A

Borders College

Finance & Resources Committee

Meeting at 16:00, Thursday 12 March 2026

On Teams

<u>Actions</u>

Item	Action	Responsibility and Date	Action Status
08/26	Update title wording <u>from</u> 'data and Digital' Strategy <u>to</u> 'Digital and Data' Strategy.	Board Secretary	**Complete**
09/26	Corrections to be made to the Table 1 bottom-line figures.	VP F&CS	**Complete**

Borders College

Finance & Resources Committee

Meeting at 16:00, Thursday 12 March 2026

On Teams

Minutes

ITEM	MINUTE
Present	Ugo Mbaezue (Chair) Heather Boyce (Board Member) Phil Macdonald (Board Member) Garry Dickson (Board Member) Pete Smith Ray McCowan
In Attendance	Ingrid Earp (Regional Board Secretary) Kirsty Robb (Vice-Principal Finance & Corporate Services) Debbie Kerr (Director for People Services) Conor Bradley (Director of IT and Digital) Siobhan Archibald (WBG) *Observing only* Suzie Hartley (Minutes)
01/26	**Chair's Welcome** The Chair welcomed everyone to the first meeting of the committee in 2026. S Archibald, WBG introduced herself and informed that she is currently undertaking a board effectiveness review and as part of the process, she is observing today's meeting.
02/26	**Declaration of Conflict of Interest** No areas of conflict were raised.
03/26	**Register of Members' Interest** There were no updates to the register of interests.
04/26	**Apologies for Absence** There were no apologies. Member, V Key was not present.
05/26	**Minutes of Previous Meeting held 27 November 2026 (Paper A)** The previous minutes were approved as an accurate representation of discussions.
06/26	**Matters Arising** All outstanding actions were noted as complete and there were no matters arising.

SECTION A – ITEMS FOR DECISION	
07/26	**<u>Fees Policy (K Robb, Paper B)</u>** The VP for Finance & Resources presented the updated Fees Policy, noting that this is reviewed every few years and has undergone a recent, minor revision. Changes are outlined in section 5.1 of the paper and the draft has been reviewed by SLT and shared with union colleagues through the JCCP, with no major amendments required. The adjustments are minor, and the fundamental policy remains unchanged. The Chair recognised that the policy had gone through all appropriate internal and partnership review processes and invited questions and comments. None were raised and the Committee approved the revised Fees Policy.
14/26 *moved to an earlier slot	**<u>Cyber Security Update (C Bradley, ToR 2.19, Paper J)</u>** The Director for IT and Digital provided an update on current cyber security activity, noting that the sector continues to experience frequent attacks across education and other public bodies, and the overall threat environment remains high. Since the last report, the College experienced one significant incident involving a phishing email sent from a compromised external partner. The email reached multiple College mailboxes and one user interacted with it; however, there is no evidence of any impact on College systems. Account access was reset as a precaution and the incident was fully closed. The situation triggered the College's major incident and Cyber Incident Response Plan (CIRP) procedures, enabling coordinated engagement with Jisc, the Scottish Government Cyber Coordination Centre, and Police Scotland. These agencies gathered information to support both the College and the external organisation whose account had been compromised. The event served as a valuable real-world training exercise, allowing the team to test the cyber response plan end-to-end and demonstrating a positive operational outcome. Regarding actions, one in relation to data centre decommissioning has been completed, and another regarding Wi-Fi service decommissioning is scheduled for completion this summer following the departure of Heriot-Watt University. Preparations are also on track for the planned joint cyber-attack exercise with South Lanarkshire College, designed around a hypothetical ransomware scenario. The College is ready to proceed and is awaiting confirmation of dates from South Lanarkshire. The Chair reminded that members are asked to note this report and invited questions. It was queried whether the external organisation involved in the phishing incident is a supplier. C Bradley confirmed they are not (Scottish Borders Chamber of Commerce) and that it is not unusual to receive correspondence from them. He highlighted that the College's layered cyber-defence approach functioned effectively, and although it is impossible to catch 100% of malicious signals, the defences performed

	well in this instance. Furthermore, the College utilises national procurement frameworks, ensuring suppliers meet required security standards. The Committee noted the report.
SECTION B – ITEMS FOR DISCUSSION	
08/26	**Committee Terms of Reference (I Earp, Paper C)** Updates to the Committee's Terms of Reference were highlighted by the Board Secretary, who noted that the only amendments required are to reflect recent changes to the names of supporting strategies. Specifically, the People Services Strategy should now be referred to as the People Strategy. No other changes were identified. The Principal highlighted a minor correction to title wording – the strategy title should read 'Digital and Data' rather than 'Data and Digital'. Board Secretary agreed to make the amendment. **ACTION: IE** The Committee approved the Terms of Reference pending the noted amendments.
09/26	**Business (Finance) Review and Update (K Robb, ToR 2.1 / 2.9, 2.12, 2.10, Paper G)** VP for Finance & Corporate Services presented the financial update, noting improvements made to the report layout, reflecting commercial income and savings progress. Errors with the bottom-line figures in Table 1 were also highlighted and will be corrected following today's meeting. The table correctly shows a £176k increase to the deficit, which mainly results from a reduced non-commercial/non-core income, with some previously assumed income streams no longer continuing into 2025/26. The College is underachieving by around £344k. **ACTION: VP F&CS** Most Sustainability Plan savings have been achieved, but commercial and non-core income targets remain unmet. Additional savings have arisen from vacancies and procurement, while some cost pressures (ISEC rent, insurance) have increased, but are expected to be offset slightly by extra funding from SFC towards pay award costs. Capital monitoring shows £53k additional SFC funding and some project slippage; underspends in Table 4 are proposed to support redevelopment of study and quiet spaces. Recent funding bids include £20k for Martyn's Law preparation and £298k for campus redevelopment, with SFC indicating Borders College will pilot the SCIM process. Cashflow continues to be monitored daily, with some improvement following SFC agreement to allow earlier draw-down of grant funding in April and potentially again at the start of the academic year. While this does not fix the year-end position, it supports short-term liquidity. The Chair reminded that the committee is being asked to approve the paper and questions and comments were invited. A member queried the Shared Prosperity Fund and restricted funding for Retrofit, and queried the possibility of delaying spend, recognising the

	current freeze on non-essential spend. It was confirmed that while some funds, such as those for Green Skills training, are ring-fenced and time-limited, there is generally less funding available, most is non-recurring and many grants are subject to political approval. These factors are reflected more cautiously in budget planning and only bids deemed viable and not at risk of causing a loss, will be progressed. Emerging funding opportunities continue to be closely monitored through sector networks and local partnerships, including the Borders Chamber of Commerce. The Board Chair acknowledged concerns that funding is oversubscribed, opportunities are less and highlighted an apparent unwillingness on the part of some fund givers to consider applicants previously unknown to them. He sought assurance that the £176k deficit deterioration incorporates mitigations and VP for Finance & Corporate Services confirmed the forecast uses a pessimistic approach, erring on the side of caution. The board Chair queried whether there was significant benefit in drawing down funding earlier or whether this just moves the problem further down the line. VP Finance & Corporate confirmed that they have discussed cashflow with SFC and there is no other option, and until the College is funded on a more sustainable basis, they need to ensure there is enough cash in the bank to pay creditors and staff. The Principal provided additional context on external funding, acknowledging the issues around non-recurring grant funding and highlighting potential upcoming funding opportunities, including the Local Growth Fund, where £37.8 million has been allocated to Edinburgh and Southeast Scotland. The College has also submitted a bid to Innovate UK, in which they propose to deliver tech skills with robotics, in partnership with the Robotarium – this was noted as being significantly oversubscribed, however. LEP funding will be available in April and additional SFC funding is also expected in the form of support towards NI contributions. The likelihood of further efficiencies was noted and SFC's indicative funding allocations for 2026 suggest a potential increase on previous years, providing a total uplift of between 5 and 8% for the sector, which will be incorporated into the budget for next year and used to plan. The Chair acknowledged the significant work being undertaken to seek additional funding and queried the increase in the deficit forecast and whether the forecast target can still be met. VP for Finance and Corporate Services confirmed this represents a profile of what has been spent and will change depending on how grant funding is flexed and they are fairly comfortable about meeting the target. A query was also raised around external factors such as the current war in the Middle East, and the potential impact on College finances. Reassurance was provided that this year won't be affected due to 'tied-in' costs, but that consideration would be required for future. In response to a query around project slippage, depicted in Table 4, it was reasoned that staff changes and extended work on student funding systems had led to delays. Member, P Macdonald joined the meeting.

	The Committee approved the report, subject to the correction of Table 1.
10/26	**<u>People Services Update (D Kerr, ToR 13)</u>** The paper provides a mid-year update against the People Strategy measures. All indicators were noted to be on track with no issues identified. Members were asked to consider and note the report and for any for any questions or comments. A member queried voluntary turnover, noting the current figure is close to the annual target of 8%. It was confirmed that turnover will naturally increase by year end but is expected to remain close to target. The 0% figure for internal promotions was queried and it was reasoned that there had been no vacancy opportunities in the two data collection periods. Staff development opportunities and how these are supported was raised in the context of financial constraints. The Director of People Services confirmed there is a staff development budget and that they aim to maximise the use of free external provision, including Jisc and WorldSkills. Current priorities include training lecturers and students in the use of AI to support efficiencies. An update on the single delivery model was heard – several meetings including three staff focus groups have taken place, generating positive feedback and informing short , medium and long term actions. The Board Chair asked about decision making criteria for allocating the development budget and the contribution towards the new strategy. The College's comprehensive workforce planning process was outlined, which includes early engagement with managers, alignment to strategy, and prioritisation of key qualifications such as TQFE. She noted the percentage of staff holding TQFE or equivalent had reduced due to recent recruitment but currently sits around 75–80%. The Chair commended the approach which he felt is positively focussed on future-proofing the workforce. The Committee noted the update.
11/26	**<u>Timings of Meetings (I Earp)</u>** Members confirmed they were happy for the current committee meeting timings (4pm on Thursday) to continue.
12/26	**<u>Strategic Risk Register (K Robb, ToR 2.16, Paper F)</u>** The paper provides a quarterly update, highlighting the seven risks allocated to the Finance & Resources Committee. New and revised risks were discussed and approved at the Board meeting in December. All risks currently sit within appetite except for 4.2 (Affordability) - this is likely to remain high until the College receives certainty from the forthcoming indicative funding allocation. The Board has requested that cyber security risks be separated into two to reflect that while response arrangements continue to operate

	effectively, the threat of cyber-attacks remain ever present due to clever advancements in cyber-attack methods. Work continues with SFC on the SCIM process. Borderlands have proposed the College's two project funding bids to their Board and a decision is awaited. The programme of estate developments to align with future delivery needs is ongoing. Planned summer works include development of the former library space following the evacuation of Heriot Watt University. The estates risk score remains at 9 but is anticipated to reduce in the future. The Chair invited members to note the update and acknowledged the significant volume of work undertaken behind the scenes. VP Finance & Corporate Services noted this was her final Finance & Resources Committee meeting. The Chair asked about handover arrangements; it was confirmed that two Finance Controllers are now in post and progressing well, and with the Director of Estates also retiring this year, handover processes are being fully documented, with support from S Bell (Project Support) to ensure best practice and continuity. A handover to her successor is expected. The Committee noted the report.
SECTION C – ITEMS FOR INFORMATION	
13/26	**<u>Budget Planning Process (K Robb, ToR 2.1 / 2.4, Paper G)</u>** Members were updated on the budget planning process and were advised that detailed preparatory work is well underway. Manpower budgeting has commenced, incorporating staffing requirements and pay award assumptions. Meetings are taking place this week to progress the income budget, informed by curriculum planning discussions with VP – Student Experience, and ongoing work to develop the commercial income position for 2026–27. The intention is to establish a clear budget direction of travel so that the College is well prepared when indicative funding is issued. Capital funds are being ring fenced as part of the process – a replacement minibus will be prioritised as a top slice, with remaining funds held to support campus redevelopment and delivery requirements. Upcoming design costs are expected for developments such as the textiles area, and Borderlands projects may require outline business case work that will incur additional costs. Unless health and safety or legislative requirements arise, capital will be focused on core needs. Kirsty confirmed the College expects to be in a strong position to finalise the budget once allocations are known. Members were invited to ask questions but none were raised.
15/26	**<u>Employment Rights Act 2025 (D Kerr)</u>** The paper sets out the key forthcoming changes under the Employment Rights Act 2025. A member welcomed the helpful table summarising implications and asked whether any elements were expected to be particularly challenging to implement. The Director for People Services highlighted that the new rules on probationary periods are likely to be the most impactful - tribunal

	timeframes will shorten, and the reduced four-month probationary period leaves limited time for the College and new employees to demonstrate suitability. All contracts issued from July 2026 onwards will be affected. The need for managers to be more structured and proactive during probation was emphasised and there are plans to deliver training and awareness sessions for the Leadership Team. Where previously processes could drift across a two-year period, new timescales will require clearer decision-making from both sides. Committee were content to note the update.
16/26	**Papers for Publication (Standing Item)** The Board Secretary will identify which papers are suitable for publication.
17/26	**Any Other Business (Standing Item)** The chair reminded members of the recent email sent out in relation to Board Governance, encouraging all to complete the related task. The Chair acknowledged that this was K Robb's (VP Finance & Corporate Services) last meeting before leaving the College to take up employment elsewhere. He recognised her approachable nature and extended thanks for all the support she has provided over the years.
18/26	**Date of Next Meeting** The date of the next meeting is Thursday 4 June 2026 at 4pm in the Boardroom.

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

Chair **Board Secretary**