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Borders College

Finance & General Purposes Committee

Meeting at 17:30 Thursday 7 October 2021

MS Teams

Actions

Item	Action	Responsibility and Date	Action Status
39/21	FFR – funding concerns to be raised with SFC. Draft letter to be provided.	VP F&CS	Provided to Board for approval
40/21	Draft Annual Report of F&GP Committee to Regional Board – for inclusion: <ul style="list-style-type: none">• Schedule of Business;• EER;• Increase in membership with financial expertise; and• Self-evaluation	VP F&CS	Agenda item for 18/11/21
41/21	Draft Strategic Report and Financial Statements – narrative to be enhanced and structured through Strategic Ambition. Final F&GP approval would be submitted to the Audit Committee by note rather than meeting attendance by a member.	VP F&CS VP F&CS / Chair	Complete For action following F&GP approval on 18/11/21
46/21	HR Annual Report - future reports to show split between long and short term staff sickness absence.	Head of HR & Development	Updated report provided

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Minutes

ITEM	MINUTE
Present	Elaine Acaster (Chair) Jess McBeath Liz Parkes David Peace
In Attendance	Hazel Robertson (Vice Principal – Finance & Corporate Services) Jane Grant (Executive Director – Department for Enterprise & Business Innovation) Ingrid Earp (Regional Board Secretary) Lorraine Sulo (Minutes)
33/21	<u>Chair's Welcome</u> The Chair welcomed Jane Grant, Executive Director for the Department for Enterprise and Business Innovation to her first meeting.
34/21	<u>Declaration of Conflict of Interest</u> No declarations were raised.
35/21	<u>Register of Members Interest</u> The Board Secretary confirmed that there had been no recent changes.
36/21	<u>Apologies for Absence</u> Apologies had been received from A Cox, S Prentice, L Mirley and D Kerr.
37/21	<u>Minutes of Meetings held on 10 June 2021 – Paper A</u> The previous minute was approved as an accurate record.
38/21	<u>Matters Arising</u> No items were raised.
39/21	<u>Financial Forecast Return 2021/22 to 2023/24 – Paper B</u> The VP Finance & Corporate Services provided an overview of the report outlining the position of the FFR1 2020/21-21/22 and FFR 2 for 2020/21-2023/24. SFC had specifically requested a more pessimistic forecast than previously. The cash flow forecast for FFR1 indicated a healthy year end cash balance. The FFR2 guidance received had indicated the possibility of a

	<p>significant drop in income base for 22/23 of around £850k with no funding streams to cover the cost of living costs or national insurance increases. In order to achieve a breakeven position, additional savings requirements had been outlined in the paper.</p> <p>J McBeath joined the meeting.</p> <p>Members reviewed the income position through core funding which showed significant drops for 22/23 through FAs, deferred student places, and additional funding for digital learning and mental health support.</p> <p>Members discussed other funding opportunities with J Grant who advised that there were substantial partnership opportunities through funds such as the Community Renewal Fund and Shared Prosperity Fund which would replace EU funding schemes. A lot of preparation work had already been completed with the College ready to submit bids when funding opportunities arose. J Grant had also held meetings with key people at SoSE to ensure they were aware of the College's readiness.</p> <p>A lengthy discussion was held regarding the possible withdrawal of funding streams for 22/23 with members expressing concerns. All agreed that a request for more funding flexibility would be necessary if reductions were to go ahead. It was noted that funds held by local authorities can also take significant time to be released. The College had performed extremely well through the pandemic, however, the delivery of service to students could be adversely impacted should funding reduce. Members requested that their concerns were raised in writing. The VP Finance & Corporate Services would draft a letter.</p> <p style="text-align: right;">ACTION: VP F&CS</p> <p>Members approved the FFR for submission to the SFC.</p>
<p>40/21</p>	<p><u>Draft Annual Report of F&GP Committee to Regional Board – Paper C</u></p> <p>The draft report summarised the work of the Committee during the 2020-2021 year.</p> <p>Following a question, the VP Finance & Corporate Services confirmed that the digital spoke which had been delayed was the Newcastleton Community spoke. This was due to other building works which had been necessary, however, the kit would be installed once the area was ready.</p> <p>Further points which were highlighted for inclusion:</p> <ul style="list-style-type: none"> • Schedule of Business; • EER; • Increase in membership with financial expertise; and • Self-evaluation. <p>Any further points should be passed to the VP Finance & Corporate Services. The final version would be presented back to the Committee on 18 November 2021 for final approval prior to submission to the Regional Board in December 2021.</p> <p style="text-align: right;">ACTION: VP F&CS</p>

41/21	<p><u>Draft Strategic Report and Financial Statements 2020/21 – Paper D</u></p> <p>The VP Finance & Corporate Services advised that the Corporate Governance statement was recently reviewed by the Audit Committee, with the Strategic Report, SOCIE and Balance Sheet the responsibility of the F&GP Committee. This was very much in the same format as last year with the organisational structure a new addition. The Foreword by the Interim Chair would be completed following the completion of other areas.</p> <p>Members were advised of a change in accounting policy regarding grouped assets which had also been recently discussed and approved by the Audit Committee. Under existing policy, laptops bought as part of a batch which were then dispatched to different students were currently being capitalised however these are no longer classed as a single asset. It was therefore proposed that in line with the majority of the sector such items would not be capitalised unless part of a group of items required for a project. The change had also been agreed by College auditors with £81k of value in relation to these assets written off. F&GP members approved the change in accounting policy.</p> <p>It was noted that costs for Jedburgh Community campus were still unknown but discussions were still in progress. The capital receipt for Melrose Road would be retained by the College with SFC having confirmed their approval with the proposed project spend.</p> <p>Members discussed the current process of input from both the Audit and F&GP Committees. The VP Finance & Corporate Services agreed that the input from both Committees was required. In previous years there had been a combined Committee meeting to approve the final report, however, the meetings had since been separated following feedback from members.</p> <p>The VP Finance & Corporate Services advised that the field work of the external audit team had already commenced, with a much improved position than the previous two years.</p> <p>It was agreed that the narrative of the report still required further work to improve the readability given that contributions had been provided by different sources. A stronger structure with the College's Strategic Ambition was also noted.</p> <p style="text-align: right;">ACTION: VP F&CS</p> <p>The final version would be provided for the following F&GP meeting on 18 November 2021. Following a discussion it was agreed that final F&GP approval would be submitted to the Audit Committee by note rather than meeting attendance by a member.</p> <p style="text-align: right;">ACTION: VP F&CS</p>
42/21	<p><u>Business Review – Paper E</u></p> <p>The VP Finance & Corporate Services provided an overview of the management accounts for Period 12 and advised that the Assistant Principal Finance had created user friendly documentation for managers and committees.</p>

	<p>The strong cash position was noted with a projected position for July 2022 at £1.402m. Negotiations with Heriot Watt University on the ISLT SLA were still ongoing which meant the billing position was still not correct, but it was hopeful that this would be resolved shortly. Student debt was lower than the same time last year and the 30 day payment performance was beginning to improve slowly, however, this was an area we are working to improve more quickly. Comparisons across the sector would be completed and improvements on procedures were being made.</p> <p>Capital discussions had been held recently by SLT when facilities and commercial plans had been discussed. The College had recently invested in a programme management structure to support project management and ensure funding bids were ready when required.</p> <p>The year-end surplus before pensions was very positive and savings targets of £772,000 had been achieved.</p> <p>Members would receive the three month position for Aug to Oct 2021 at their next meeting on 18 November 2021.</p> <p>Members noted the contents of the report.</p>
<p>43/21</p>	<p><u>Asset Management Strategy Update – Paper F</u></p> <p>The VP Finance & Corporate Services advised that following an SLT workshop, Members would be receiving an action plan on developments which the College would be taking forward.</p> <p>An end of phase 1 report on the Digital Transformation Programme would be provided by Agenor by the end of December 2021 with commentary on lessons learned. The achievements would also be publicised throughout the college sector and wider. The payment portal which had been delayed was now live and working, however, there were still some improvements which could be made.</p> <p>Members discussed the possibilities of collaborative projects with other colleges specifically through the finance and HR systems which could provide realistic opportunities to reduce costs. Discussions were underway with Newbattle Abbey College who had expressed interest in a hosted MIS.</p> <p>Members noted the contents of the report.</p>
<p>44/21</p>	<p><u>Strategic Risk Register – Paper G</u></p> <p>Members discussed the first formal report of the new register and confirmed their satisfaction in terms of the presentation and style of the executive summary front sheet.</p> <p>The VP Finance & Corporate Services highlighted that the risk rating for Financial Plan and in year targets had been increased to 16. This was based on the potential fragility of income base from the SFC.</p> <p>KPI performance had not been incorporated as this was too early in the year, however, this would be reviewed in the first quarter.</p>

	Members had no further additions to the register and the content was noted.
45/21	<p><u>Department of Enterprise & Business Innovation (DEBI) Update – Paper H</u></p> <p>The Executive Director for DEBI advised that the current structure for the payment of tutor/assessors no longer provided value for money for the College and had become a barrier to achieving success when tendering for new business. The current model had been created at a time when DEBI existed as a standalone BC Consultants entity when staff sat out with the College. The apprenticeship provision had since grown with funding secured through several other funds such as the Flexible Workforce Development Fund. The strategic vision was to expand on this provision which would provide more certainty on required resources.</p> <p>The HR Department had been fully consulted and endorsed the approach, however, this had not been included within the paper and therefore the paper would be updated accordingly.</p> <p>Members supported the proposed hybrid model. It was noted that a request on bidding performance had been previously requested. The Executive Director for DEBI advised that she would be reviewing the format of regular updates and reporting on curriculum and commercial together.</p>
46/21	<p><u>HR Annual Report – Paper I</u></p> <p>Members noted that there had been a significant change in staff sickness absence during 2020/21 at 4.77 days, which was a significant decrease from 12.25 days. It was noted that this could be due to under reporting with staff continuing to work from home when still unwell. It would be helpful for future reports to split between long and short term absence. The paragraph within the report on this area had not been completed.</p> <p style="text-align: right;">ACTION: Head of HR</p>
47/21	<p><u>Equality, Diversity & Innovation (Standing item)</u></p> <p>No items were raised.</p>
48/21	<p><u>Papers for Publication (Standing item)</u></p> <p>It was noted that Papers H and all draft papers would not be published.</p>
49/21	<p><u>Any Other Business</u></p> <p>No items were raised.</p>
50/21	<p><u>Date of Next Meeting</u></p> <p>The next F&GP Committee meeting would take place at 17:30 on Thursday 18 November 2021.</p>

Signed.....

Chair

Signed.....

Board Secretary