

Board of Management Finance and General Purposes Committee

Date: 26 February 2019

Time: 12midday

Room: 2009

A G E N D A

**Presented
by**

- | | | | |
|----|---|------------|-------|
| 1 | Welcome and Apologies for Absence | | RF |
| 2 | Declaration of Interest | | RF |
| 3 | Minute of Meeting of 20 November 2018 | (attached) | RF |
| 4 | Matters Arising | (attached) | AW |
| 5 | National Bargaining – Update | (verbal) | CT |
| 6 | SoSEP Project Budget | (attached) | KH |
| 7 | Financial Update | (attached) | KH |
| 8 | Estates/Facilities Update | (attached) | AG/BC |
| 9 | Scottish Government Draft Budget for the Sector - Update | (verbal) | KH |
| 10 | Strategic Risk Register | (attached) | CT |
| 11 | Any Other Business | | |
| 12 | Date and Time of Next Meeting - Tuesday 14 May 2019 at 12md | | |

Board of Management Finance and General Purposes Committee

Minute of the Meeting of the Finance and General Purposes Committee of the Board of Management of Dumfries and Galloway College, held on Tuesday 26 February 2019 at 12 noon in Room 2009, Dumfries Campus.

Present: Ros Francis (Chair) Sue Livermore
Carol Turnbull (Principal) Karen McGahan

In attendance: Karen Hunter, Head of Finance
Andy Glen, Vice Principal Business Development & Corporate Services
Brian Johnstone, Regional Chair
Ann Walsh, Board Secretary

Minute Taker: Heather Tinning, Executive Assistant

1 Welcome and Apologies for Absence

The Chair welcomed all to the meeting, in particular the Principal, attending her last Finance and General Purposes Committee meeting, before leaving the college to take up a new post on 1 March.

Apologies for absence were received from John Henderson.

The Board Secretary confirmed the meeting was quorate.

2 Declaration of Interest

Members agreed to indicate declarations of interest as appropriate throughout the meeting.

3 Minute of Meeting of 20 November 2018

The Minute of the Finance and General Purposes Committee meeting held on 20 November 2018 was approved.

4 Matters Arising

4.1 Actions Monitoring Log

Members discussed the Actions Monitoring Log, and agreed:

- Arms Length Foundation – should be dissolved by April 2019.
- Terms of Reference – requested changes will be brought to the Board for approval, within the Chair of the Board's Succession Planning paper at the Board Meeting in March 2019

Action: Approval of the changes to the Terms of Reference to be requested at the Board of Management meeting on 19 March 2019

4.2 Timetable of Work (Papers) for F&GP

Members discussed and agreed amendments to the Timetable of Work, including:

- Remove Student Association Accounts
- Include a date on the schedule
- Add the document to Admincontrol as a guide for members

The Principal advised that the schedule was also a helpful reference for the Executive Team.

Action: The Board Secretary to update the Timetable of Work and upload to Admincontrol

Board of Management Finance and General Purposes Committee

5 National Bargaining - Update

The Principal provided an update on National Bargaining, highlighting key points:

- Confirmation had been received regarding the allocation of funding to resource the work required to undertake the Support Staff Job Evaluation. Staff have been seconded to undertake the preparatory work for this
- With regard to Lecturing Staff, another two days have been scheduled for strike action. No agreement had been reached at the last NJNC, another meeting is scheduled

6 SoSEP Project Budget

The Head of Finance spoke to the report which had been issued, highlighting key points on progress, including:

- A formal grant offer letter had been received from the SFC
- Cash can now be claimed on a monthly basis
- The formalities of governance are now in place
- SFC have requested quarterly reports jointly from Dumfries and Galloway and Borders College, which includes a detailed budget monitoring report and a narrative report showing progress against the agreed outcomes.

The Principal also updated members on the Project to date, reporting that:

- The Project is on target regarding time and budget
- Tenders are now out for Construction
- Interviews have been held for a Part-time Project Manager
- Discussion ongoing with schools – a Memorandum of Agreement will be reached with the Education Services moving forward
- Stranraer Blue Prints are available in the Point (Dumfries Campus). A dedicated room has also been set up in the Stranraer Campus for the Project

Members asked that the scope of the project construction be highlighted at the Board Meeting in March. The VP BD&CS will present a Digital walk through video for the Dumfries Campus to the Board. Blue Prints and information is also available in the Point (Dumfries Campus).

Members noted the report.

7 Financial Update

The Head of Finance spoke to the report which had been issued, highlighting key points with regard to Budget Changes, including:

- Additional SFC grant included for National Bargaining costs
- Expecting NIL net change
- Contingency in place, hoping to remain in place until May
- **Decision:** Members formally approved the changes.

The Head of Finance also reported that:

- Finance have started the process to look at next year's budget, in terms of rolling out zero based budgets. Finance for non-Finance Manager Workshops have been arranged, with meetings ongoing with Managers with responsibility for budgets.
- SFC have confirmed that our request for additional student support grant has been successful, and we will draw down additional funds of £450,000.

Board of Management Finance and General Purposes Committee

8 Estates/Facilities Update

The VP Business Development & Corporate Services spoke to the report which had been issued, by the Head of Corporate Services, highlighting key points to note, including:

- The College remains on target to have all works completed by the end of March 2019 in line with the requirements from the Scottish Funding Council Condition Survey. Overall, the work undertaken to date is within the projected costs
- The VP advised that the college has met the 5-year target to reduce the carbon management by 20%, with 2 years to spare, and will continue with the emissions reductions, including the renewable technologies used in the new STEM hubs

Members thanked the VP for the update and recognised the excellent work identified in the report.

9 Scottish Government Draft Budget for the Sector - Update

The Head of Finance reported that the announcement with regard to the Draft Budget is due on the 27th February 2019 from the Scottish Government. A brief update was received last month, advising that colleges had been given an indication of approximately £10m capital grant funding between all colleges.

The Principal suggested that, if the college can show a commercial profit, to consider a donation into the ALF to build up some funding for potential future needs. The Chair welcomed further discussion at the next committee meeting.

Action: The Head of Finance to email the Chair in advance of the next Board meeting if any update has been received in terms of the Draft Budget

10 Strategic Risk Register

The Principal spoke to the Strategic Risk Register, in particular risks relevant to the Finance and General Purposes Committee, including:

- Risk 2.1 – there are no sign of changes
- Risk 2.2 – no changes to report
- Risk 2.3 – accounted for in budget
 - Risk 2.5 – committee agreed to remove
- Risk 2.6 – college now less than 200 short of credit target
- Risk 2.7 – the college received the full additional funding allocation

The committee discussed and approved the Strategic Risk Register, with minor amendment.

11 Any other business

11.1 Chair – Finance and General Purposes Committee

The Chair reported that this was her last meeting as Chair of the Finance and General Purposes Committee, however will continue to be a Member of the Committee. The Principal thanked the Chair for the contribution she has made whilst in position, and welcomed the changes and approach that she had brought to the F&GP Committee. The Regional Chair also thanked the Chair for her hard work whilst in position as Chair of the Committee.

12 Date and Time of Next Meeting

The date and time of the next Finance and General Purposes Committee is Tuesday 14 May 2019, 12 noon.

Board of Management Finance and General Purposes Committee

Minute of the Meeting of the Finance and General Purposes Committee of the Board of Management of Dumfries and Galloway College, held on Tuesday 20 November 2018 at 12 noon in Room 2009, Dumfries Campus.

Present: Ros Francis (Chair) Sue Livermore
John Henderson Karen McGahan

In attendance: Karen Hunter, Head of Finance
Andy Glen, Vice Principal Business Development & Corporate Services
Brian Johnstone, Regional Chair
Ann Walsh, Board Secretary
Delia Holland, Regional Vice Chair

Minute Taker: Heather Tinning, Executive Assistant

1 Welcome and Apologies for Absence

The Chair welcomed all to the meeting, including Regional Chair Brian Johnstone. Apologies for absence were received from Carol Turnbull (Principal).

The Committee agreed that there needed to be a minimum of two non-executive members of the Committee present to make the meeting quorate and that the membership of the Committee needed to increase.

Action: Board Secretary to amend the F&GP Committee Terms of Reference

The Board Secretary confirmed the meeting was quorate.

2 Declaration of Interest

Members agreed to indicate declarations of interest as appropriate throughout the meeting.

3 Minute of Meeting of 18 September 2018

The Minute of the Finance and General Purposes Committee meeting held on 18 September 2018 was approved.

4 Matters Arising

The Chair asked members to note the new format of recording Matters Arising, which will be used going forward. The Secretary to the Board talked through the paper, items being either completed, on the agenda, updated on the log or to be brought back to a future meeting.

There were no other Matters Arising not identified in the log.

National Bargaining - Update

The VP Business Development & Corporate Services provided an update on National Bargaining, highlighting key points:

- EIS have rejected their offer for a Cost of Living rise and are balloting for Industrial Action
- The Staff Support Pay Award is being implemented
- Job Evaluation of Support Staff - A terms and conditions working group nationally has been formed. The college will be looking at Job Evaluations in 2019

Board of Management Finance and General Purposes Committee

(Karen McGahan joined the meeting)

6 Review of Monitoring and Reporting arrangements for Annual Budget Control

The Head of Finance spoke to the report which had been issued, providing information to the committee to address the varied reasons for the deficit, including:

- Flexible Workforce Development Fund (FWDF) – this will be closely monitored. Meetings are to be arranged with staff moving forward
- National Bargaining – There was an issue with the timing in terms of the National Bargaining costs
- Employee Costs – Accrual of holiday pay at the end of the year was paid to a long-term absent member of staff

In terms of going forward and achieving a break-even position for the year:

- The Executive Leadership Team and College Leadership Team will examine budgets more closely
- Consider setting aside £55,000 contingency until June 2019
- Financial Management Training is in place for next year
- Budget Planning and predictions will built from a zero-base for next year

The VP Business Development & Corporate Services reported that budgetholders were being encouraged to be more open about potential unused allocations. K McG stressed the importance of budgetholders feeling involved in the budget setting process. In terms of Income Generation and Awareness, the VP advised of a proposed workshop for Managers.

The Chair requested that, in future, the Chair of F&GP and the Regional Chair be notified as soon as a deficit position is forecast.

The Chair advised that the Board should be made aware of the current situation. Members discussed the Board paper to explain the position, including:

- To note that the College is budgeting for this year on a break-even position but this includes £41,000 of delayed income from 2017/18. The Head of Finance to consider whether any of this can be ringfenced to return a surplus.
- Paper to be updated to include future arrangements for communicating a suspected deficit to Regional and F&GP Chairs.
- Board to be asked to approve use of up to £74,000 of historic reserves to fund any deficit that cannot be recovered by returning a surplus in 2018/19.

Action: The paper to be tweaked as above to go to December Board.

7 Student Association Budget and Benefits

The VP Business Development & Corporate Services spoke to the report which had been issued, reporting on the differences between the Student Association and Student Engagement, including:

- The Student Association is now line managed by the Marketing Manager
- The Student Association budget will move to the Marketing Manager going forward
- The Student Association is responsible for events and campaigns arranged through the SA
- Student Engagement is a Quality Function, that leads into Self Evaluation
- The Student Engagement budget will remain with Quality

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In terms of the non-staff budgets, the VP reported on the 2017-18 budget:

- £8,226 Student Engagement
- £8,232 Events/Campaigns

The Regional Chair spoke of the valuable role with the Student Association engaging with school pupils and employers. The Student Association President attends the DYW meetings. The Student Association President's term of office is for a one-year period, members discussed the challenge of continual change for the college and the role. The Student Association President is to undertake a costed operational plan for the year, once she has received her finance training. The Chair of F&GP considered that in the context of overall College budgetary pressures, the quantum of the Student Association budget did not merit dedicated F&GP attention going forwards.

8 Draft Financial Statements 2017-18

The Head of Finance had circulated the draft financial statements for 2017-18 in advance, as agreed at the last meeting. The Head of Finance summarised key points including:

- The Auditors made an adjustment to the valuation of Stranraer Campus re including costs for the Stranraer heating project
- There are corresponding changes in the Revaluation Reserve
- The Adjusted Operating Position in Note 10 reconciles the Adjusted operating deficit of £74,000 with the FE SORP base deficit of £1,086,000 shown on the face of the Statement of Comprehensive Income.
- The Head of Finance advised that the college has no outstanding debt/PFI Finance (that other colleges have)

Members agreed that the cover paper budget report was very detailed, and although welcomed the detail it was agreed to highlight key messages and figures for the Board meeting on 11th December 2018. The Regional Chair's suggestions included:

- The college has good relationships with suppliers
- The college pay Creditors on time
- Identify the number of staff employed and the number of students in college

The Regional Chair also suggested that committee members read the Governance detail in the report, and feedback any further comments to the Head of Finance.

Actions:

- The Head of Finance and Principal to prepare a one-page summary with key messages and figures to present to the Board in December.
- F&GP to recommend approval of the Financial Statements to the Board

The Head of Finance advised that once the Accounts are approved and signed at the December Board meeting by the Regional Chair and Principal, they are sent to the SFC and Audit Scotland. The accounts are also laid before Scottish Parliament and included on the college website.

9 Financial Update

The Head of Finance spoke to the report which had been issued, highlighting the Income and Expenditure to date:

- Staff costs are lower than the original budget

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- Overall the balance sheet has little movement from July
- The cash flow projection is now appended to the Financial Update
- Student Support commitments show a potential overspend of £0.5m
- The final Lennartz Payment has now been made

Members discussed their concern over the potential £500k overspend in terms of Student Support. It was reported that the College had overspent its Student Support allocation but was hopeful of being allocated more funds from SFC. This had happened in previous years and there was no reason to doubt it would not happen again. The only way the College could exercise control was to restrict the intake of students requiring financial support once the original allocation was exhausted.

The Committee considered this to be a significant risk and the Chair asked that this be brought to the Board's attention. It was noted that this is a red risk on the risk register.

Action: The Chair to provide feedback to the Board under summary of Committee minutes

SOSEP

The Head of Finance reported that there has only been a commitment for the Architects expenditure, a monthly payment profile has been agreed. A meeting has been agreed with the Architects to discuss Procurement for the building going forward. The Head of Finance reported that no cash has been drawn down from the SFC to date. The SOSEP Project will be identified separately in the budget and Financial Update. Allowing for time frames, it is anticipated that there will not be a lot of spend before the end of March.

10 Revised Budget for 2018-19

The Head of Finance spoke to the report which had been issued, highlighting key revisions:

- Budget reflects the total funding allocation for the (FWDF) Flexible Workforce Development Fund
- Income and costs removed from the budget for the Support Staff Job Evaluation, as the costs will not be known until the Evaluation has been completed
- Additional costs owing to Lecturers undertaking their TQFE, which the college now has to fund the qualification and time for staff to undertake this
- Caveat includes increases in Teacher's pension costs, which are to be funded by the SFC for the first year
- Changes to the costs to include other projects

The Chair of F&GP noted that, due to layout changes, it was difficult to relate the proposed revised budget to the budget approved by Board in June and highlighted some inconsistencies. The Committee welcomed the new layout as clearer. The Head of Finance agreed to include the June budget for consistency until the revised budget was approved.

The Finance & General Purposes Committee reviewed the revisions to the budget, and agreed to recommend the revised budget to the Board. The Committee also approved of the proposed changes to the layout of the budget summary

Action: The Finance & General Purposes Committee to recommend the revised budget to the Board.

Board of Management Finance and General Purposes Committee

11 Annual Plan for Papers presented to the Committee

Members discussed the proposed Annual Plan for Papers presented to the Finance & General Purposes Committee to decide what should be included.

Actions:

- The Board Secretary to update the Schedule of planned work following discussion
- The recent Estates report from the Head of Corporate Services to be sent out to committee members – the Board Secretary to arrange to share the report with members

12 Strategic Risk Register

Members discussed the Strategic Risk Register, reviewing the financial risks. The Committee commented as follows:

Decision:

- Risk No 2.1 – Arithmetical error – Post Mitigation score should equal 6
- Risk No 2.5 – Queried whether this was a strategic risk as only £25,000 remained in the Foundation.

Action: The Principal to consider amendments to the Risk Register

13 Any other business

13 Green Economy Funding

The VP Business Development & Corporate Services reported that the Head of Corporate Services had been successful in an award for funding from the SP Energy Networks' Green Economy Fund. The college will receive £200,000 for the teaching and development of renewable technologies. The VP advised that the college was the only educational establishment to successfully receive the funding.

Members congratulated the college on the successful bid.

14 Date and time of Next Meeting

The date and time of the next Finance and General Purposes Committee is Tuesday 26th February 2019, 12 noon.

Finance & General Purposes Committee

Matters Arising

| Agenda Item No | Agenda Item & Action | Date to be Completed | Responsible Manager | Progress |
|-------------------------------------|--|---|--|--|
| Meeting of 18 September 2018 | | | | |
| 4.1 | College Arm's Length Foundation (ALF) The Principal to update the Finance & General Purposes Committee once the ALF is formally closed | To update once closed | Principal/Head of Finance | Application made to companies house, the company should be dissolved by mid-April 2019 |
| Meeting of 20 November 2018 | | | | |
| 1 | Terms of Reference of F&GP to be amended to increase number of non executive members and set quoracy to no less than 2 non executives. | | Board Secretary | Still to be done |
| 6 | Review of Monitoring and Reporting arrangements for Annual Budget Control Paper to be amended for December Board to include: -An additional mitigation that the Chair of F&GP and the Regional Chair be notified in future as soon as a deficit position is suspected, -The funding paragraph to be clearer on the quantum of 2017/18 operating deficit that the Board is requested to fund from reserves. Minuted Board approval needed. | 4 Dec 18 11 Dec 18 | Head of Finance Board Secretary | √ √ √ |
| 8 | Draft Financial Statements 2017-18 The Head of Finance and Principal to present the Financial Statements to Board in December along with a one-page cover paper with key messages. Chair of F&GP to confirm F&GP recommend approval of the Statements. | 4 Dec 18 11 Dec 18 | Head of Finance/ Principal Chair of F&GP | √ √ |
| 9 | Financial Update The Chair to provide feedback to the Board under summary of Committee minutes in terms of the committee's concern over the potential overspend in relation to Student Support | 11 Dec 18 | Chair | Feedback given to the Board under the Strategic Risk Register discussion |
| 10 | Revised budget 2018-19 F&GP to recommend revised budget to December Board. Budget layout to relate back to June budget until revised figures approved. | 11 Dec 18 4 Dec 18 | Chair Head of Finance | √ √ |

Finance & General Purposes Committee

Matters Arising

| Agenda Item No | Agenda Item & Action | Date to be Completed | Responsible Manager | Progress |
|----------------|---|----------------------|---------------------|----------|
| 11 | Annual Plan for Papers presented to the Committee The Board Secretary to update the Schedule of planned work following discussion | | Board Secretary | ✓ |
| " | The November Estates report from the Head of Corporate Services to be sent out to the committee members. | 4 Dec 18 | Board Secretary | ✓ |
| 12 | Strategic Risk Register The Principal to consider amending Risks 2.1 & 2.5 on the Register as discussed. | 4 Dec 18 | Principal | ✓ |

Finance & General Purposes Committee

Timetable of Work (Papers) for the Finance & General Purposes Committee

| | September | November | February | May |
|--|-----------|----------|----------|-----|
| Required papers per Government Financial Memorandum. Delegated to F&GP by the Board | | | | |
| Annual Financial Statements | | ✓ | | |
| College Budget setting | | | | ✓ |
| Approval for revision to College budget (if needed) | ✓ | ✓ | ✓ | |
| College Aged Debt Annual Report to include approval for write offs | ✓ | | | |
| SFC 5 year Financial Forecast return | ✓ | | | |
| Papers requested by the Committee | | | | |
| Matters arising | ✓ | ✓ | ✓ | ✓ |
| National Bargaining – verbal update | ✓ | ✓ | ✓ | ✓ |
| Financial Update to include management accounts and cash flow | ✓ | ✓ | ✓ | ✓ |
| Estates/Facilities Updates to include - Carbon Management plan | ✓ | ✓ | ✓ ✓ | ✓ |
| Update on Scottish Government Draft Budget for the sector | | | ✓ | |
| External Development Income and Expenditure | | | | ✓ |
| Update on SFC College Grant Allocation/ Capital Grant | | | | ✓ |
| Papers requested by other Committees | | | | |
| Annual F&GP Report to the Board (Board) | ✓ | | | |
| Student Association Accounts (L&T) | | ✓ | | |
| Strategic Risk Register (Audit) | ✓ | ✓ | ✓ | ✓ |

Finance and General Purpose Committee

South of Scotland Economic Partnership (SoSEP) Project Budget

1 Background and Purpose of the Report

The purpose of this report is to provide a summary of the budget proposals for the South of Scotland Economic Partnership (SoSEP) Project.

2 SoSEP Grant Allocation and Monitoring

The South of Scotland Economic Partnership awarded total funding of £6,680,919 for a joint project between Dumfries and Galloway and Borders Colleges, which will create a network of Science, Technology and Maths (STEM) hubs across the South of Scotland as well as Spokes located across the region which will provide a digital learning platform.

The Scottish Funding Council (SFC) have confirmed that Dumfries and Galloway College's share of the funding will amount to £4,402,019, which will be provided over 2018-19 and 2019-20 in line with the initial grant request. The grant funding is being claimed by the college as per of the monthly cash flow return process.

SFC's grant offer letter sets out the conditions of funding, which align to SFC's Financial memorandum. The expected outcomes set out by SFC are:

- Identified skills gaps in the region in key sectors such as energy, construction, engineering and care are filled;
- Widened access and increased choice to individuals, communities and businesses;
- Improved competitiveness and productivity of South of Scotland businesses through upskilling and re-skilling to the current and future workforce;
- Rural learning in the South of Scotland benefits from an effective network of digital facilities.

SFC have requested quarterly reports jointly from Dumfries and Galloway and Borders College, which includes a detailed budget monitoring report and a narrative report showing progress against the agreed outcomes. Management from Dumfries and Galloway and Borders colleges have agreed responsibilities for relevant staff, and reporting timelines to ensure that reporting functions are co-ordinated across both colleges. A copy of the January monitoring reports is attached.

As well as the quarterly SoSEP Board meetings, monthly Executive meetings have been scheduled in order to monitor progress against targets and budgets.

A detailed breakdown of the Dumfries and Galloway College elements of the budget has also been included in the Appendix to this report, which shows a forecast split of £3,407,000 capital and £995,019 revenue for the two years to March 2020.

Finance and General Purpose Committee

Expenditure to 31st January 2019 amounted to £68,411. Tenders for the building work are now being finalised, and the architects are confident that the work will be completed within the deadline.

Good progress has been made for Curriculum developments, and the equipment specification and procurement for the spokes is now being finalised.

5 Recommendation

Members are asked to note the report.

Scottish Government Grants

Quarterly Monitoring Report

(To be completed and returned by the lead SOSEP contact)

| | | | |
|------------------------|---|---------------|--|
| Project Title: | The South of Scotland Skills and Learning Network: Globally Connected, Regionally Focussed Project and Get that Degree – Articulation Project | | |
| Delivery Organisation: | Dumfries and Galloway College and Borders College | | |
| Geographic Area: | Dumfries and Galloway and Borders | | |
| SOSEP Contact: | Cathy Mitchell | | |
| Email Address: | cmitchell@sfc.ac.uk | | |
| Telephone Number: | 0131 313 6699 | | |
| Grant Period: | From: 08/2018 | To: 10/2019 | |
| Reporting Period: | From: 1 Jan 19 | To: 31 Jan 19 | |
| SG Lead Contact: | Kimberley Daly | | |

Please select which SOSEP Workplan Theme your project contributes to:

| | | | |
|--------------------|-------------------------|--|-------------------------------|
| Overarching | Communities | Farming, Forestry & Land Management | Education & Skills |
| Key Sectors | Business Support | Infrastructure | Support Costs |

Our Economic Strategy and Programme for Government commit us to driving inclusive economic growth across the South of Scotland that sustains and grows communities, and harnesses the potential of people and resources.

Please outline how your project is helping us to deliver on that objective.

As with previous update this report retains the existing layout and is updated as the project requires.

The projects will deliver:

- the creation of hub and spoke model to provide new facilities across the south of Scotland to facilitate digital learning in rural locations; and
- the development of a coherent regional model to deliver increased pathways to higher education for learners in the South of Scotland through articulation

As a result of this investment the curriculum offer in the South of Scotland will better respond to regional need. The project seeks to address the immediate skills gaps identified in the region in key sectors such as energy, construction and engineering, and in

care. Through digital connection to the project Spokes it overcomes problems of access and widens choice to individuals, communities and businesses. The Hubs will enable opportunities for upskilling and re-skilling to the current and future workforce, improving the competitiveness and productivity of South of Scotland businesses.

The second strand of the project has two stages in supporting the development of a coherent regional model to deliver increased pathways to HE for learners in the South of Scotland, which are recognised to be currently lacking, through articulation.

PROJECT MONITORING

Please detail the specific outputs and outcomes delivered, and progress made towards the achievement of agreed milestones during the reporting period.

Specifically, the funding will be used to support the delivery of:

- Three high quality learning centres that are digitally connected by August 2019;
- Three STEM hubs - physical and content – delivering training in three key economic sectors for the south of Scotland; and delivery of a mini-STEM hub for engineering at Stranraer Centre by August 2019;
- Two pilot digital spokes (Eyemouth High School and the Bridge, Dumfries) connected to the Centres and Hubs and to each other by August 2019;
- Eight further digital Spokes connected to the Centres and Hubs and Spokes by August 2019;
- Ten further digital Spokes connected to the Centres and Hubs and Spokes by August 2020;
- Enhanced volume of learners using articulation routes to successfully achieve higher learning outcomes;
- Routes for articulation in subject areas that support SOSEP priority sector areas; and
- Increased HEI engagement in the South of Scotland region

Progress as at 31st January 2019 is outlined below.

Dumfries and Galloway College have moved to stage 4 of the project build which is looking at more detailed drawings, these are expected to be made available early next week.

Dumfries and Galloway College have been successful in obtain a funding grant of £195,000 for renewables to support this project.

Dumfries and Galloway College highlights.

STEM Hub Dumfries – The construction phase has now gone out to tender with the college using Public Contract Scotland Quick Quotes for the process. 5 bidders have been invited with 3 of these representing the local area.

A pre planning consultation was held which was very positive with no potential objections highlighted. To that end the planning application has been submitted along with the stage 1 building warrant.

Mini STEM Hub Stranraer - The previous concern around the Scottish power main cable has a resolution in place. Civil contractors will do trench work in advance of the 8th March and Scottish Power will connect the new cable on the 11th March meaning the issue will cause no delay to the overall project.

The project is now out to tender as per the STEM Hub at Dumfries with the same contractors bidding for the works.

Care Academy progress - Detailed work has gone on for this project which is now down to fixtures and fittings in line with dementia friendly guidelines.

The construction works have been packaged along with the Dumfries STEM Hub works which are now out to tender.

Digital Spoke and Hub - Procurement meetings have been held with D&G, Borders and representatives from APUC attending. The purpose of the meetings was to clarify the procurement options for the purchase of the Audio Visual equipment which is essential to the Hubs and Spokes. Both colleges are now working closely on this and will be discussing next steps in the coming days.

Further discussions are being held with D&G Education teams around the spokes solutions and also to confirm ongoing support arrangements. These meetings are due to be held w/c 18th Feb and will allow all parties the chance to clarify the direction for these spokes.

Curriculum development – Staff Development is starting to take place, with key individuals being approached to assist with the development of both staff and materials.

Care – some concerns have been raised access to spokes for non-school students. Various meetings and visits to events have taken place with good feedback received. Technology is appearing expensive, but attempts are being undertaken to obtain additional funding to support the very latest technology. Creative thinking is being used to maximise some of the equipment at the local NHS e.g. borrowing equipment as and when needed. The detail of delivery is clearly now being explored.

Engineering - Staff are progressing with the curriculum design. Staff development will commence in the near future.

Renewables – good progress continues to be made on the development of the 12 week course.

Short course/Upskilling – Short courses continue to be examined for potential delivery in August 2019.

The role of e-learning technologist is progressing well and D&G College have identified staff who may take on this role. Discussions are ongoing with two staff members who may be in a position to work with curriculum staff to transfer current learning material into electronic resources which can be delivered across the hub and spoke network.

In line with the above progress the college has started the process of staff development to ensure that curriculum staff have the necessary skills to deliver digitally. The Head of HR has completed an ICT Skills audit, results of this are being examined and appropriate training will be sourced to meet needs.

The part time Project Manager post has interviews taking place the week of the 25th, this post was included in the initial proposal and as the project gathers pace, it is important that this post is now filled.

Borders College Highlights

STEM Hub Borders – All tender have been received and are passing through evaluation with Quantity Surveyor for final verification of costing prior to awarding contract. The college anticipates awarding the tender by the end of January. All tenders are within budget with timeframe for commencement of work being slightly earlier than anticipated, mid-April, which will mitigate risk of completion date extending into next Academic Year.

Final Architects drawings for the Eco house development have now been received and are being reviewed by College for any revisions necessary

Health & Safety management has also been appointed for the build phase.

Plans now being finalised for the decant phase of the Hawick building to allow for build work to commence.

STEM Technologies and activity – The STEM Hub Manager role has been finalised with an advert now being placed for the role for the duration of the project. Evaluation is being undertaken of the Design Brief received to develop a reference document to support the implementation and operation of STEM activity within the Hub both in terms of technologies and activity and target audiences.

There is a huge opportunity as part of the physical build of the STEM Hub to video the progress and build process of the Eco house that will be undertaken, this will be available for future training purposes within the construction and trades disciplines. The College feels that this unique opportunity should be maximised and the mechanics of this are now being discussed to ensure that different media can be used once footage taken.

Care Academy – Plans are being developed with the Architect for the physical works required for the Care Academy so that the building warrant can be submitted within the next few weeks. Ongoing discussions with local employers e.g. SBCares to understand the current technology being used through health services to ensure that training facilities and equipment are of a standard fit for skills development and training that will be delivered. These discussions are also providing further avenues of delivery to be considered i.e. evening/weekend training.

Equipment specifications being finalised for the Health and Social care rooms ready for submission to suppliers.

Curriculum Development – Further visits to SRUC and e-Sgoil have been undertaken to investigate their on line delivery and remote delivery model.

- **Care** - NPA Social Services & Healthcare (which is an SCQF level 6 award) course has commenced development and will be completed over the next academic block and will be available from August. This will complement the NPA Social Health and Social Care: promoting Re-ablement being developed by Dumfries & Galloway.
- Higher Psychology is progressing with development work on an on line information sheet to be given to school staff and pupils to explain and manage expectations, along with specific plans for delivery in 2019/20 which includes a combination of on line and VC each week.

- PDA Acute and community Care (level 8) has now been agreed as a course for development and preparation work on-going for Approvals panel.
- Further collaboration with Dumfries & Galloway College scheduled to take forward development which will focus on developing direct actions that move things forward in terms of understanding development needs as well as the capital build.
- HNC Health & Fitness has been identified for digital development, looking at 3 units as a core element.
- STEM courses are also being identified for development and work scheduled.
- Continuation of planning for further online content and courses.

Hub & Spoke - identification of rooms to be allocated as Hubs within the College has now been completed with equipment specifications being finalised ready to send out to suppliers. This has been a joint task so ensure that both Colleges can maintain connectivity for delivery going forward.

Identification after feedback from proposed spoke sites to be concluded with information concerning intended usage within the schools and equipment specifications to be included. The College is working closely with Scottish Borders Council to identify appropriate spoke sites. This is in conjunction with the overall College online strategy for future courses and development.

Evaluation and lessons learned from the initial delivery through the Earlston and Eyemouth spokes are being compiled and further development and specifications are being worked through.

Articulation -

A joint organisation scoping study was commissioned with the final report now having been received. D & G and Borders College have started discussions concerning areas for collaborative development, looking at curriculum areas jointly but also those that will provide the best articulation route for students in the individual organisations linking with relevant Universities. A visit to Stirling University is planned this month to investigate options further. A decision on the curriculum pathways to be followed will be taken in the next month enabling development work to commence.

Please confirm whether the project is progressing as anticipated. If not, please outline any constraints or challenges experienced over the reporting period, and the actions taken / being taken to address them.

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FINANCIAL INFORMATION

Please provide a detailed breakdown of actual expenditure to date for the reporting period, compared to planned expenditure detailed in your grant letter.

Spend up to end of January 2019

| Expenditure | Revenue/ Capital | Planned | Actual | Variance |
|--|---------------------|-------------------|-----------------|-------------------|
| Planning application | Revenue | £5,000 | £5,000 | £0 |
| Lead in | | £0 | £0 | £0 |
| Centre Construction works 1 - Stranraer | Capital | £240,000 | £0 | £240,000 |
| Centre Construction works 2- Dumfries Renewable Technologies | Capital | £390,000 | £0 | £390,000 |
| Centre Construction work 3 – Dumfries Care and STEM | Capital | £300,644 | £0 | £300,644 |
| Hub development STEM Hawick – New Technology Kits | Revenue | £971 | £971 | £0 |
| Hub development (Gala) - IT software/services | Revenue | £1,200 | £1,200 | £0 |
| Hub Development STEM/Care (Gala/Hawick) | Revenue | £1,585 | £1,585 | £0 |
| Hub development (Gala/Hawick) - Project Management | Revenue | £17,113 | £13,648 | £3,465 |
| Hub Development. Dumfries and Stranraer IT | Capital | £84,000 | £0 | £84,000 |
| Hub Development Dumfries-Care Technology Kits | Capital | £198,000 | £0 | £198,000 |
| Hub Development Dumfries-Renewable Technology Kits | Capital | £144,000 | £0 | £144,000 |
| Spoke development 1 - staff training | Revenue | £3,901 | £1,857 | £2,044 |
| Spoke development 2 - equipment | Revenue | £4,469 | £4,469 | £0 |
| Spoke development 3 - Project Management | Revenue | £12,748 | £12,748 | £0 |
| Professional fees-Dumfries Renewable Technologies Centre | Revenue | £49,714 | £30,778 | £18,936 |
| Professional fees-Dumfries Care Hub and STEM Centre | Revenue | £14,292 | £14,292 | £0 |
| Professional fees-Stranraer Engineering | Revenue | £30,341 | £18,341 | £12,000 |
| Professional Fees Hawick STEM and Care Hub | Revenue | £21,420 | £18,011 | £3,409 |
| TOTAL | | £1,519,398 | £122,900 | £1,396,498 |

Please comment on any variance between planned and actual expenditure.

- Some slippage of professional fees due to the timing of the start of the project, but architects are confident that this will not impact the target date for completion.
- Virements have been made between budget lines in accordance with the updated estimates for costs.

Do you anticipate that the full amount awarded in the current financial year will be claimed by 31st March? If not please tell us of any expected underspend.

Pending tender contracts being awarded and start on site being confirmed for both Borders and Dumfries & Galloway. Not expected that construction will start until after 31st March therefore underspend will occur.

Print Name:

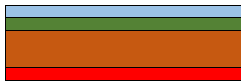
Signature:

Date:

Please return your completed report to: Kimberley Daly, South of Scotland Team, Scottish Government, 5 Atlantic Quay, 150 Broomielaw, Glasgow, G2 8LU or by email to: Kimberley.Daly@gov.scot

| ID | Task name | NOTES | Duration | Start | Finish | Jun-18 | Jul-18 | Aug-18 | Sep-18 | Oct-18 | Nov-18 | Dec-18 | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 | Jul-19 | Aug-19 | Sep-19 | Oct-19 |
|----|--|--|------------|------------|------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 1 | Tender process for Architectural and Design | Architects appointed - Oberlanders/ meeting scheduled for 15.08.18 | 4 weeks | 25/06/2018 | 25/07/2018 | | | | | | | | | | | | | | | | | |
| 2 | Prepare tender doc Construction works 6-9 below | Work with design team in progress. Start dates have slipped although no current threat to completion date | 4 weeks | 01/09/2018 | 31/09/2018 | | | | | | | | | | | | | | | | | |
| 3 | Prepare tender docs Hub development (VC solution) 10-13 below | | 4 weeks | 18/06/2018 | 15/07/2018 | | | | | | | | | | | | | | | | | |
| 4 | Prepare tender docs Spoke development 14-16 below | | 4 weeks | 18/06/2018 | 15/07/2018 | | | | | | | | | | | | | | | | | |
| 5 | Planning application Stranraer | | 8-13 weeks | 01/07/2018 | 27/09/2018 | | | | | | | | | | | | | | | | | |
| 6 | Planning application Dumfries | Work with design team in progress. Start dates have slipped although no current threat to completion date | 8-13 weeks | 14/09/2018 | 09/12/2018 | | | | | | | | | | | | | | | | | |
| 7 | Tender submissions | Work with design team in progress. Start dates have slipped although no current threat to completion date | 4 weeks | 01/10/2018 | 28/10/2018 | | | | | | | | | | | | | | | | | |
| 8 | Contractor review | Work with design team in progress. Start dates have slipped although no current threat to completion date | 1 weeks | 05/11/2018 | 09/11/2018 | | | | | | | | | | | | | | | | | |
| 9 | Contractor appointment | Work with design team in progress. Start dates have slipped although no current threat to completion date | 2 weeks | 02/11/2018 | 12/11/2018 | | | | | | | | | | | | | | | | | |
| 10 | Centre construction works 1 Stranraer | Work with design team in progress. Start dates have slipped although no current threat to completion date | 22 weeks | 05/11/2018 | 29/05/2019 | | | | | | | | | | | | | | | | | |
| 11 | Centre construction works 2 Dumfries renewable technology centre | Work with design team in progress. Start dates have slipped although no current threat to completion date | 41 weeks | 05/11/2018 | 26/07/2019 | | | | | | | | | | | | | | | | | |
| 12 | Centre construction works 3 Dumfries Care and STEM hub | Work with design team in progress. Start dates have slipped although no current threat to completion date | 22 weeks | 05/11/2018 | 29/05/2019 | | | | | | | | | | | | | | | | | |
| 13 | Centre construction works 4 Hawick | Work with design team in progress. Start dates have slipped although no current threat to completion date | 20 weeks | 01/03/2019 | 31/07/2019 | | | | | | | | | | | | | | | | | |
| 14 | Centre construction works 5 Galashiels | | 16 weeks | 01/04/2019 | 31/07/2019 | | | | | | | | | | | | | | | | | |
| 15 | Hub development - delivery and setup of end user devices | Slippage from original plan due to announcement date of the project funding. Dates will be update once work with architects underway | 36 weeks | 01/12/2018 | 30/08/2019 | | | | | | | | | | | | | | | | | |
| 16 | Hub development – (Gala Care) - Deploy equipment/VC | Slippage from original plan due to announcement date of the project funding. Dates will be update once work with architects underway | 4 weeks | 06/01/2019 | 31/01/2019 | | | | | | | | | | | | | | | | | |
| 17 | Hub development – (Gala Care) - Test VC | Slippage from original plan due to announcement date of the project funding. Dates will be update once work with architects underway | 4 weeks | 06/01/2019 | 31/01/2019 | | | | | | | | | | | | | | | | | |
| 18 | Hub development – (Hawick Construction) - Deploy equipment/VC | | 4 weeks | 01/07/2019 | 31/07/2019 | | | | | | | | | | | | | | | | | |
| 19 | Hub development – (Hawick Construction) - Test VC | | 4 weeks | 01/07/2019 | 31/07/2019 | | | | | | | | | | | | | | | | | |
| 20 | Hub development – (Digital) - Deploy equipment/VC | | 4 weeks | 06/01/2019 | 31/01/2019 | | | | | | | | | | | | | | | | | |
| 21 | Hub development – (Digital) - Test VC | | 4 weeks | 06/01/2019 | 31/01/2019 | | | | | | | | | | | | | | | | | |
| 22 | Hub development - (Borders College Staff) - Training | | 16 weeks | 01/03/2019 | 30/06/2019 | | | | | | | | | | | | | | | | | |
| 23 | Hub development - (Dumfries Care and STEM)-Delivery and set up of equipment | | 8 weeks | 04/03/2019 | 26/04/2019 | | | | | | | | | | | | | | | | | |
| 24 | Hub development- (Dumfries Renewable Technology))-Delivery and set up of equipment | | 8 weeks | 04/03/2019 | 26/04/2019 | | | | | | | | | | | | | | | | | |
| 25 | Hub development- Stranraer engineering- Delivery and set up of equipment | | 4 weeks | 01/04/2019 | 26/04/2019 | | | | | | | | | | | | | | | | | |
| 26 | Hub development- (Dumfries All) Testing of connectivity and operation of equipment | | 8 weeks | 06/05/2019 | 28/06/2019 | | | | | | | | | | | | | | | | | |
| 27 | Hub development-(Dumfries and Galloway College Staff)-Training | | 16 weeks | 06/05/2019 | 09/08/2019 | | | | | | | | | | | | | | | | | |
| 28 | Spoke development 1 - Deploy equipment/VC | | 20 weeks | 01/02/2019 | 30/06/2019 | | | | | | | | | | | | | | | | | |
| 29 | Spoke development 2 - Spoke VC testing | | 16 weeks | 01/03/2019 | 30/06/2019 | | | | | | | | | | | | | | | | | |
| 30 | Spoke development 3 - Spoke staff training | | 12 weeks | 01/04/2019 | 30/06/2019 | | | | | | | | | | | | | | | | | |
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| 14 | Task name | Project Ref | College | Notes | Duration | Start | Finish | Jun-18 | Jul-18 | Aug-18 | Sep-18 | Oct-18 | Nov-18 | Dec-18 | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 | Jul-19 | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | Sub Total - GROSS | Total |
|----|--|---------------------------------|---------|--|------------|------------|------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------------------|-------|
| 1 | Prepare tender doc Architectural and design | | | Slippage from initial profile due to later decision announcement | 4 weeks | 25/06/2018 | 27/07/2018 | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Prepare tender doc Construction works | | | | 4 weeks | 01/08/2018 | 31/08/2018 | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Prepare tender docs Hub development 10-14 below | | | | 4 weeks | 18/06/2018 | 15/07/2018 | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | Prepare tender docs Spoke development 14-16 below | | | | 4 weeks | 18/06/2018 | 15/07/2018 | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | Tender submissions | | | | 4 weeks | 03/09/2018 | 28/09/2018 | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Contractor review | | | | 1 weeks | 01/10/2018 | 05/10/2018 | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | Contractor appointment | | | | 2 weeks | 08/10/2018 | 19/10/2018 | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | Planning application | | D&G | Stranraer Application completed. Dumfries Application may be late due to time taken to get | 8-13 weeks | 01/07/2018 | 09/11/2018 | | | | | | | | | | | | | | | | | | | | | | | | |
| 9 | Lead in | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10 | Centre construction works 1 Stranraer | 4. Stranraer mini hub | D&G | | 22 weeks | 05/11/2018 | 29/05/2019 | | | | | | | | | | | | | | | | | | | | | | | | |
| 11 | Centre construction works 2 Dumfries Renewable Technologies | 2. Dumfries Innovation | D&G | | 41 weeks | 05/11/2018 | 26/07/2019 | | | | | | | | | | | | | | | | | | | | | | | | |
| 12 | Centre construction works 3 Dumfries Care and STEM | 3. Care STEM Hub | D&G | | 22 weeks | 05/11/2018 | 29/05/2019 | | | | | | | | | | | | | | | | | | | | | | | | |
| 13 | Centre construction works 3 Hawick | Borders | | | 16 weeks | 11/02/2019 | 30/06/2019 | | | | | | | | | | | | | | | | | | | | | | | | |
| 14 | Centre construction works 4 Galashiels | Borders | | | 4 weeks | 07/04/2018 | 06/05/2019 | | | | | | | | | | | | | | | | | | | | | | | | |
| 15 | Hub development STEM Hawick - New Technology Kits (inc. 12 yr running costs) | Borders | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 16 | Hub development (Gala) - IT software/services | Borders | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 17 | Hub development Care (Gala) - Equipment | Borders | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 18 | Hub Development STEM/Care (Gala/Hawick) - Staff Training/Dev | Borders | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 19 | Hub development (Gala/Hawick) - Project Management + 50% overall PM | Borders | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 20 | Hub Development, Dumfries and Stranraer IT | 1. IT Infrastructure | D&G | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 21 | Hub Development Dumfries-Care Technology Kits and equipment | 5. New Technology kits | D&G | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 22 | Hub Development Dumfries and Stranraer - Renewable Technology Kits | 2. Dumfries Innovation | D&G | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 23 | Spoke development 1 - staff training/Dev - schools/HC | Borders | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 24 | Spoke development 2 - equipment - virtual classrooms/spoke creation | Borders | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 25 | Spoke development 3 - Project Management | Borders | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 26 | Professional fees-Dumfries Renewable Technologies Centre | 2. Dumfries Innovation | D&G | Revised projections per architects and QS | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27 | Professional fees-Dumfries Care Hub and STEM Centre | 3. Care STEM Hub | D&G | Revised projections per architects and QS | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 28 | Professional fees-Stranraer Engineering | 4. Stranraer mini hub | D&G | Revised projections per architects and QS | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 29 | Professional fees-Hawick STEM and Care Hub | Borders | | Architects appointed, more accurate profile being worked on | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 30 | D&G - Spoke Development | 7. Spokes | D&G | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 31 | D&G - Running costs | 8. Running costs | D&G | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 32 | D&G - Project Management & Support | 9. Project Management & Support | D&G | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 33 | BC Articulation | Borders | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 34 | D & G Articulation | D&G | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |



Completed
On target and on budget

At risk of going behind schedule or behind
schedule but still achievable within timescales

Will not achieve schedule or will not meet budget

D&G 4,402,018.00
D&G - Articulation 37,400.00
Borders 2,199,884.33
B - Articulation 41,600.00
6,680,902.33

| | Sites | | | |
|---------------------|-------------------------------------|---------------------------------|---|----------------|
| Category | Hub 1 - Construction - Hawick | Hub 2 - Care - Galashiels | Hub 3 - Energy and Engineering - Dumfries? Digital? | Spokes (20) |
| Staff training | £36,000 | £36,000 | £52,500 | £85,000 |
| Content development | | | | |
| End user equipment | £140,400 | £27,950 | £23,300 | £466,000 |
| VC equipment | £54,000 | £10,000 | £10,600 | £200,000 |
| Software/services | £24,000 | £23,500 | £50,000 | £25,000 |
| Project Management | £27,734 | £27,734 | £27,734 | £100,000 |

Hubs

£72,000
£0
£168,350
£64,000
£47,500
£55,468

| | | | | |
|-------|----------|----------|----------|----------|
| Total | £282,134 | £125,184 | £164,134 | £876,000 |
| Total | £571,452 | | | £876,000 |

Detailed budget for Dumfries and Galloway College

| | Budget Allocation | Expenditure to 31.01.19 |
|---|------------------------------|------------------------------------|
| <u>1. IT Infrastructure</u> | | |
| Network cabling Stranraer | 90,000 | |
| Network equipment Stranraer | 36,000 | |
| Wireless Network Dumfries and Stranraer | 60,000 | |
| Network Audit Dumfries | 18,000 | |
| | <u>204,000</u> | <u>-</u> |
| <u>2. Dumfries Innovation Centre</u> | | |
| Construction costs | 1,292,071 | |
| Professional fees | 71,456 | 30,778 |
| Project Management | 20,000 | |
| Planning fees/ | - | |
| Building warrant | 3,600 | 2,500 |
| Renewable equipment | 183,000 | |
| IT Equipment | 24,000 | |
| Software for technology | 24,000 | |
| Smart screens | 14,400 | |
| Furniture | 24,000 | |
| | <u>1,656,528</u> | <u>33,278</u> |
| <u>3. Care STEM Hub</u> | | |
| Alterations to Henry Duncan wing | 514,393 | |
| Professional fees | 71,456 | 14,292 |
| Planning fees | - | |
| Building warrant | 3,600 | |
| Project Management | 24,000 | |
| Smart technology | 36,000 | |
| Smart screens etc. | 60,000 | |
| Equipment for Care Hub facility | 180,000 | |
| IT Equipment | 36,000 | |
| Furniture | 60,000 | |
| | <u>985,449</u> | <u>14,292</u> |
| <u>4. Stranraer mini hub</u> | | |
| Building costs - extension to building | 624,956 | |
| Professional fees | 71,456 | 18,341 |
| Building warrant | 3,600 | |
| Planning fees | 2,000 | 2,500 |
| Project Management | 10,000 | |
| | <u>712,012</u> | <u>20,841</u> |
| <u>5. New Technology Kits</u> | | |
| <i>Stranraer</i> | | |
| Smart technology | 12,000 | |
| Software for technology | 12,000 | |
| Engineering equipment | 62,214 | |
| IT Equipment | 14,400 | |
| Furniture | 30,000 | |
| | <u>130,614</u> | <u>-</u> |
| <u>7. Spokes</u> | | |
| Project Management | 100,000 | |
| Curriculum development | 40,000 | |
| Software purchase and development | 50,000 | |
| Training - staff and school staff | 80,000 | |
| Virtual classroom development | 233,016 | |
| Creation of spokes | 120,000 | |
| | <u>623,016</u> | <u>-</u> |
| <u>8. Running costs</u> | | |

Detailed budget for Dumfries and Galloway College

| | Budget Allocation | Expenditure to 31.01.19 |
|---|------------------------------|------------------------------------|
| Software and licences | 23,500 | - |
| <u>9. Project Management and Support</u> | | |
| Project administration/ management/ communications etc. | 66,900 | - |
| Overall total | 4,402,019 | 68,411 |

Finance and General Purposes Committee

Financial Update at January 2019

1 Budget Changes

1.1 The proposed changes to the budget for 2018-19 are:

| | £000's |
|--|------------|
| Additional SFC grant for National Bargaining costs | (86) |
| Crichton Campus Leadership Group – change in grant profile | 8 |
| Additional grant due for Princes' Trust | (8) |
| Increase in payroll budget | 93 |
| Reduction in other costs | <u>(7)</u> |
| Net change | <u>0</u> |

1.2 A separate report has been prepared which provides a detailed breakdown of the S0SEP budget. The income and expenditure figures in this report include revenue income and expenditure of £250k for the period to July 2019, and the total forecast revenue and capital expenditure for the remainder of the academic year amounts to £4.2m.

1.3 The Income and Expenditure forecasts included in the Appendix here incorporate the proposed changes to the budget.

2 Results to 31st January 2019

2.1 The forecasts have been revised to incorporate actual SAAS fee income for the year which has now been received. Pay forecasts have been updated revised to include the current pay offer, and some additional grant income due to be received from SFC to cover the implementation of National Bargaining costs. As agreement has not yet been reached for any cost of living pay award for lecturing staff, the projections may require to be revised.

2.2 A contingency of £55,000 has been set aside to meet any additional costs arising or reductions in income as the year progresses, and given the uncertainty over pay costs it will be prudent to retain this for the time being.

Finance and General Purposes Committee

- 2.3 SAAS fees for full-time students has been lower than original forecasts, but this has been offset by fees received for part-time HE students. Income from full-cost recovery courses has been lower than the forecasts to date, and this will be monitored in the coming period.
- 2.4 Pay costs were in line with the budget allocation for the period to date. Additional budget has been profiled for the period from April 2019 to reflect the uplift in pay scales as well as an increase in employers' pension rates.
- 2.5 Training planned under the Flexible Workforce Development Fund (FWDF) project and included in the SFC return to January amounted to £50,000. Total funding of £203,000 is available for the year, and the external development staff anticipate that training up to £150,000 is likely to be delivered before the deadline set by SFC. The forecasts will be revised if necessary when further information is available, and the college will continue to work with local businesses to provide training under the project. No surplus has been anticipated for this project, and costs equal to the grant funding have been included in the forecasts.
- 2.6 A review of forecast expenditure and any changes to income forecasts will be discussed with budget holders as part of the budget discussions for 2019-20, but all CLT members are requested to review the budgets for their areas, and highlight any potential issues with the Head of Finance.
- 2.7 The Key Performance Indicators monitoring the forecast out-turn for the year, and working capital position at 31st January 2019 are summarised as follows:

Income and Expenditure:

| | | |
|--|--------|--------------------|
| Operating Surplus/ deficit as % of income | 0.00% | (31.07.18 – 8.66%) |
| Non-SFC income as % of total expenditure (including ALF grant income) | 13.31% | (31.07.18 – 16.3%) |

Balance Sheet:

| | | |
|---|---------|-------------------|
| Current Assets: Current liabilities | 0.75 | (31.07.18 – 0.54) |
| Days cash to annual expenditure (excluding depreciation) | 37 days | (31.07.18–22days) |

- 2.6 Income and expenditure for the six months to January 2019 and forecasts to July 2019 are summarised in the Appendix to this report.

Finance and General Purposes Committee

2.7 Balance Sheet

The balance sheet movement for the period between September and January was:

| | January '19 £000 | September '18 £000 | Movement |
|-----------------------|---------------------|-----------------------|-------------|
| Fixed Assets | 35,967 | 36,459 | - 492 |
| Current Assets | 1,875 | 857 | 1,018 |
| Current Liabilities | (2,498) | (1,701) | - 797 |
| Long term liabilities | (21,520) | (21,710) | 190 |
| Pension Liability | (2,807) | (2,806) | - 1 |
| Net Assets | <u>11,017</u> | <u>11,099</u> | <u>- 82</u> |
| Revaluation Reserve | (5,987) | (6,064) | 77 |
| I&E Account | (5,030) | (5,035) | 5 |
| | <u>(11,017)</u> | <u>(11,099)</u> | <u>82</u> |

| | January '19 £000 | September '18 £000 | Movement |
|----------------------------------|---------------------|-----------------------|----------|
| Cash at bank | 1,250 | 583 | 667 |
| Net Current Assets (Liabilities) | (623) | (844) | 221 |

2.8 Current assets including bank balances increased between September and January. Debtors and outstanding income have decreased as fee income has now been received from SAAS.

2.9 The increase in current liabilities over the period includes accrued costs for student transport and other outstanding invoices for the period.

3 Cash Forecasts

3.1 Cash forecasts for the period up to July 2019 show a reduction in bank balances to £288,000, which reflects the level of free cash reserves held by the College following re-classification and the final payment of Lennartz liabilities.

Finance and General Purposes Committee

3.2 The cash forecasts indicate that the balances at 31 March 2019 will be sufficient to meet payments as they fall due, but this will continue to be monitored with any potential issues highlighted for the Executive Management Team.

3.3 The detailed cash flow projections for the period to July 2019 is included in the Appendix to this report.

4 Student Support

4.1 Student support costs for the period to date reflect scheduled payments of bursary, EMA, childcare and discretionary funds as well as accrued costs for buses and purchase of materials from the 'study costs' budget.

4.2 SFC's Bursary Policy for 2018-19 emphasise the flexibilities in the bursary policy, and the increased emphasis to on student engagement has led to changes in reporting mechanisms to link in with the roles of the new Guidance Coaches. Information will be collated from various sources to evidence if students are engaged with their learning, in accordance with the new guidance.

4.3 The commitments for student support for the remainder of the academic year include costs for the higher-rate of bursary for students who have qualified as 'Care-Experienced', and the College was able to apply for additional grant income to meet the increased costs from the 'In Year Redistribution' exercise.

4.4 SFC have confirmed that our request for additional student support grant has been successful, and we will draw down additional funds of £450,000.

4.5 The forecasts in this report reflect the revised forecasts and additional grant allocation.

5 Scottish Colleges Foundation/ Arm's Length Foundation

5.1 The balance retained by the Scottish Colleges Foundation for Dumfries and Galloway College amounts to approximately £80,000.

5.2 Funding of £55,000 has already been approved for the College to draw during 2018-19 for curricular equipment.

Karen Hunter
Head of Finance

| | PERIODS 1 TO 6 | | 12 MONTHS TO JULY 2019 | | | | |
|---|------------------------|----------------|--------------------------|------------------------------------|----------------------|-----------------|------------|
| | August to January 2019 | | August 2018 to July 2019 | | | | |
| | Actual | Budget | Forecast * | Budget approved by F&GP - November | Changes for approval | Revised Budget | Variance |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| INCOME | | | | | | | |
| Grant Income | | | | | | | |
| - SFC Core grant | (4,763) | (4,763) | (9,612) | (9,526) | (86) | (9,612) | 0 |
| - FWDF grant | (50) | (50) | (203) | (203) | 0 | (203) | 0 |
| - CCLG grant | (16) | (16) | (41) | (49) | 8 | (41) | 0 |
| - Access to free sanitary products | (35) | (35) | (35) | (35) | | (35) | 0 |
| - SOSEP Project | (63) | (63) | (250) | (250) | | (250) | |
| - Other SFC grants | 0 | 0 | (12) | (12) | | (12) | 0 |
| - Hollywood Trust | (11) | (11) | (47) | (47) | | (47) | 0 |
| - ALF Grants | (16) | (16) | (55) | (55) | | (55) | 0 |
| - Other grants | (20) | (18) | (39) | (15) | (8) | (23) | 16 |
| - Capital maintenance grant | (381) | (381) | (381) | (381) | | (381) | 0 |
| - Release of deferred capital grant | (381) | (381) | (762) | (762) | | (762) | 0 |
| Fee Income | (713) | (717) | (1,551) | (1,577) | | (1,577) | (26) |
| Other Income | (34) | (35) | (65) | (57) | | (57) | 8 |
| Total Income | (6,483) | (6,486) | (13,053) | (12,969) | (86) | (13,055) | (2) |
| EXPENDITURE | | | | | | | |
| Total Pay Costs | 4,518 | 4,520 | 9,223 | 9,130 | 93 | 9,223 | 0 |
| Property Costs | 414 | 422 | 769 | 774 | | 774 | 5 |
| SOSEP Costs | 63 | 63 | 250 | 250 | | 250 | 0 |
| Supplies and services | 231 | 242 | 689 | 679 | | 679 | (10) |
| FWDF Costs | 50 | 50 | 203 | 203 | | 203 | 0 |
| Other employee costs | 86 | 89 | 182 | 182 | | 182 | 0 |
| Telephones and ICT Infrastructure | 212 | 197 | 385 | 369 | | 369 | (16) |
| Transport | 28 | 27 | 59 | 62 | | 62 | 3 |
| Refectory | - | - | 8 | 4 | | 4 | (4) |
| Other | 136 | | 180 | 213 | (7) | 206 | 26 |
| Registration costs | 48 | 47 | 217 | 210 | | 210 | (7) |
| Marketing | 33 | 32 | 71 | 76 | | 76 | 5 |
| Depreciation | 739 | 739 | 1,467 | 1,467 | | 1,467 | 0 |
| Contingency | 0 | 0 | 55 | 55 | | 55 | 0 |
| Total Other Costs | 2,040 | 1,908 | 4,535 | 4,544 | (7) | 4,537 | 2 |
| Total Expenditure | 6,558 | 6,428 | 13,758 | 13,674 | 86 | 13,760 | 2 |
| Operating Surplus/ (Deficit) | (75) | 58 | (705) | (705) | 0 | (705) | 0 |
| Adjustment for non-cash and other items: | | | | | | | |
| Non-government capital grants (ALF) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Depreciation net of deferred grant released | (381) | (381) | 705 | 705 | | 705 | 0 |
| Underlying operating surplus/ (deficit) | 306 | 439 | 0 | 0 | 0 | 0 | 0 |

STUDENT SUPPORT

Income

Expenditure

Net costs to be met by College

| PERIODS 1 TO 6 | |
|------------------------|---------|
| August to January 2019 | |
| Actual | Budget |
| £000 | £000 |
| (1,279) | (1,279) |
| 1,279 | 1,279 |
| 0 | 0 |

| 12 MONTHS TO JULY 2019 | | | | |
|--------------------------|------------------------------------|----------------------|----------------|----------|
| August 2018 to July 2019 | | | | |
| Forecast | Budget approved by F&GP - November | Changes for approval | Revised Budget | Variance |
| £000 | | | £000 | £000 |
| (2,562) | (2,112) | (450) | (2,562) | |
| 2,562 | 2,112 | 450 | 2,562 | |
| 0 | 0 | 0 | 0 | 0 |

Dumfries and Galloway College
Cash Flow Projections for 2018-19

| | Actual | Actual | Actual | Actual | Forecast | Forecast | Forecast FY | Forecast | Forecast | Forecast | Forecast | Forecast AY |
|--|-------------------|------------------|------------------|-------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|
| | Oct-18 | Nov-18 | Dec-18 | Jan-19 | Feb-19 | Mar-19 | 2018-19 | Apr-19 | May-19 | Jun-19 | Jul-19 | 2018-19 |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Month December '18 | | | | | | | | | | | | |
| Forecast 18-19 | | | | | | | | | | | | |
| Income | | | | | | | | | | | | |
| SFC Grants | | | | | | | | | | | | |
| SFC Core Grant | 1,400,000 | 850,000 | 1,000,000 | 450,000 | 434,463 | - | 9,278,206 | 600,000 | 850,000 | 910,000 | 979,054 | 9,073,517 |
| SFC additional Lecturer pay | 36,112 | 36,112 | 36,112 | 36,112 | 36,112 | 36,118 | 294,531 | 166,626 | | | 207,687 | 660,475 |
| SFC Other | 4,091 | - | - | 3,996 | 3,996 | 3,996 | 28,261 | 3,996 | 3,996 | 3,996 | 3,996 | 40,245 |
| Access to sanitary products | 17,453 | | | 17,453 | | | 34,906 | | | | | 34,906 |
| Flexible Workforce Development Fund 2018-19 | 50,743 | | | 50,743 | | 35,000 | 136,486 | 25,000 | 25,000 | 16,485 | | 202,971 |
| Flexible Workforce Development Fund 2017-18 | 18,500 | - | 63,745 | | | | (53,231) | | | | | 45,245 |
| COSEP Project income | | | | | 600,000 | 500,000 | 1,100,000 | 875,000 | 900,000 | 1,250,000 | 277,019 | 4,402,019 |
| Student Support | | | | | | | | | | | | |
| Bursary | 200,000 | 200,000 | 170,000 | 170,000 | 170,000 | 499,479 | 2,090,616 | 219,224 | 219,224 | 219,224 | | 2,237,151 |
| Capital Maintenance - revenue | | | | 356,214 | | | 356,214 | | | | | 356,214 |
| Capital Maintenance - capital | | | | 25,000 | | | 25,000 | | | | | 25,000 |
| SFC - Student Support clawback | | | - | 61,933 | | | (61,933) | | | | | 61,933 |
| EMA Admin | | | | | 4,000 | | 12,270 | 8,000 | | | | 12,000 |
| EMA Student Maintenance | | 31,140 | 13,350 | 14,460 | 25,000 | 25,000 | 126,710 | 25,000 | 25,000 | 25,000 | | 201,710 |
| ESOL (17-18) | | | | | | | 16,934 | | | | | - |
| Other Income | | | | | | | | | | | | |
| Proceeds of sale of fixed assets | | | | | | | 15,925 | | | | | - |
| Scottish Colleges Foundation | | | | | 55,000 | | 55,000 | | | | | 55,000 |
| Other grant income | | | | | 62,300 | | 74,300 | | | | | 62,300 |
| HE Hardship | | | | | | | 81,089 | 7,500 | 7,500 | 7,500 | | 80,505 |
| SAAS Fees | | | | 529,321 | | | 573,606 | 25,000 | | | | 559,203 |
| Re-charges - UWS/ Gl. Uni/ DGC | | | | | 12,000 | 165,000 | 295,439 | | | | | 177,000 |
| Other cash received in SDS 2017-18 | 60,102 | 65,276 | 82,878 | 36,960 | 118,430 | 127,695 | 850,187 | 77,695 | 77,695 | 77,695 | 77,711 | 984,206 |
| Total cash in | 1,787,001 | 1,118,783 | 1,240,407 | 1,690,259 | 1,521,301 | 1,392,288 | 15,330,516 | 2,033,041 | 2,108,415 | 2,509,900 | 1,545,467 | 19,057,244 |
| Expenditure | | | | | | | | | | | | |
| Payroll | 748,960 | 746,007 | 797,311 | 805,617 | 740,000 | 740,000 | 8,935,661 | 825,000 | 815,000 | 815,000 | 850,000 | 9,329,370 |
| SFC Additional Campus Manager | - | 4,909 | 4,909 | 4,909 | 4,909 | 4,909 | 32,727 | 4,091 | 4,091 | 4,091 | 4,093 | 49,093 |
| EMA payments | 11,310 | 12,930 | 14,880 | 9,420 | 25,000 | 25,000 | 148,350 | 25,000 | 25,000 | 25,000 | - | 184,350 |
| SFC Bursary and other student support payments | 255,871 | 179,974 | 167,817 | 155,934 | 250,000 | 270,000 | 2,008,544 | 270,571 | 265,000 | 265,000 | - | 2,237,151 |
| HE Hardship | 875 | 6,359 | 10,061 | 9,658 | 7,500 | 8,642 | 76,103 | 10,000 | 10,000 | 11,038 | - | 80,505 |
| PL payments (excl student transport) | 282,529 | 272,678 | 279,422 | 143,947 | 180,000 | 195,000 | 2,325,897 | 180,000 | 180,000 | 180,000 | 180,000 | 2,281,662 |
| COSEP Project costs - revenue | | 31,477 | 34,277 | 2,657 | 64,000 | 30,000 | 162,411 | 364,000 | 118,000 | 30,000 | 256,763 | 931,174 |
| COSEP Project costs - Capital - Buildings | | | | | | | - | 320,000 | 565,000 | 1,080,000 | 466,420 | 2,431,420 |
| COSEP Project costs - Capital - F&F | | | | | 184,000 | 215,000 | 399,000 | 120,000 | 57,000 | | | 576,000 |
| COSEP Project costs - Capital - IT | | | | | 220,000 | 100,000 | 320,000 | 80,014 | | | | 400,014 |
| Scottish Colleges Foundation - capital | | | | | | 14,000 | 225,000 | | | | | 225,000 |
| Scottish Colleges Foundation - revenue | 10,000 | 2,226 | 8,966 | | - | | 30,856 | 48,808 | | | | 79,664 |
| Maintenance costs - from SFC Capital Maintenance grant | | 19,292 | 10,721 | 2,657 | 229,221 | | 356,215 | | | | | 356,215 |
| Other payments | 30,407 | 27,418 | 27,738 | 8,915 | 7,750 | 7,750 | 213,930 | 17,750 | 17,750 | 17,750 | 17,725 | 212,869 |
| Lennartz | - | - | 25,961 | - | - | - | 183,651 | - | - | - | - | 105,737 |
| Capital Grant - payments | - | - | - | - | 25,000 | | 25,000 | - | - | - | - | 25,000 |
| Total cash out | 1,339,952 | 1,303,270 | 1,382,063 | 1,143,714 | 1,937,380 | 1,610,301 | 15,443,345 | 2,265,234 | 2,056,841 | 2,427,879 | 1,775,001 | 19,505,224 |
| Net cash inflow/(outflow) | 447,049 | (184,487) | (141,656) | 546,545 | (416,079) | (218,013) | (112,829) | (232,193) | 51,574 | 82,021 | (229,534) | (447,980) |
| Balance b/f | 582,933 | 1,029,982 | 845,495 | 703,839 | 1,250,384 | 834,305 | 729,121 | 616,292 | 384,099 | 435,673 | 517,694 | 736,140 |
| Balance c/f | £1,029,982 | £845,495 | £703,839 | £1,250,384 | £834,305 | £616,292 | £616,292 | £384,099 | £435,673 | £517,694 | £288,160 | £288,160 |

Finance and General Purposes Committee

Estates/Facilities Update

1 Introduction

The purpose of this paper is to provide the Finance and General Purposes Committee with an update on the Corporate Services area of the College.

2 Estates Department

The Estates team have been heavily involved in the South of Scotland Skills and Learning Project recently. The main involvement has been working with contractors carrying out site surveys, helping to source drawings and plans and provide technical assistance to the Mechanical and Electrical consultants.

The Estates team have been dealing with the tasks set out in the Condition Survey report from the Scottish Funding Council. More significant works have taken place in the February break which has completed a number of the actions.

The following table is an up to date view of the progress against the recommended actions from the Scottish Funding Council Condition Survey works.

| Action | Dumfries Actions | | Actual Costs | Status |
|--|------------------|---------|--------------|---------------|
| | Proposed time | Cost | | |
| Investigate cracking on exit stair slabs | Early August | £7,000 | £300 | Complete |
| Intrusive survey for stairwells | January | £10,000 | £9,312 | Complete |
| Fire Dampers-Access and full service | October | £12,000 | £9,184.48 | Complete |
| Address heating on ground floor | October | £30,000 | £35,803 | Complete |
| Address areas of floor finishing | Ongoing | £10,000 | £4,722 | Part Complete |
| Decoration | Ongoing | £8,000 | £2,169 | Part Complete |
| | | £67,000 | | |

| Action | Stranraer Actions | | Actual Costs | Status |
|------------------------------------|-------------------|-------------|--------------|----------------------|
| | Proposed time | Budget Cost | | |
| Roofing repairs | August | £10,000 | 1560 | Complete |
| Treatment of exposed lintels | October | £10,000 | 2853 | Complete |
| Local door overhauls | February | £20,000 | | Out to Tender |
| Phase 2 of Stranraer Heating Works | Feb-19 | £31,000 | 50817.6 | Awaiting start dates |
| Upgrade of flooring | Ongoing | £10,000 | | Complete |
| Decoration | Ongoing | £5,000 | | Complete |
| | | £86,000 | | |

The College remains on target to have all works completed by the end of March 2019 in line with the requirements of the Scottish Funding Council.

3 Information and Communications Technology (ICT)

The ICT team are now at full numbers and have been working on a number of projects.

Main project has been the South of Scotland Skills and Learning Project. The team having been busy working with the Ajenta Vscene system, allowing staff to have access to train on the systems the College intends to utilise for our virtual classroom environment.

The team have completed the infrastructure survey at Stranraer and are now ready to implement the required improvements.

The team have also been working on updating the Colleges back up processes and have identified a number of improvements to make the process more robust. These improvements will be implemented in the coming weeks.

4. Information Systems

The IS team have been working with the curriculum teams to update the Colleges admission process. This has involved a number of changes to the online systems which are progressing well.

The IS manager recently visited South Lanarkshire College to look at a number of systems, particularly around student funding, to begin scoping exercises for upgrades to our own systems.

A recent visit to Fife College proved successful. The visit was to showcase the Colleges online moderation system. Both Fife and Dundee and Angus Colleges have now expressed an interest in taking the system to trial so the team will work on this once the admissions process works are completed.

5. Carbon Management Plan

The College set a target of a 20% reduction in its carbon emissions by the end of 2019. The following table will show the current position of the College:

| Year | Scope 1 | Scope 2 | Scope 3 | Total | Change (+/-) |
|------|---------|---------|---------|-------|--------------|
| 2014 | 315 | 870 | 136 | 1321 | N/A |
| 2015 | 324 | 762 | 115 | 1201 | - 120 |
| 2016 | 365 | 726 | 114 | 1205 | + 4 |
| 2017 | 338 | 591 | 83 | 1012 | - 193 |

The table shows the College has actually reduced its emissions by around 30% which exceeds the initial target set and has been done so with 2 years to spare as we report 1 year in arrears.

The College intends to continue with the emissions reductions which is highlighted with the use of renewable technologies in the new STEM hubs. Further work will be done on the reduction of waste including the introduction of a composter to reduce food waste and to take shredded paper waste as well.

6. Recommendation

The Committee is asked to note the report and continue to monitor progress.

Billy Currie
Head of Corporate Services
February 2019

Finance & General Purposes Committee

Strategic Risk Register

1 Introduction

- 1.1 The purpose of this paper is to provide the Committee with the opportunity to review the College's Strategic Risk Register.

2 The Report

- 2.1 The Principal and Executive Management Team routinely review the Strategic Risk Register to reflect the risks the College is facing and the mitigation that will be applied to each risk. There are currently 22 strategic risks, 5 of which are rated 9 (Amber = Significant risk) or above.

2.2 Committee Reporting

The Strategic Risk Register is now presented at each Committee and members are asked to pay particular attention to risks pertaining to the work of that Committee. The end column on the Risk Register has been amended to include the name of the Committee who would have 'oversight' of that risk, so that members can focus on these in their discussions. There is still the opportunity to discuss other risks at full Board meetings.

Changes have been made to the following:

- Risk No 2.6 - 'Failure to achieve credit targets'
The likelihood has been reduced to 1. The College is currently only 400 credits short of its overall target and is confident that these will be achieved prior to the year end. The ring fenced Early Learning and Childcare credit target has been achieved.
- Risk No 2.7 – 'Insufficient Student Support Funding to meet Demand'
Following confirmation from SFC that the College will receive the full additional funding allocation requested the likelihood of this risk has been reduced to 1.
- Risk No 3.5 – 'Industrial Relations Problems'
No change to risk factors but updated to highlight that EIS are currently undertaking Industrial Action.
- Risk No 3.9 – 'Failure to reach aspirational standards in learning, teaching and service delivery'
Latest PI reports indicate that there is no significant improvement in retention rates at either HE or FE level. The likelihood of this risk has been increased to 3 and the impact increased to 4. This risk is now Amber.

3 Recommendation

- 3.1 It is recommended that the Committee consider and, if so minded, approve the Strategic Risk Register.

Carol Turnbull
Principal
February 2019

| | | | | | | |
|--------------|---------|-------------------------------------|-------|------------------------------|--------|------------------------------------|
| Post Holders | Board | Board of Management | HoC | Head of Curriculum | HoSS&G | Head of Student Support & Guidance |
| | ELT | Executive Leadership Team | HoP&Q | Head of Planning & Quality | | |
| | CLT | College Leadership Team | HoF | Head of Finance | | |
| | PRIN | Principal | HoHR | Head of Human Resources | | |
| | VPL&S | Vice Principal Learning & Skills | HoBD | Head of Business Development | | |
| | VPBD&CS | Vice Principal Business Development | HoCS | Head of Corporate Services | | |

| Score | Impact | Likelihood |
|-------|-------------|-------------|
| 1 | Routine | Remote |
| 2 | Minor | Unlikely |
| 3 | Significant | Possible |
| 4 | Major | Probable |
| 5 | Critical | Very likely |

| Risk Number | POTENTIAL CONTRIBUTING FACTORS | | | | TREATMENT | POST MITIGATION EVALUATION | | | | |
|-------------|---|--------|------------|-------|--|----------------------------|------------|-------|--|-------------------------------------|
| | Risks | Impact | Likelihood | Score | Mitigation Actions | Impact | Likelihood | Score | Monitoring | Responsibility /Committee Oversight |
| 1 | Strategic and Structural | | | | | | | | | |
| 1.1 | Failure of College strategy to meet the needs of Dumfries and Galloway Region and/or national priorities (eg Employability, DYW , attainment, articulation) | 4 | 4 | 16 | <ul style="list-style-type: none">Robust strategic planningEffective environmental scanningStrong partnershipsClear links between strategy and practiceConcerted demands for increased activity levels | 4 | 1 | 4 | <ul style="list-style-type: none">Robust monitoring via ROAClear performance metricsAmendment of strategic direction/plansRolling curriculum review | Board, ELT BoM |
| 1.2 | College may be disadvantaged by changes to either UK or Scottish Government policies | 4 | 3 | 12 | <ul style="list-style-type: none">Effective environmental scanningNegotiation/influence at national level | 4 | 2 | 8 | <ul style="list-style-type: none">Review of changes and amendment of strategic direction/plansFinancial strategy sensitivities | ELT BoM |
| 1.3 | College disadvantaged by changes arising from UK leaving European Union | 3 | 4 | 12 | <ul style="list-style-type: none">Negotiation/influence at national levelReview of activities/ projectsResponsiveness to new opportunities | 2 | 2 | 4 | <ul style="list-style-type: none">Review of changes and amendment of strategic direction/plans/ curriculumFinancial strategy not ESF dependent | ELT BoM |

| | | | | | | |
|--------------|---------|-------------------------------------|-------|------------------------------|--------|------------------------------------|
| Post Holders | Board | Board of Management | HoC | Head of Curriculum | HoSS&G | Head of Student Support & Guidance |
| | ELT | Executive Leadership Team | HoP&Q | Head of Planning & Quality | | |
| | CLT | College Leadership Team | HoF | Head of Finance | | |
| | PRIN | Principal | HoHR | Head of Human Resources | | |
| | VPL&S | Vice Principal Learning & Skills | HoBD | Head of Business Development | | |
| | VPBD&CS | Vice Principal Business Development | HoCS | Head of Corporate Services | | |

| Score | Impact | Likelihood |
|-------|-------------|-------------|
| 1 | Routine | Remote |
| 2 | Minor | Unlikely |
| 3 | Significant | Possible |
| 4 | Major | Probable |
| 5 | Critical | Very likely |

| Risk Number | Risks | Impact | Likelihood | Score | Mitigation Actions | Impact | Likelihood | Score | Monitoring | Responsibility/ Committee Oversight |
|-------------|---|--------|------------|-------|--|--------|------------|-------|---|--|
| 2 | Financial | | | | | | | | | |
| 2.1 | Change in SFC Funding Methodology and Allocation – Reduction in Funding | 3 | 3 | 9 | <ul style="list-style-type: none"> Negotiation/influence at national level Contingency plans for reduced funding | 2 | 3 | 6 | <ul style="list-style-type: none"> Advance modelling of new funding methodologies and allocations Monitoring impact of changes Amendment of strategic or operational direction/plans Financial strategy sensitivities | ELT F&GP |
| 2.2 | Failure to achieve institutional sustainability | 5 | 4 | 20 | <ul style="list-style-type: none"> Protection of funding through dialogue with SFC Robust annual budget-setting and multi-year financial strategic planning (from 2018-19) Effective budgetary control Where required, swift action to implement savings | 4 | 3 | 12 | <ul style="list-style-type: none"> Regular monitoring of budgets Regular review of financial strategy and non-core income sensitivity | CLT F&GP |
| 2.3 | Salary and conditions of service pressures outstrip ability to pay | 4 | 4 | 16 | <ul style="list-style-type: none"> Influence within Employers Association Management of staffing expenditures | 4 | 3 | 12 | <ul style="list-style-type: none"> Expenditure modelling On-going discussions with staff Financial strategy sensitivities | ELT HoHR F&GP |

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|--------------|---------|-------------------------------------|-------|------------------------------|--------|------------------------------------|
| Post Holders | Board | Board of Management | HoC | Head of Curriculum | HoSS&G | Head of Student Support & Guidance |
| | ELT | Executive Leadership Team | HoP&Q | Head of Planning & Quality | | |
| | CLT | College Leadership Team | HoF | Head of Finance | | |
| | PRIN | Principal | HoHR | Head of Human Resources | | |
| | VPL&S | Vice Principal Learning & Skills | HoBD | Head of Business Development | | |
| | VPBD&CS | Vice Principal Business Development | HoCS | Head of Corporate Services | | |

| Score | Impact | Likelihood |
|-------|-------------|-------------|
| 1 | Routine | Remote |
| 2 | Minor | Unlikely |
| 3 | Significant | Possible |
| 4 | Major | Probable |
| 5 | Critical | Very likely |

| Risk Number | POTENTIAL CONTRIBUTING FACTORS | | | TREATMENT | | POST MITIGATION EVALUATION | | | | |
|-------------|---|--------|------------|-----------|--|----------------------------|------------|-------|---|---|
| | Risks | Impact | Likelihood | Score | Mitigation Actions | Impact | Likelihood | Score | Monitoring | Responsibility/ Committee Oversight |
| 2 | Financial (cont.) | | | | | | | | | |
| 2.4 | Financial Fraud | 4 | 3 | 12 | <ul style="list-style-type: none"> Strong financial controls: segregation of duties and review of transactions Review of impact of any changes in structure or duties Whistleblowing arrangements | 3 | 2 | 6 | <ul style="list-style-type: none"> Continuous review of financial controls Internal Audit programme | HoF Audit |
| 2.5 | Scotland's Colleges Foundation refuses/withholds funding for key College priorities | 5 | 3 | 15 | <ul style="list-style-type: none"> Only £25,000 of unallocated funds remain. Appropriate bid arrangements in place | 3 | 2 | 6 | <ul style="list-style-type: none"> Monitor and advise Board of Management | HoF F&GP |
| 2.6 | Failure to achieve credit (activity) target | 5 | 3 | 15 | <ul style="list-style-type: none"> Real time monitoring system Identify & implement additional/alternative provision where required | 4 | 1 | 4 | <ul style="list-style-type: none"> Continuous review of progress v targets. Current shortfall of approx. 450 credits – expected to achieve target, including ELC target | ELT HoC HoP&Q F&GP |
| 2.7 | Insufficient Student Support Funding to meet demand. | 4 | 5 | 20 | <ul style="list-style-type: none"> Strong financial monitoring Possible opportunity to request additional in year funding | 4 | 2 | 8 | <ul style="list-style-type: none"> Continuous monitoring of demand v funding allocation Ongoing dialogue with Scottish Funding Council. Confirmation received from SFC that full amount of additional funding requested would be allocated | PRIN HoF F&GP |

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Green (1-8) = Minor Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk

| | | | | | | |
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|-------------|--|--------|------------|-------|--|--------|----------------------------|-------|--|-------------------------------------|--|
| | Risks | Impact | Likelihood | Score | Mitigation Actions | Impact | Likelihood | Score | Monitoring | Responsibility /Committee Oversight | |
| 3 | Organisational | | | | | | | | | | |
| 3.1 | Legal actions; serious accident; incident or civil/criminal breach | 4 | 5 | 20 | <ul style="list-style-type: none">Adherence to legislative and good practice requirementsPositive Union relations and staff communicationEffective management development programmes | 3 | 2 | 6 | <ul style="list-style-type: none">Monitoring and reporting in key areas – eg H&S, equalities, employee engagementContinuous professional developmentInternal audit programmeStaff surveys | ELT BoM | |
| 3.2 | Reputational Risk – Loss of reputation with key stakeholders | 4 | 3 | 12 | <ul style="list-style-type: none">Marketing strategyPositive marketing approaches | 4 | 2 | 8 | <ul style="list-style-type: none">Stakeholder engagementSocial media monitoring arrangements | PRIN VPBD&CS HoP&Q BoM | |
| 3.3 | Disasters – eg Fire, MIS Failure, Failure of Emergency Procedures | 5 | 4 | 20 | <ul style="list-style-type: none">Sound systems of administrationClear fire and disaster recovery arrangementsStaff CPD | 5 | 1 | 5 | <ul style="list-style-type: none">Business Continuity Plan including scenario testing | VPBD&CS VPL&S HoCS BoM | |
| 3.4 | Failure to meet Prevent and related obligations | 5 | 3 | 15 | <ul style="list-style-type: none">Prevent trainingStaff awareness and contingency planningEngagement/practice sharing with local agencies | 5 | 1 | 5 | <ul style="list-style-type: none">Business Continuity Plan including scenario testingInformation sharing with local agencies | VPBD&CS HoCS BoM | |

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| | Risks | Impact | Likelihood | Score | Mitigation Actions | Impact | Likelihood | Score | Monitoring | Responsibility /Committee Oversight |
| 3 | Organisational (cont.) | | | | | | | | | |
| 3.5 | Industrial Relations Problems (including industrial action) | 4 | 5 | 20 | <ul style="list-style-type: none">Adherence to legislative and good practice requirementsPositive Union relations and staff communicationEffective management development programmesIndustrial action continuity planning | 4 | 5 | 20 | <ul style="list-style-type: none">Regular union/management dialogueRegular employee engagement monitoringOpen communication with staffEIS currently taking industrial (including strike) action. | ELT HoHR HR |
| 3.6 | Failure to achieve ambitions of ICT strategy; strategy and development is ineffective | 4 | 4 | 12 | <ul style="list-style-type: none">Planning, careful phasing of changes to processes and systemsEffective management of ICT arrangements | 4 | 2 | 8 | <ul style="list-style-type: none">Regular review/reporting on milestones, systems effectiveness etcRegular CPD | VPBD&CS HoCS Audit |
| 3.7 | Breach of ICT/Cyber security | 4 | 3 | 12 | <ul style="list-style-type: none">Effective management of ICT arrangementsActive ICT/data security monitoring and cyber security policy | 4 | 2 | 8 | <ul style="list-style-type: none">Staff CPD on cyber security issuesRegular security monitoring/testingCyber resilience plan | VPBD&CS HoCS Audit |

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|-------------|---|--------|------------|-----------|--|----------------------------|------------|-------|---|---|
| | Risks | Impact | Likelihood | Score | Mitigation Actions | Impact | Likelihood | Score | Monitoring | Responsibility /Committee Oversight |
| 3 | Organisational (cont.) | | | | | | | | | |
| 3.8 | Breach of data security/data protection | 5 | 4 | 20 | <ul style="list-style-type: none"> Effective management of ICT arrangements and GDPR compliance Mandatory staff CPD and awareness raising on data protection (relative to role) | 4 | 2 | 8 | <ul style="list-style-type: none"> Active data protection monitoring and auditing Effective information and data security policies in operation Regular data security monitoring/testing GDPR Action Plan | VPBD&CS, HoCS Data users Audit |
| 3.9 | Failure to reach aspirational standards in learning, teaching and service delivery | 4 | 3 | 12 | <ul style="list-style-type: none"> Clear quality arrangements and priority actions Continuous self-evaluation and action planning Rigorous CPD arrangements in place Regular classroom observation and learner feedback arrangements | 4 | 3 | 12 | <ul style="list-style-type: none"> Comprehensive monitoring of key PIs and student/staff feedback Regular Stop and Review events External review and validation findings Current PI report indicates no significant improvement in retention at this moment | VPL&S, VPBD&CS HoP&Q HoC L&T |
| 3.10 | Failure to achieve/maintain compliance arrangements, eg contracts; awarding bodies; audit | 4 | 3 | 12 | <ul style="list-style-type: none"> Robust strategic planning and monitoring Effective environmental scanning Strong partnerships Clear links between strategy and practice | 2 | 2 | 4 | <ul style="list-style-type: none"> Effective internal monitoring/review/verification arrangements External review findings | PRIN CLT Audit |

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| | Risks | Impact | Likelihood | Score | Mitigation Actions | Impact | Likelihood | Score | Monitoring | Responsibility /Committee Oversight |
| 3 | Organisational (cont.) | | | | | | | | | |
| 3.11 | Failure to meet the deadlines in our successful bid to SoSEP regarding the provision of Hub and Spoke model for Engineering, Construction and Care | 3 | 4 | 12 | <ul style="list-style-type: none"> Robust project planning in place and feedback via EMT to Board of Management Clear and consistent approach to the project with Borders College Independent scrutiny through clerk of works (for building works) SFC involvement at all stages of the project | 3 | 3 | 9 | <ul style="list-style-type: none"> Curriculum development planning through L&T Committee Overall project through regular Board of Management updates Further scrutiny through SoSEP Board | PRIN VP BD&CS VP L&S BoM |
| 3.12 | Failure to reach contractual agreement with CITB regarding delivery of Construction related Apprenticeships | 4 | 4 | 16 | <ul style="list-style-type: none"> National issue, discussions with CITB, SQA now escalated to include SDS and Scottish Government Request to defer new qualification until 2019/20 being considered by SQA regulatory body | 4 | 4 | 16 | <ul style="list-style-type: none"> Principal actively involved in national discussions Detailed scenario planning regarding costs of delivery and impact on college currently being completed Curriculum Manager involved in national forum exploring options | PRIN VP L&S CM BoM |