into their new roles. From 1 August, new Delivery Team Managers (DTMs) will be appointed, and the DEBI structure will be phased out. The current pay offer remains subject to confirmation of funding from the Scottish Funding Council. Funding is expected, and feedback is anticipated shortly. An emergency meeting was held on 25 June to finalise offers to members and ensure timely payment. The revised Discipline Policy and Procedure has been approved, with changes accepted and now awaiting final sign-off by the Principal. Equality, Diversity and Inclusion (EDI) Officer, H Broatch is monitoring recent legal developments following a significant Supreme Court ruling on gender and sex. She has met with R Hewitt to ensure appropriate measures are in place and to ensure staff are being supported in the event of any challenges. The GPTW survey results were discussed, with participation rates having improved. Staff feedback showed increased positivity, particularly around pay and appreciation, with the College scoring notably above average in areas such as fair pay. Staff comments reflected strong support, and work is ongoing with managers to develop action plans based on the results. A more structured approach to staff engagement is being explored, including the formation of a Staff Voice Group with nominated representatives. Overall, the results show significant improvement compared to the previous year. A Member asked if there was anything unexpected in the results. The Director of People Services responded that while there were no major

	surprises, they would've expected to see lower scores in areas such as Finance, and limited feedback was received from Facilities staff, highlighting that work is required to ensure all staff can access and contribute to future surveys. A Member asked about the new benchmarking reference group and the Director of People Services explained that a similar initiative had been undertaken around a decade ago. The current group, comprising HR professionals, is using historical data to develop guidelines and select relevant KPIs for analysis. Regarding job evaluation, the Director of People Services confirmed that Unison and Unite had issued ballot papers to progress locally developed pay structures, while GMB had opted to renegotiate. The local approach is supported by Unison and Unite, allowing the College to model costs. HR and Finance teams are meeting regularly to develop the plan, with EEC support in place. A project manager has been appointed in each college to oversee job evaluation and pay structure development. The sector is considering whether to implement changes collectively or in stages and the process could take up to 2.5 years. All roles will be externally scored, with checks in place to ensure accuracy. The current approach involves closer collaboration with HR than in previous exercises. The Chair asked about feedback relating to management and staff relationships and what work had been done around this. The Director of People Services confirmed that leadership development is a key focus, with plans to rebrand the WLT next year to support manager development.
27/25	**Committee Terms of Reference (U Mbaezue, I Earp, Paper G)** The Board Secretary noted that the Audit & Risk and Committee and Quality & Student Experience Committee undertook extensive reviews of their Terms of Reference last year. While no significant changes were proposed at this stage, the paper remained open for comment. Benchmarking references had been included where appropriate, as suggested by the Principal, Board Chair, and the Board Secretary. It was highlighted that some strategy titles now require updating due to recent changes. These updates are being phased in and are expected to be fully reflected by December. The revised Terms of Reference will be submitted to the Board as part of the papers for Thursday's meeting. The Committee confirmed it was content with the proposed updates.
SECTION B – ITEMS FOR INFORMATION	
28/25	**Cyber Security Update (C Bradley, ToR 2.19, Paper H)** The Director of IT & Digital provided an update on cyber security, noting a recent increase in high-profile cyber-attacks, including incidents affecting well known retailers and schools in West Lothian and Edinburgh. The College continues to monitor sector communications and assess its own risk exposure. While the threats mentioned are being reviewed, the College does not currently consider itself to be at high risk.

	Progress continues on previously agreed actions to reduce the College's cyber-attack surface. This includes the closure of email services on the premise server, a network refresh, rollout of Multi-Factor Authentication (MFA) to students, and guests, adding an additional layer of protection. The College's IT Recovery Plan has also been updated as part of ongoing resilience measures.
29/25	**Papers for Publication (Standing Item)** The Board Secretary will identify which papers from this meeting are suitable for publication.
30/25	**Any Other Business (Standing Item)** No further matters were raised.
31/24	**Date of Next Meeting** The date of the next meeting is Thursday 2 October 2025 at 4pm on Teams.

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

Chair **Board Secretary**