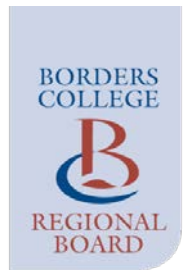


A



Borders College

Finance & General Purposes Committee

Meeting at 17:30 on Thursday 2 May 2019

Location: Board Room, Scottish Borders Campus

Actions

Item	Action	Responsibility and Date
08/19	Board Self-evaluation Action Point B – updates for the Committee were yet to be actioned (carried forward).	VP Finance & Corporate Services
09/19	Benchmarking on the high-level financial ratios would be sought (carried forward)	VP Finance & Corporate Services
10/19	Strategic Risk Register – 4e and 4f to be updated.	VP Finance & Corporate Services
23/19	Revised Terms of Reference – updates to be made.	Board Secretary
24/19	Output of modelling will be brought back to the Committee with scenarios considered over five years.	VP Finance & Corporate Services
25/19	Business Review: <ul style="list-style-type: none">• Financial ratios regarding staff costs affected by SOSEP funding would be corrected.• Change figure bracket use to a simpler format.• Business & Computing should move to under STEM• Income in cost centres does not include SFC credit income and will be included within next report.• Show SFC income separately from other income.	VP Finance & Corporate Services

Borders College

Finance and General Purposes Committee

Meeting at 17:30 on Thursday 2 May 2019

Location: Board Room, Scottish Borders Campus, Galashiels

Minutes

ITEM	MINUTE
Present	Elaine Acaster (Chair) Angela Cox (Principal) (via VC) David Elder (Student member) Tony Jakimciw David Johnson Jess McBeath Liz Parkes David Peace
In Attendance	Hazel Robertson (Vice Principal – Finance & Corporate Services) James Ayling (Board Secretary) Lorraine Sulo (Minutes)
17/19	<u>Chair's Welcome</u> The Chair welcomed everyone to the meeting including A Cox who was joining the meeting by video conference.
18/19	<u>Declaration of Conflict of Interest</u> No declarations were received.
19/19	<u>Register of Members Interest</u> D Johnson advised that in addition to his current role at Napier University he would be undertaking the role of Dissertation Advisor at the University of Edinburgh Business School from 22 April to 31 October 2019. As from 1 September 2019 he would be moving from his full-time role at Napier University to take up the post of Assistant Professor (Lecturer) in Entrepreneurship at the University of Glasgow. The Committee congratulated D Johnson on his new appointment.
20/19	<u>Apologies for Absence</u> All members were present.
21/19	<u>Minutes of Meetings held on 28 February 2019</u> The minutes from the previous meeting were approved as an accurate record.

<p>22/19</p> <p>35/18</p> <p>44/18</p> <p>07/19</p> <p>08/19</p> <p>09/19</p> <p>10/19</p> <p>12/19</p> <p>11/19</p>	<p><u>Matters Arising</u></p> <p>An update on the action points from the previous meeting were discussed as follows:</p> <p>F&GP revised Terms of Reference would be discussed under agenda item 23/19.</p> <p>Impairment and Valuation Review would be discussed under agenda item 25/19.</p> <p>Assumption of HR Committee responsibilities would be discussed under agenda item 23/19.</p> <p>Board Self-evaluation Action Point B – updates for the Committee were yet to be actioned (carried forward).</p> <p style="text-align: right;">ACTION: VP F&CS</p> <p>The Regional Board approved the recommended donation of £150k to BFET and the transfer was completed by the end of March.</p> <p>Benchmarking on the high-level financial ratios - VP Finance & Corporate Services would be attending the Finance Development Network meeting tomorrow when further information would be sought.</p> <p style="text-align: right;">ACTION: VP F&CS</p> <p>Strategic Risk Register – A contractual agreement for the Centre of Excellence for Textiles (Risk 4e) was yet to be finalised, however, following further discussion with Scottish Borders Council, the College had received further clarification on its role with documentation due to be signed off. The risk rating would be lowered. The update to the Hub & Spoke model (Risk 4f) would require to be updated in line with the recommendation from the previous meeting.</p> <p style="text-align: right;">ACTION: VP F&CS</p> <p>Melrose Road update would be discussed under the Estates Strategy Implementation Update agenda item (27/19).</p> <p>ISLT Action plan phased plan would be discussed under agenda item 26/19.</p>
<p>23/19</p>	<p><u>Revised Terms of Reference – F&GP Committee – Paper B</u></p> <p>The Board Secretary outlined the amendments as highlighted within the paper. The following points were made:</p> <ul style="list-style-type: none"> • 2.16 Following the “staffing matters” rewording request from the previous committee meeting, this paragraph would be updated to “To make recommendations to the Regional Board on HR strategic policies”. • 1 Constitution – it was clarified that it was not necessary for the Head of HR & Development to attend. Appropriate HR advice would be sought when required.

	<ul style="list-style-type: none"> • 2.6 and 2.7 It was noted that these thresholds could change and there was a discussion about whether to mention thresholds or simply to refer to the procurement thresholds document. It was agreed that figures should be updated when no longer current. • 4.1.4 This paragraph would be updated to “All non-budgeted income and expenditure in excess of £100K”. • 4 Reporting – first sentence to be reconsidered to provide clarity. <p style="text-align: right;">ACTION: BOARD SECRETARY</p>
24/19	<p><u>2019/20 Budget Planning – Paper C</u></p> <p>The VP Finance & Corporate Services provided a presentation which provided key messages on finance strategy, sources of income and expenditure and financial management.</p> <p>The financial outlook is challenging with the FFR assuming flat cash year on year therefore efficiencies will need to be found. Costs must reduce and additional income generated in order to cover increases in staff and supplies costs. There will be a strategic finance target for the balance of expenditure to be increased on frontline services over the next 3-5 years. As identified in the 2018 FFR process, cumulative savings of £351k will be required. Consideration must be given to other revenue sources.</p> <p>The proposed financial planning principles for 2019/2020 will be enacted by the College’s Senior Leadership Team having collective responsibility for strategic and operational financial planning and delivery of budget targets.</p> <p>The College is working with Dumfries & Galloway College to share knowledge and common methodology.</p> <p>Output of modelling will be brought back to the Committee with scenarios considered over five years.</p> <p style="text-align: right;">ACTION: VP F&CS</p>
25/19	<p><u>Business Review – Paper D</u></p> <p>The VP Finance & Corporate Services provided an overview of the paper.</p> <p>Members welcomed the new dashboard presentation of key messages. Submission of the mid-year FFR had been completed with a forecast breakeven position for 2018-19. Advice on planning assumptions for future years had still to be received from SFC and it was hoped that further advice would be forthcoming at this week’s Finance Development Network meeting. An additional meeting of the F&GP Committee would be required in order to examine the draft 2019/20 FFR prior to its submission.</p>

An additional 300 credits had been received but were not yet included within the management accounts.

Staff budgets had been rebased to reflect changes made in curriculum areas with an overall budgeted surplus of £163k. This favourable position had enabled the Committee to recommend to the Board a donation of £150k to BFET which had been made at the end of March 2019.

An extract of the management accounts was provided within the paper, however, further work was still required in order to rectify mismatches between budgets and actuals.

The full cash flow statement continues to be aimed towards a closing balance of £800k. SOSEP spend had been slower than indicated by the agreed profile (£220k at end of March), with SFC advised of the submission of a revised profile. Confirmation on the level of carry forward to the next financial year is awaited from SFC. The College has spent as much as possible on the STEM Hub and Digitalisation of Delivery.

Further engagement with the College's debt collection agency is being planned in order to improve the aged debt profile and reduce the total outstanding.

The financial ratios regarding staff costs affected by SOSEP funding had not been calculated correctly and would be brought back to the following meeting.

**ACTION: VP
F&CS**

The Head of Finance post has been separated into two posts with recruitment due to commence shortly.

A mock set of statutory accounts were ready and an interim external audit had been requested in order to ensure that there is an understanding on items which may be material to the statutory accounts. The cost of this work would be in the region of £1200.

The review of the financial procedures had started with a focus on purchasing and procurement. A very good session had been held with members of the Finance Team on redesigning processes and reducing bureaucracy.

The version of Sun accounts the College uses is out of support. Upgrades are required along with a new module to enable electronic submission of VAT information to HMRC at a cost of £23k. Consideration is also being given to collaborative approaches with other colleges.

It was requested that the use of brackets through the presentation of the figures be changed to a simpler format.

**ACTION: VP
F&CS**

The following points were noted in response to questions from members of the committee:

- Variances are higher due to mismatches between budget and actual coding and phasing.

	<ul style="list-style-type: none"> • £45k positive variance against landbase is a timing issue, these funds will be fully used. • Some budget issues with Sport due to budgets not being set high enough to meet the value of external contracts. This will require correcting in the 2019/20 budget. • Business & Computing should move under STEM. • Income in some cost centres does not include SFC credit income and will be included within next report. • Show SFC income separately from other income. • Performance of BDU. <p style="text-align: right;">ACTION: VP F&CS</p> <p>The Principal provided an update on current student application levels with an increase of 100 compared to the same time last year. However, withdrawals from current courses had increased recently and work was underway to understand the reasons.</p> <p>The Committee noted the forecast breakeven position and request for an additional F&GP Committee to consider the draft FFR before its submission. Further details on the planning assumptions would be required before timescales could be set.</p> <p>The Committee expressed concern about the delay in provision of planning assumptions from SFC.</p>
<p>26/19</p>	<p><u>ISLT Strategy Implementation Update – Paper E</u></p> <p>The VP Finance & Corporate Services provided an overview of the paper which updated the Committee on progress with the implementation of the College’s ISLT Strategy.</p> <p>Members were advised that the strategy and action plan had been constructed in a way which had focused attention on infrastructure rather than curriculum delivery therefore moving forward the plan is being split into the following three workstreams:</p> <ul style="list-style-type: none"> • Operational solutions • Platform • Infrastructure <p>There is a necessary requirement for a five year rolling replacement plan for infrastructure however funding solutions continued to be challenging. A positive visit to Edinburgh University had recently been held which had provided some interesting ideas and a potential platform solution.</p> <p>Grant funding from South of Scotland Economic Partnership will provide the capability for a South of Scotland Skills & Learning Network. The most significant spend relates to the Hubs in the various College campus buildings with Spokes in four high schools. Funding has been transferred to Scottish Borders Council who are responsible for the ongoing maintenance of the Spoke sites.</p>

	<p>Strong progress had been made on Cyber Essentials Plus with the submission of the online questionnaire due to take place next week which will start the accreditation process.</p> <p>The Committee noted the good progress which had been made through the areas of the action plan which included Storage & Servers, Wired Network, Wireless Connectivity and Telephony.</p> <p>The Student Association's Vice President for Education advised that there had been some issues with student email service and the speed of Moodle however, these had been resolved. Wireless access points on the ceilings had been removed from classrooms which no longer required PCs and the matter raised with ISLT. Newtown St Boswells (NSB) students had raised concerns through a recent focus group regarding the low speed and standard of computers at the NSB campus. The Chair highlighted the responsibility of the College for all students to receive appropriate quality of IT provision across all campuses.</p> <p>The current Wi-Fi contract would be ending with a much-improved service anticipated under a new contract.</p> <p>The Committee discussed staff awareness in relation to cyber security and it was understood that staff do have satisfactory knowledge through the compulsory completion and renewal of the Information Security and Cyber Essentials E-module. The College had experienced issues in the past which had raised staff awareness and effective reporting to ISLT.</p> <p>The Committee noted the content of the report.</p>
<p>27/19</p>	<p><u>Estates Strategy Implementation Update – Paper F</u></p> <p>The VP Finance & Corporate Service updated the Committee on the progress in implementing the College's Estate Strategy.</p> <p>Work continues on partnership strategic discussions involving Scottish Borders Council and the South East Hub Team. The South East Hub Team has advised that unfortunately it is not possible for the College to become a full member of the partnership, however, they do wish to work with the College to access alternative funding routes.</p> <p>Funding options for the demolition of the Melrose Road site has been raised with SFC. Demolition quotes for the workshop and former academy buildings have been received with a further two expected. The property continues to raise concerns given the deteriorating building fabric and the College's insurers continue to be kept up to date.</p> <p>Borderlands funding for Newtown St Boswells would not be forthcoming therefore, other creative solutions were being considered.</p> <p>The Committee noted the contents of the report.</p>

28/19	<p><u>Strategic Risk Register – Paper G</u></p> <p>The VP Finance & Corporate Services advised that the register had been further discussed by SLT earlier in the week with a view that a number of red risks could be lowered.</p> <p>Following the development of the BREXIT risk register which had followed a simpler process with good engagement, it was proposed that the format of the Strategic Risk Register be reviewed and reset in terms of the College’s FFR. This would also be discussed further with the Audit Committee at next week’s meeting. It was noted that ownership of the risks was critical.</p> <p>The Committee noted the contents of the report.</p>
29/19	<p><u>Equality & Diversity (Standing item)</u></p> <p>No items were raised.</p>
30/19	<p><u>Papers for Publication (standing item)</u></p> <p>The Board Secretary noted that all papers were for publication.</p>
31/19	<p><u>Any Other Business</u></p> <p>The confidential minute from the previous meeting was approved.</p> <p>A separate confidential minute was recorded for this part of the agenda.</p>
32/19	<p><u>Date of Next Meeting</u></p> <p>A date for an additional F&GP Committee meeting would be confirmed in due course.</p>

Signed.....

Chair

Signed.....

Board Secretary