

G

FINANCE & GENERAL PURPOSES COMMITTEE REPORT

Subject: Asset Management Strategy Update	Purpose: For Approval <input type="checkbox"/> For Discussion <input checked="" type="checkbox"/> For Information <input type="checkbox"/>
Prepared by: Hazel Robertson, Vice Principal Finance and Corporate Services	Date: 24 February 2022
Purpose: To provide members with an overview of activity in relation to Integrated Asset Management	
Linked to Strategic Ambition: We will create high quality learning and training opportunities which are relevant, enabling and flexible	
Executive summary: The Asset Management Strategy was approved by the Board in December 2020. In scope of this strategy is: <ul style="list-style-type: none"> • Land and property • Fixed equipment and moveable equipment • Fleet • ICT, adoption of latest technologies, Business intelligence systems, Data, information and analytics <p>We have a thematic approach to planning: flipping the Campus to focus on front line delivery; living lab to showcase educational and learning opportunities including building design; immersive learning spaces and maximising technology opportunities, and sustainability.</p> <p>The medium to long term planning timeline will be shaped by the intentions of Heriot Watt, the end of the 10 year lease of Tweedbank, and the future of land based provision. In terms of skills delivery we need to understand future demand for class room space, taking account of the impact of blended learning and practical learning on future requirements. We also need to understand the impact of post Covid hybrid working on demand for office accommodation.</p> <p>This report presents an update on our strategic discussions and progress.</p> <p>Regarding the Melrose Road receipt there are a number of factors which have slowed our progress, the biggest element being on the flip the campus theme, where we have slowed down progress to ensure good fit with our longer term strategic intent. I have written to SFC on this matter and await their response. I am not concerned as I consider this to be a cash management issue not a capital allocation issue.</p>	
Recommendation: Members to note: <ul style="list-style-type: none"> • Progress in relation to clarifying the mid / long term strategic direction for Asset Management • Completion of the DTP Phase 1, planned activities for Phase 2 including the move to Business as Usual. • Status of the 2021/22 capital plan including the Melrose Road receipt 	
Previous Committee Approvals: None	
For publication <input checked="" type="checkbox"/>	For publication with redactions <input type="checkbox"/>
Not for publication <input type="checkbox"/>	

APPENDIX 1

Asset Strategy Development

A series of 7 workshops has taken place to assist in the future design and utilisation of our space. These have been very engaging sessions. One more is being planned to cover support functions.

As a result of this engagement, strategic workstreams include:

1. Services coming together – eg engineering and construction. We believe sufficient space can be made available to do this on the Gala campus thus no longer requiring the Tweedbank campus. We believe that the Gala campus could accommodate both current and future requirements, through a redesign of work shop spaces to accommodate both workshop and teaching space and allow for the requirements for sustainable construction including retrofitting.
 - The creation of the additional workshop space at Gala to accommodate Tweedbank may have interdependencies on HWU plans.
 - Further development of the TTC will need explored to create suitable provision external construction. Further relocating of other internal disciplines might also be required to align with ‘bringing the services together’
2. Land based requiring a different model, not on the current site. Although Newtown St Boswells is considered a good central location, the site does not come with land and the buildings are not entirely fit for purpose. The approach being taken is to consider linking up with one or more landowners to identify options for distributed delivery. The H&H programme has slowed down considerably due to Covid and is not now likely to provide the optimum solution. We will undertake a feasibility study to confirm the best way forward.
3. We are at the early stages of exploring a partnership opportunity at Lowwood. Our approach is to consider “field to fork”. This would be a revenue funded solution and would accommodate a number of interconnected areas of curriculum delivery. This would free up space in our owned campuses eg the restaurant.
4. The Hawick campus continuing to develop as a centre of excellence for STEM/Sustainable Construction.
5. IT/Computing/Media/Communications teaching, learning, related support services, and maker spaces to be in a shared or adjacent space. We believe this could be achieved at the front of the campus and thus be a very visible living lab. We are also looking into the possibility of an immersive learning space.
6. Technology enabled campus and delivery - all classrooms having good standard of AV equipment, services using Augmented Reality and Virtual Reality, Artificial Intelligence. Requirements are being scoped.
7. Implement a one stop shop at the front of the campus, creating a multi function and integrated approach to user experience, service management and problem resolution. This would include AI solutions and possibly self service booths.
 - We need to discuss and agree this approach with HWU as some of this will relate to the service agreements currently in place.
8. Flipping the campus. A consequence of all of the above should enable a move of support services from the ground floor in Galashiels to the tower. A high level space planning

exercise has confirmed that this would be possible. Further exploration of the impact of hybrid working will be crucial to success.

In order to ensure that the above priorities are achievable we will undertake a high level space planning exercise so that we can meet the required adjacencies and understand the logical pathway, ie which activity needs to be considered in which order.

Priority next steps

- High level projections of delivery requirements
- High level space planning and adjacencies review
- Understand the offer at Lowwood
- Feasibility study for Landbased, working with landowners
- Review all partnership arrangements
- Researching and costing our digital ambition.

APPENDIX 2

Digital Transformation February 2022

Our approach to digital adoption has been tested against the national Digital Ambition document and we perform well, indeed are ahead in several areas. The sector wide digital ambition document has not been updated to reflect the impact of Covid, which has led to significant advances in digital maturity across the sector.

The Digital Transformation Programme (DTP) initially focussed on 5 workstreams: MIS, VLE, Infrastructure, Website and Payment Portal. All workstreams have delivered the required functionality and have moved into Business as Usual (BAU) mode. Each of the workstreams have continued aspirations for system development and these will be overseen through our Change and Transformation processes. End of Phase 1 DTP report was received in January and is a good reminder of the activity undertaken, benefits derived and lessons learned. We are working on material to promote the approach and the outcomes.

Prosolution is settling as staff become familiar with the functionality and design. Ease of access to KPI information is greatly improved, although not always used to best advantage. Lessons continued to be learned as we progress through the academic year. We have agreed some actions to help manage the continued change process:

- Requests for help should be raised through the helpdesk, allowing the MIS team the opportunity to prioritise tasks and route them to the right person.
- A user group will be established including staff who have quickly adapted to the new processes and staff that are finding it more difficult.
- A focus on data ownership and quality management – the system and process is owned by the MIS team but the data is owned by delivery teams. Exploring responsibilities in this way will help to improve ownership, engagement and utilisation.

These actions are in effect early adoption activities for service management and the one stop shop.

We had begun to explore the use of Prosolution for curriculum planning, which would be a significant enhancement however we concluded very quickly that the time was not right and we will pick this work up at an appropriate time to suit the planning timescale.

Canvas roll out is going very well, with transfer from Moodle being subject to a comprehensive quality check, and there is an adoption plan in place, allowing eLearning team to work with curricular areas in a very planned fashion. This adoption plan will be complete in time for the new academic year.

In order to reduce costs, the DTP Phase 2 programme has been reprofiled. We are in the move to BAU and the programme will be supported by our programme management team.

Workstream	Activity	End date
ISLT	Policy refresh	Immediate
ISLT	Campus IT decommission	Immediate
MIS	Further embed processes	Immediate
Finance	Further expansion of worldpay	Immediate
College wide	Curriculum plan Information strategy AI	Immediate
Curricular timeline	Map and processes	End May
Service management / one stop shop	Strategic Leadership for project delivery	End May
CRM	Complete design phase and handover to BC	End May
Finance / HR	Complete design phase and handover to BC	End May
Strategic IT leadership	Strategic leadership for HofISLT and the team	End May

Priority next steps

- Continued focus on driving maximum benefit from ProSolutions.
- We are concentrating our efforts on the one stop shop, curriculum map, and three system implementations: CRM, Finance and HR.
 - The development of a curricular timeline map has been very useful to clarify the process flow and identify changes required to improve efficiency and effectiveness. Further workshops will take place with curricular, DEBI and support staff so that all teams can align themselves better with delivery requirements.
 - Regarding Finance, I am in contact with a small number of my peers in the Sector and in the Borders region in other public bodies, about progressing with a collaborative approach. A similar reach out to HR colleagues in the College sector has not generated the same interest. I have spoken with SFC who have indicated that some transformational funds may be able to support this work. I hope to have prepared a high level proposition by May/April.

APPENDIX 3

Capital Plan

The capital plan is attached. We anticipate an underspend against the Melrose Road receipt and are working hard to maximise utilisation of all of the other funding streams available to us.

Key points of note are highlighted below.

Melrose Road Receipt £345k

- Planned expenditure was £170k for flip the campus works. We determined that we need to undertake further strategic asset planning before committing to this spend. Likely year end spend £nil.
- Planned expenditure included £90k for the creation of a cybersecurity lab. Physical works are complete and we are in the final stages of fit out. Likely year end spend £90k.
- Planned expenditure on carbon works at Hawick was £80,000 across three projects. One of these projects has completed just under budget at £19k. These projects need to be completed sequentially. The second project relating to Heat Pumps has been delayed to ensure that the most up to date technology can be implemented to support teaching requirements. The third project relating to Solar PV, we are awaiting confirmation of external funding, which would allow this budget to be reprofiled to another project.

Contact has been made with SFC through a high level discussion, followed up with a request to carry forward the unspent element. I consider this to be a cash management issue rather than a capital allocation. I therefore think the rules about handing back unspent monies does not apply. I have not had a reply yet and will provide an updated position to the meeting.

Completed projects

- Outdoor space
- Final bills for DTP 2021 projects
- Graduation screening
- Digital spend – balance of SOSEP

Continuing projects

- DTP consultancy now on a reduced programme – costs will be less than budget by around £33k
- Laptops £43k

In planning

- Sustainability projects – EV charging £45k, EV cars £79k

Borders College											
Capital Plan											
	Melrose Road Sale	High priority backlog maintenance Capital	High priority backlog maintenance Resource	Lifecycle maintenance Capital	Lifecycle maintenance Resource	Expensed	BFET	SOSEP	Student Funding	Other	Total
SFC Funding allocation		150,000	57,000	50,000	135,000						392,000
Melrose Road Sale	345,000										345,000
Digital Learning 21-22					73,922						73,922
Carry Over 20-21		38,847						31,563			70,410
Ev Funding											0
<u>Estates</u>											
NSB Expenses 21-22		38,847									
Outdoor Space		25,000									
Gala Campus Re-Design £170K											
<u>Hawick Carbon Plan</u>											
Mezzanine Floor	19,098										
Heat Pumps											
Solar PV/Thermal											
Ev Charging (Gala & Newtown)		45,000									
Ev Cars		79,500									
<u>Digital</u>											
Website				14,054							
Proolutions				25,449							
Canvas				2,197							
CyberLab	90,000										
CRM											
DTP consultancy					120,000						
Graduation Streaming				8,515							
Eyemouth Digital Spoke								17,000			
Staff laptops/desktops/mac					43,000			14,563			
Surplus / (deficit)	235,902	500	57,000	(214)	45,922	0	0	0	0	0	339,110