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## Borders College

### Finance & General Purposes Committee

Meeting at 16:00 on Thursday 21 November 2019  
Location: Board Room, Scottish Borders Campus

#### Actions

Item	Action	Responsibility and Date	Action Status
59/19	Annual Report of the F&GP Committee to the Regional Board 2018-2019 – report to be updated in line with final audit opinion and issued to the Regional Board for approval.	VP Finance & Corporate Services	On track
60/19	Public Sector Climate Change Duties Report – renewable heating system circumstances to be included prior to submission.	VP Finance & Corporate Services	Completed
61/19	Financial Regulations – item for information for the Regional Board’s December 2019 meeting. Gift regulations would also require to be highlighted to the Board at this time.	VP Finance & Corporate Services	Completed
62/19	Creditors - performance of payments to be an agenda item for next meeting.	VP Finance & Corporate Services	To be included in Business Review
64/19	BFET applications - governance structure to be reviewed following recent applications.	VP Finance & Corporate Services	Financial regulations updated
65/19	BDU Update - A comparison to last year’s figures will be included in future updates.	VP Finance & Corporate Services / Director of BDU	May agenda item
66/19	Employee Engagement Survey - A further update on the actions which are being in put in place to address the areas of concern will be provided for the Committee.	Principal	Agenda item for 19/3/20
68/19	Papers I, J and K were not for publication. Papers E and F – For publication with redactions.	Interim Board Secretary	Completed
70/19	Next F&GP Committee meeting to be rescheduled to early March 2020.	Interim Board Secretary	Completed
71/19	Draft Annual Accounts – Spelling error on page 39 to be corrected.	VP Finance & Corporate Services	Completed
72/19	19/20 Accounts – new approach to meetings with a week in between the F&GP and Audit Committees next year.	VP Finance & Corporate Services	For 20/21 Board meeting schedule
	Feedback on audit process to be provided to Scott-Moncrieff.	VP Finance & Corporate Services	Completed

**Borders College**

**Finance and General Purposes Committee**

**Meeting at 16:00 on Thursday 21 November 2019**

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

**Minutes**

<b>ITEM</b>	<b>MINUTE</b>
Present	Elaine Acaster (Chair) Angela Cox (Principal) Tony Jakimciw Jess McBeath Liz Parkes (by telephone) David Peace David Elder (Student Member)
In Attendance	Hazel Robertson (Vice Principal – Finance & Corporate Services & Interim Board Secretary) Lorraine Sulo (Minutes)
<b>53/19</b>	<b><u>Chair's Welcome</u></b>  The Chair welcomed everyone to the meeting including L Parkes who was joining by telephone.
<b>54/19</b>	<b><u>Declaration of Conflict of Interest</u></b>  E Acaster declared that she was an Audit Committee Member for Queen Margaret University and that Scott-Moncrieff were the appointed internal auditors for the University.  A Cox declared an interest with Paper G (Item 64/19) given her appointment as BFET trustee.
<b>55/19</b>	<b><u>Register of Members Interest</u></b>  No items were raised.
<b>56/19</b>	<b><u>Apologies for Absence</u></b>  All members were present.
<b>57/19</b>	<b><u>Minutes of Meetings held on 3 October 2019</u></b>  The minutes from the previous meeting were confirmed as a true and accurate record.

58/19	<p><b><u>Matters Arising</u></b></p> <p>All actions had been completed.</p>
59/19	<p><b><u>Annual Report of the F&amp;GP Committee to the Regional Board 2018-2019 – Paper B</u></b></p> <p>The report had been updated to include the membership of the Committee along with the operating deficit which may marginally change following final audit clearance. Members confirmed their satisfaction for the report to be amended accordingly and submitted to the Regional Board for approval.</p> <p style="text-align: right;"><b>ACTION: VP F&amp;CS</b></p>
60/19	<p><b><u>Public Sector Climate Change Duties Report – Paper C</u></b></p> <p>An overview of the report was provided by VP Finance &amp; Corporate Services. Key points included:</p> <ul style="list-style-type: none"> <li>• The carbon footprint had reduced from 806 tCO<sub>2</sub>e to 535, a small reduction in year with an overall reduction of 33%;</li> <li>• Table 3e - due to priorities required on other estate works, such as STEM works, this was a nil return;</li> <li>• Sixteen potential projects have been identified with quantification of work to be completed prior to commencement.</li> </ul> <p>Members were made aware that 2019/20 CO<sub>2</sub> levels would be adversely affected due to the renewable heating system issues which had resulted in the system being switched back to gas. The College's SFC Outcome Agreement Manager had been alerted to the situation. It was agreed that the report should highlight the mitigating circumstances regarding the renewable heating system.</p> <p style="text-align: right;"><b>ACTION: VP F&amp;CS</b></p> <p>The Committee approved the submission of the report subject to the above addition.</p>
61/19	<p><b><u>Financial Regulations – Paper D</u></b></p> <p>The VP Finance &amp; Corporate Services advised that following the previous F&amp;GP meeting on 3 October 2019 and the sub-group meeting on 15 October 2019 which was held to discuss the regulations in more detail, the proposed changes had been highlighted within the document control box of the regulations.</p> <p>The Chair highlighted 11.4 and the Nature of Virement with members confirming that this had been accurately recorded from the sub-group discussion. It was also clarified that virement of up to 5k between two cost centres would only occur within the one year.</p> <p>Members confirmed their approval of the updated regulations which would be an item for information for the Regional Board's December 2019 meeting. Gift regulations would also require to be highlighted to the Board at this time.</p> <p style="text-align: right;"><b>ACTION: VP F&amp;CS</b></p>

<p>62/19</p>	<p><b><u>Business Review – Paper E</u></b></p> <p>The VP Finance &amp; Corporate Services provided an overview of the report with the following key points highlighted:</p> <ul style="list-style-type: none"> <li>• In year budget changes – savings are being analysed for withdrawal from budgets. Approximately £100k of staff savings with £32k recurring. There would be a submission for in-year redistributions of student support funds of £120k and for a further 1,000 extra credits due to the significant increase in apprenticeship provision and FA growth.</li> <li>• Cashflow – An additional cash drawdown from SFC had been required mostly due to the SLA payment delay from Heriot-Watt University.</li> <li>• Creditors – An analysis of the performance payments to creditors had indicated a long-standing problem which would require further review of the processes involved. This was an area of concern and would be a substantive agenda item for the next meeting.</li> </ul> <p style="text-align: right;"><b>ACTION: VP F&amp;CS</b></p> <ul style="list-style-type: none"> <li>• STEM – projected deficit. This area was the most expensive to deliver with small classes and a high resource.</li> </ul> <p>The Committee noted the draft outturn and the challenging savings targets.</p>
<p>63/19</p>	<p><b><u>Estates Strategy Implementation Update – F</u></b></p> <p>The VP Finance &amp; Corporate Services provided an update on specific projects in regards to the implementation of the College’s Estates Strategy.</p> <p>It is the intention to undertake significant backlog maintenance works at the Newtown St Boswells campus to primarily replace the portacabins during July 2020, with funds accessed over two financial years.</p> <p>The sale of Melrose Road is being progressed by the College’s lawyers and property advisors.</p> <p>A full evaluation of the College estate has been completed with an increase in valuation for the majority of campuses except Newtown St Boswells which has decreased.</p> <p>During the course of the external audit it was identified that there is a need for the accounting policies in relation to VAT to be amended.</p> <p>Preparations for the re-tender of the catering contract will begin later this year. Given that this will be a substantial contract, external consultants will be engaged to provide support in the scoping and management of the process.</p> <p>An update on the current position regarding the College’s renewable heating system was provided. The Committee agreed that the first priority must be a continuity of heating service prior to climate change targets. It was agreed that this point would be included with the Climate Change Return report and ROA.</p> <p>The Committee noted the contents of the report.</p>

64/19	<p><b><u>ISLT Strategy Implementation Update – Paper G</u></b></p> <p>VP Finance &amp; Corporate Services provided an overview of the paper. A programme of engagement to develop a new Digital Delivery and Development Programme had been completed which ensures the programme is firmly linked to the delivery of short and long term outcomes of the College. This will be supported by the Digital Learning Strategy.</p> <p>A number of significant priorities for this year have been identified with a programme management arrangement now in place. A complexity matrix to assess projects including benefits realisation and standardised documentation is now in place for project requests. There will also be a strategic review of the College's IT applications in March 2020.</p> <p>A visit to Heriot-Watt University to learn about their digital ecosystem had proved very useful. The College also hosted a Digital Ambition Strategy workshop which was very well attended by a wide mix of staff and students. A PMO Manager has also been appointed and will start in early December 2019. A demonstration of Canvas was held with very positive feedback received.</p> <p>The upgrade of the Identity Management System which was planned for October 2019 had required to be delayed until February 2020, this was due to an unforeseen additional piece of work which required completion. The upgrade will ensure the full roll out of Office 365 across the College. Concerns regarding the capacity of the classroom PCs to support Office 365 were raised by the Student Member. VP Finance &amp; Corporate Services advised that the wi-fi service would shortly be renewed which would see an increase in speed along with a move away from the traditional classroom PCs under the infrastructure review. An Apple Mac review was also underway.</p> <p>It was agreed that this plan needs to be caveated with ongoing discussions regarding partnerships and collaboration. Assurance that colleges are progressing down the same route would be required (eg Canvas for partnership projects). Any on-going costs would be covered by savings in development time.</p> <p>A potential governance issue regarding the recent applications made to BFET was raised as these had not previously been discussed with the Regional Board. VP Finance &amp; Corporate Services agreed to check the governance structure.</p> <p style="text-align: right;"><b>ACTION: VP F&amp;CS</b></p> <p>The Committee noted the contents of the report.</p>
65/19	<p><b><u>Business Development Unit Update – Paper H</u></b></p> <p>The report provided an update on the progress of the BDU in relation to budget performance and planned activity. The following points were noted:</p> <ul style="list-style-type: none"> <li>• Vocational learning – there had been a good increase in delivery across all areas.</li> <li>• National Programmes – the MA contract has significantly grown.</li> <li>• Business Skills – project cash income is down, however, a number of courses have been rescheduled to accommodate customers' requests to later in the year.</li> </ul>

	<ul style="list-style-type: none"> <li>Flexible Workforce Development Fund – progressing well.</li> </ul> <p>It was highlighted that the actual credit numbers had increased since the paper had been prepared. A comparison to last year’s figures will be included in future updates.</p> <p style="text-align: right;"><b>ACTION: VP F&amp;CS</b></p> <p>The Committee noted the contents of the report.</p>
<b>66/19</b>	<p><b><u>Employee Engagement Survey 2019 – Paper I</u></b></p> <p>A Cox reported that the survey had been carried out in April 2019 which was during the national industrial dispute along with a local restructuring phase when Curriculum Learning Managers were being embedded. The following points were highlighted as items which had been introduced since the survey:</p> <ul style="list-style-type: none"> <li>A review of communication channels</li> <li>A change in meeting structures</li> <li>Regular meeting of middle managers</li> <li>Team meetings in place for all staff</li> <li>100% completion of staff appraisals</li> <li>Re-introduction of monthly staff newsletter</li> <li>Coffee thank-you voucher system in place</li> </ul> <p>It was highlighted that the survey questions should be framed in the correct context.</p> <p>A further update on the actions to address the areas of concern will be provided for the Committee.</p> <p style="text-align: right;"><b>ACTION: AC</b></p> <p>The Committee noted the contents of the report.</p> <p>This paper was not for publication.</p>
<b>67/19</b>	<p><b><u>Equality &amp; Diversity (Standing item)</u></b></p> <p>No items were raised.</p>
<b>68/19</b>	<p><b><u>Papers for Publication (standing item)</u></b></p> <p>Papers I, J and K were not for publication. Papers E and F – For publication with redactions.</p> <p style="text-align: right;"><b>ACTION: Interim Board Secretary</b></p>
<b>69/19</b>	<p><b><u>Any Other Business</u></b></p> <p>No items were raised.</p>
<b>70/19</b>	<p><b><u>Date of Next Meeting</u></b></p> <p>The next meeting was scheduled for 27 February 2020, however, due to other changes within the Board Meeting Schedule it was agreed that the next F&amp;GP Committee meeting would be rescheduled to early March 2020.</p> <p style="text-align: right;"><b>ACTION: Interim Board Secretary</b></p>

	<p>This was the final F&amp;GP Committee meeting for T Jakimciw, who would be retiring from his post as Regional Chair. Members thanked him for his expert guidance and advice over the years.</p>
<p>The following items were discussed by the F&amp;GP Committee prior to the joint discussion with Audit Committee which was minuted separately.</p>	
<p><b>71/19</b></p>	<p><b><u>Draft Borders College Annual Accounts - Paper J</u></b></p> <p>The VP Finance &amp; Corporate Services advised that since the first publication of the draft annual report some further revisions had been made, these were highlighted within the Executive Summary.</p> <p>The presentation of the accounts had been extended in order to improve the layout of the report. Feedback from the Boards' self-evaluation process had highlighted the annual report as an area for improvement.</p> <p>A spelling error on page 39 was highlighted (third line of Chair's Committee).</p> <p style="text-align: right;"><b>ACTION: VP F&amp;CS</b></p> <p>Members approved the report in its current form which would be further discussed jointly with the Audit Committee.</p>
<p><b>72/19</b></p>	<p><b><u>Draft External Audit Report - Paper K</u></b></p> <p>The VP Finance &amp; Corporate Services advised that there were a number of areas yet to be completed, however, these were minor with Scott-Moncrieff confident that areas would be addressed and final version ready for the Regional Board.</p> <p>There was one outstanding matter identified by the audit in relation to the capitalisation of VAT on fixed assets which was a material adjustment. This would require an agreement on the amount of irrecoverable VAT which should be capitalised.</p> <p>The Chair highlighted the tight timescales of the audit and the availability of the accounts and suggested that it would be of greater benefit to have a week in between the F&amp;GP and Audit Committees next year. Members agreed with this approach.</p> <p style="text-align: right;"><b>ACTION: VP F&amp;CS</b></p> <p>It was agreed that the VP Finance &amp; Corporate Services would feedback to Scott-Moncrieff on this year's external audit.</p> <p style="text-align: right;"><b>ACTION: VP F&amp;CS</b></p>

Signed.....

**Chair**

Signed.....

**Board Secretary**