

# A

Borders College



## Finance & General Purposes Committee

Meeting at 5.30 pm on Tuesday 25 October, 2016

Location: Board Room, Scottish Borders Campus

### Actions

Item	Action	Responsibility and Date
40/16	Clarification on Committee representation from the Students' Association will be sought.	Secretary
44/16	ISLT Strategy 2016-2020 – Change as recorded to Point 1.3 under item 44/16.	P Smith
45/16	Finance Strategy 2016-2020 – Changes as recorded under item 45/16.	P Smith
47/16	ISLT Strategy Implementation Paper: <ul style="list-style-type: none"><li>• Contingency arrangements to be recorded.</li><li>• A timeline with completion details will be prepared once the procurement exercise is completed.</li></ul>	P Smith P Smith

**Borders College**

**Finance and General Purposes Committee**

**Meeting at 5.30 pm on Tuesday 25 October, 2016**

**Location: Board Room, Scottish Borders Campus, Galashiels**

**Minutes**

<b>ITEM</b>	<b>MINUTE</b>
Present	Elaine Acaster (Chair) Tony Jakimciw Liz McIntyre David Peace Andy Winwood Liz Parkes
In Attendance	Peter Smith (Vice Principal - Finance & Resources) Brian Hood (Clerk to the Board) Fraser Wight (Head of ISLT) – Items 43/16, 44/16 & 47/16 Lorraine Sulo (Secretary)
<b>37/16</b>	<b><u>Chair's Welcome</u></b>  The Chair welcomed everyone to the meeting.
<b>38/16</b>	<b><u>Declaration of Conflict of Interest</u></b>  A Winwood declared an interest with regards to agenda item 51/16.
<b>39/16</b>	<b><u>Register of Members Interest</u></b>  B Hood confirmed that the six monthly reminder had been issued to Committee Members.
<b>40/16</b>	<b><u>Apologies for Absence</u></b>  B Hood advised that he understood that the Students' Association Vice President for Education had resigned from the Regional Board which in effect meant that the F&GP Committee no longer had student representation. Clarification would be sought. The Chair noted the situation and hoped this would be resolved as soon as possible. <b>Action: Secretary</b>
<b>41/16</b>	<b><u>Minutes of Meetings held on 26 May and 6 July 2016</u></b>  The minutes of the meetings held on 26 May and 6 July were approved as an accurate record.
<b>42/16</b>	<b><u>Matters Arising</u></b>  All matters arising from the previous meetings had been completed.

43/16	<p><b><u>Presentation – ISLT Services by Fraser Wight, Head of ISLT</u></b></p> <p>F Wight provided an overview of the College's ISLT Services which provides a joint service to both the College and Heriot-Watt University</p> <p>The ISLT has responsibility to design, deliver, operate and control IT services, supported by structured processes and procedures; and to deliver a robust e-learning platform and e-learning technologies.</p> <p>The Committee discussed the commercial work the College undertakes. F Wight advised that the balance between college and commercial work was at a compatible level.</p> <p>The College is also creating time within faculties to embed expertise in learning and technology. A Winwood advised that staff at Newtown St Boswells have had their Moodle skills significantly increased through the support of the E-Learning Technologist.</p> <p>The provision of services and equipment across College sites is improving with equipment now in place at Riddell and the Ian Stark Equestrian Centre, with positive feedback received from learners and staff.</p> <p>F Wight advised that a group of learners will shortly be visiting Fujitsu's innovation hub at Bletchley Park to present a Proof of Concept idea using the Internet of Things.</p> <p>The Chair thanked F Wight for an informative presentation.</p>
44/16	<p><b><u>ISLT Strategy 2016-2020 – Paper B</u></b></p> <p>P Smith presented the ISLT Strategy 2016-2020 paper which had been updated in line with the new College Strategic Plan.</p> <p>The following change was requested:</p> <ul style="list-style-type: none"> <li>• 1.3 – the word 'able' will be inserted into the first sentence. <b>Action: P Smith</b></li> </ul> <p>The Committee approved the revised ISLT Strategy.</p>
47/16	<p><b><u>ISLT Strategy Implementation – Paper E</u></b></p> <p>This agenda item was moved forward in order for F Wight to be included in the discussions.</p> <p>P Smith presented the ISLT Strategy Implementation paper which provided an update on progress. Since the writing of the paper the ISLT tender specification had been issued with an implementation date remaining for December.</p> <p>The Committee discussed the operational risks associated with the project and whilst the project itself was not recorded on the College's Risk Register the College's Disaster Recovery Plan was in place. The Chair requested that contingency arrangements be recorded. <b>Action: P Smith</b></p>

	<p>P Smith confirmed that a timeline with completion details would be prepared once the procurement exercise was completed. <b>Action: P Smith</b></p> <p>T Jakimciw raised with F Wight that the ISLT infrastructure replacement appeared to very much rely on himself. F Wight confirmed that the successful contractor would be providing project management services with other ISLT staff also being trained as the project progressed.</p> <p>The Committee noted the contents of the ISLT Strategy Implementation paper. The Committee discussed the impact of the continuing cost of IT investment which had been approved by the Board of Management on 29 September and noted the requirement for ongoing investment.</p> <p>F Wight left the meeting.</p>
45/16	<p><b><u>Finance Strategy 2016-2020 – Paper C</u></b></p> <p>P Smith presented the Finance Strategy 2016-2020 paper which as a supporting strategy had been updated in line with the new College Strategic Plan.</p> <p>The following changes were requested:</p> <ul style="list-style-type: none"> <li>• 2.6 – last sentence will be removed;</li> <li>• 2.9 – referred to 68% but 67% in point 3.2 so a correction was required;</li> <li>• 3.1 – First sentence will be changed to ‘the College will strive to’;</li> <li>• 3.2 – First sentence will be changed to ‘the College will strive to’ and ‘fully’ will be removed from the second bullet point. <b>Action: P Smith</b></li> </ul> <p>Subject to the above changes the Committee approved the Finance Strategy paper.</p>
46/16	<p><b><u>Lennartz Claim with HMRC – Paper D</u></b></p> <p>P Smith provided the background to the Lennartz Claim with HMRC when in March 2015 the Committee approved the College to make a claim to recover output tax paid under the Lennartz arrangement. He advised that the claim had been rejected by HMRC and following further advice from Ernst &amp; Young the recommendation was not to appeal the decision at this time.</p> <p>The Committee approved the recommendation that the College takes no further action in pursuit of the claim.</p>
48/16	<p><b><u>Business Review – Paper F</u></b></p> <p>P Smith updated the Committee on College performance for the two months to 30 September 2016 and advised the Committee that a business review for the first quarter would be discussed at the November meeting which would provide a more detailed report.</p> <p>P Smith provided the background to the income and expenditure deficit of £111k annual budget shown in the management accounts and the year to date negative variance of £47k with many of the variances being timing related or have offsetting income and expenditure. Significant variances were under</p>

	<p>'commercial and consulting' which were in the main due to timing of the start of courses and 'staff costs' due in the main to vacancies and the delay in conclusion of the 2016-17 pay negotiations.</p> <p>P Smith advised the Committee that since the budget was posted, an additional £145k in capital maintenance funding has been confirmed from the Scottish Funding Council which would enable the College to reach a budgeted income and expenditure deficit position of £60k.</p> <p>The Enrolment Report showed a shortfall of 31, against a full-time target of 1252. P Smith advised that measures were being put in place to make up the gap through part-time provision which should see the College achieve its credit target and fully draw down its grant funding. The Chair also advised that she had met with the Vice Principal of Curriculum to gain a detailed understanding of the shortfall reasons which were largely due to an increase in people gaining employment and an increase in learners remaining at school. The Chair advised that a review of the curriculum will be undertaken and discussions by the Regional Board on the regional output agreement will be held over the next few months.</p> <p>The Committee was very pleased to see an increase in the number of enrolments from the Midlothian region.</p> <p>The Committee noted the Business Review paper.</p>
49/16	<p><b><u>Draft Financial Statements 2015-16 - Paper G</u></b></p> <p>P Smith presented the Primary Financial Statements extracted from the draft Accounts and Annual Report for the year to 31 July 2016.</p> <p>P Smith advised that external auditors, Grant Thornton, had recently completed their audit with no major issues raised at the visit.</p> <p>The accounts showed a deficit of £391k before the actuarial loss on pension scheme of £3,343k however, the operating position was a surplus of £163k.</p> <p>The Committee was pleased to see that the projected deficit of £65k from the May 2016 budget review had moved to a positive £163k.</p> <p>The Committee noted the contents of the Draft Financial Statements.</p>
50/16	<p><b><u>Risk Register – Paper H</u></b></p> <p>P Smith updated the Committee on actions being taken to mitigate the College's risks with one new risk being added by the Regional Board at their meeting on 29 September 2016, being:</p> <ul style="list-style-type: none"> <li>• New Risk 7H - recognising the risk should a replacement for the College Principal not be appointed timeously.</li> </ul> <p>L McIntyre advised that the current risk register will be discussed and revised at the next Regional Board Strategic Planning day in November.</p> <p>The Committee noted the contents of the Risk Register paper.</p>

51/16	<p><b><u>Estates Developments – Paper I</u></b></p> <p>P Smith presented the Estates Development paper which updated the Committee on current developments.</p> <p>The lease for Tweedbank Unit 4.2 had been signed with an entrance date of 1 August 2016. A full tender evaluation for the required works had been completed with a full narrative and scoring issued to the Committee following approval by correspondence the Committee ratified the decision to award the contract to ESH Borders.</p> <p>P Smith reported that the main moves at the Newtown St Boswells campus had been completed with positive feedback received from staff and learners. He advised that the College had been approached by representatives from a development company who were considering opportunities for a rural business park in the Newtown St Boswells, which could fit with the longer term strategy plans which are required for the campus. The Committee agreed that initial talks would be worth pursuing.</p> <p>The Business Development Unit is now based at Hawick with the remaining move of the Carpentry and Joinery Programme to Galashiels in summer 2017. P Smith recently met with Worcester Bosch to reiterate the Colleges commitment to a renewables centre.</p> <p>The Melrose Road property is now being actively marketed and previous leads followed up.</p> <p>The Committee noted the contents of the Estates Development Paper.</p>
52/16	<p><b><u>Oman Joint Venture</u></b></p> <p>P Smith advised that progress with the venture had been slow with the last communication with the Haima Institute having taken place around six weeks ago. A business model cannot be progressed until further information is received.</p> <p>The Committee noted the current position.</p>
53/16	<p><b><u>Any Other Business</u></b></p> <p>Nothing to report.</p>
54/16	<p><b><u>Date of Next Meeting</u></b></p> <p>The date of the next meeting will take place at 5.30pm on Thursday 24 November, 2016.</p>

Signed.....

Signed.....

Chair

Clerk to the Board