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Borders College

Finance & General Purposes Committee

Meeting at 16:00 on Thursday 26 October 2017

Location: Board Room, Scottish Borders Campus

Actions

Item	Action	Responsibility and Date
37/17	Draft Financial Statements 2016/17 – Narrative to clearly reflect the actual operating result.	VP Finance & Resources
38/17	Estates Strategy – publication of length of partnership agreement to be confirmed with Live Borders.	VP Finance & Resources
40/17	ISLT Strategy Implementation – project review will be undertaken.	Principal

Borders College

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Location: Board Room, Scottish Borders Campus, Galashiels

Minutes

ITEM	MINUTE
Present	Tony Jakimciw (Acting Chair) Elaine Acaster (by telephone) Angela Cox David Peace Liz Parkes Paula Hutchison
In Attendance	Peter Smith (Vice Principal – Finance & Resources) James Ayling (Board Secretary) Lorraine Sulo (Minutes)
31/17	<u>Chair's Welcome</u> The Chair welcomed everyone to the meeting along with E Acaster who was joining the meeting by telephone.
32/17	<u>Declaration of Conflict of Interest</u> The VP Finance and Resources declared a conflict of interest regarding item 38/17 due to his position as trustee for LIVE Borders.
33/17	<u>Register of Members Interest</u> Members were reminded to forward any updates to the Board Secretary.
34/17	<u>Apologies for Absence</u> Apologies from N McIlwraith had been received.
35/17	<u>Minutes of Meetings held on 25 May 2017</u> The minutes from the previous meeting were approved as an accurate record.
36/17 23/17 & 27/17 24/17	<u>Matters Arising</u> The VP Finance & Resources confirmed that both actions had been completed. The VP Finances and Resources advised that proposals in a recent SFC consultation on Rural and Remoteness Funding could be a positive outcome for the College. A response will be issued by the Principal who will be requesting additional funding under the sparsely populated region criteria and land-based provision requirements.

<p>37/17</p>	<p><u>Draft Financial Statements 2016/17 – Paper B</u></p> <p>The VP Finance and Resources presented the Primary Financial Statements extracted from the draft Accounts and Annual Report for the year to 31 July 2017. He reported on the key changes contributing to the additional deficit of £613k which were:</p> <ul style="list-style-type: none"> • Reduction in holiday pay accrual - £50k • Loss from Pension Fund valuation - £(666)k • Other minor adjustments - £3k <p>The Committee discussed the loss from the Pension Fund Valuation and how the College compared to other colleges. The VP Finance and Resources advised that the College was incurring larger losses due to an increase in the past service element and actual valuation going forward. Concerns were also raised on the misrepresentation of the College’s financial position due to the pension liability. The Committee agreed that it was necessary for the presentation of the accounts to clearly reflect the actual operating result which was a surplus of £20k. The VP Finance and Resources will ensure the accounts narrative is updated.</p> <p style="text-align: right;">Action: VP F&R</p> <p>The Committee discussed whether the College was fulfilling its requirements for OSCR (The Scottish Charity Regulator) given that this was the second year with significant deficits due to the loss from the pension fund valuation. The Chair advised that given that this was a sector issue, Colleges Scotland had previously held discussions with OSCR who were aware of the Sector position.</p> <p>The Committee noted the contents of the paper.</p>
<p>38/17</p>	<p><u>Estates Strategy – Paper C</u></p> <p>The VP Finance and Resources provided an overview of the Estates Strategy which had been updated following comments from the Regional Board in June 2017. He explained that detailed statistics were still to be included. The most pressing priority for the College was a long-term solution for the provision of land-based studies.</p> <p>The Committee discussed the proposed strategy with the following points raised and answered:</p> <ul style="list-style-type: none"> • Learning provision is delivered by the hire of premises in locations such as Romanno Bridge and Duns as and when required given that usage does vary. • Site valuations are carried out every five years. The Netherdale campus was last valued in January 2014 and would be due again in 2019. • The value of the Newtown St Boswells site would not be more if it was a cleared site. The Edinburgh Centre for Business Development is not actively marketed as a venue for hire. In order to continue to support the delivery of commercial courses the College would expect an increase in use. Edinburgh First at the University of Edinburgh was suggested as a point of contact to assist discussions.

	<ul style="list-style-type: none"> • The Estates Strategy Committee has varied in membership and was constituted with representatives from the Estates Team and Land-based Faculty. Its primary focus was the development of Tweedbank. The Committee now forms part of the Senior Leadership Team which has themed meetings and includes additional staff as and when required. • Students are settling in well at the Tweedbank Construction Hub with a few minor snagging issues initially identified, but these have now been completed. An employer launch is being planned. • The Principal has met with Heriot Watt’s Vice Chancellor and Deputy Principal regarding the current service level agreement and more efficient ways of working. Potential opportunities with the new schools at Kelso and Jedburgh are also being explored with Scottish Borders Council. • A condition survey of the College estate had recently been completed for the SFC capital plan. The survey did not raise any major issues and most of the immediate actions had already been completed, however, the limited life expectancy of the portacabin accommodation at Newtown St Boswells was highlighted. The survey had incorrectly included Heriot-Watt’s High Mill building which did have a number of issues raised. Discussions are still continuing with H&H regarding potential collaborations at Newtown St Boswells for land-based provision. <p>The Board Secretary highlighted that the paper had been recommended for publication, but queried whether the length of the Live Borders partnership agreement should be released. The VP Finance and Resources agreed to seek clarification from Live Borders.</p> <p style="text-align: right;">Action: VP F&R</p> <p>The Committee agreed that they were satisfied with the draft strategy. The final version would be presented to the Regional Board in December 2017.</p>
39/17	<p><u>Estates Developments Update – Paper D</u></p> <p>The VP Finance and Resources provided the Committee with a general update since his previous report in May 2017.</p> <p>The College had received a final allocation of £420,000 through the Scottish Government’s CEEP programme. Work was completed over the summer period which had resulted in the replacement of light fittings across all campuses with LED fittings. Building management controls for Newtown St Boswells are now accessible from Galashiels and timing controls have been fitted to devices such as vending machines. The carbon savings from the programme will enable the College to reach its targets four years earlier and will also benefit Heriot-Watt University.</p> <p>The Committee noted the contents of the paper.</p>

40/17	<p><u>ISLT Strategy Implementation – Paper E</u></p> <p>The VP Finance and Resources provided an overview of progress with the implementation of the College’s ISLT strategy. He advised that the majority of the infrastructure had been fitted with a new fire wall being procured and installed over the next two months. The new servers were in place and the purchasing of further UPS would be required.</p> <p>The Committee noted that this had been a large project for a small number of staff to deliver. In order to keep costs at a minimum, project lots had been allocated to different suppliers which had caused difficulties with progression. The Principal agreed that a review of the project would be worthwhile to ensure learning points are recorded and disseminated.</p> <p style="text-align: right;">Action: Principal</p> <p>The Committee noted the contents of the paper.</p>
41/17	<p><u>Business Review – Paper F</u></p> <p>The VP Finance and Resources provided a summary of the report which updated the Committee on the College’s performance for the two months to 30 September 2017 with reasons provided for the significant variances.</p> <p>He advised that there was the potential to overspend the total student funding budget by 21%. The reasons were due to efforts to reduce withdrawals and increases in costs for those students who were identified as care-experienced. The Chair advised that further funding could be requested and returned if not required. The current position would be reviewed at the beginning of November and if necessary further funding requested. .</p> <p>The £708k against outstanding student applications represented those that had sent an initial application but had not provided further information or were not eligible.</p> <p>The Committee discussed non-SFC commercial income. The VP Finance and Resources advised that expectations are that Employability Fund targets will be reached. There has also been a growth in apprenticeships. The Business Development Unit continues to raise its profile and staff have undergone budget training in order to fully understand the position and expectations.</p> <p>The Committee noted the contents of the paper.</p>
42/17	<p><u>Strategic Risk Register – Paper G</u></p> <p>The Committee reviewed the Strategic Risk Register which had been considered during October by the Executive Team, Curriculum and Quality Committee and Audit Committee.</p> <p>The Committee had no other additions to be made to the register.</p>
43/17	<p><u>Any Other Business</u></p> <p>No further items were raised.</p>

44/17	<u>Date of Next Meeting</u> The next F&GP Committee meeting will take place on Thursday 23 November at 6pm.
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Signed.....

Chair

Signed.....

Board Secretary