

BOARD OF MANAGEMENT

Tuesday 25 September 2018 at 5.00pm, Seminar Room 5, Arbroath Campus



AGENDA

Please note that in advance of the meeting there will be a Board Development Session updating Board members on the work of the Service Design Academy and the SDA Business Plan for 2018/19.			
1.	WELCOME	Helen Young from Stirling University will be in attendance for the meeting	
2.	APOLOGIES		
3.	DECLARATIONS OF INTEREST		
4.	MINUTE OF LAST MEETING – 12 JUNE 2018 4.1 Adoption 4.2 Matters Arising (i) ESRC Governance Project	Paper A for approval	AMc ST
5.	STRATEGIC ITEMS 5.1 Good to Great Strategy Project Update 5.2 Good to Great Revised Budget 5.3 Strategic Development Day 5.4 Regional Outcome Agreement Timescales	Paper B for discussion Paper C approval Verbal update Paper D for approval	GR CB AM ST
6.	PRINCIPAL'S REPORT	Paper E for information	GR
7.	FINANCE ITEMS 7.1 Audit Scotland Report – College Position 7.2 Financial Forecast Return 7.3 Voluntary Severance Scheme	Paper F for discussion Paper G for approval Paper H for approval	CB CB ST
8.	QUALITY ITEMS 8.1 Annual Quality Report 2017/2018 8.2 Enhancement Plan 2018/2021	Paper I for approval Paper J for approval	ST ST
9.	GOVERNANCE ITEMS 9.1 Board Membership 9.2 Risk Register 9.3 Board Metrics	Paper K for approval Paper L for approval Paper M for information	ST ST ST
10.	NATIONAL BARGAINING UPDATE	Paper N for discussion	GR
11.	MINUTES OF COMMITTEE MEETINGS 11.1 Learning, Teaching & Quality – 29 August 2018 11.2 Finance & Property – 11 Sept 2018 11.3 Audit & Risk – 18 Sept 2018 (Verbal update) 11.4 Human Resource & Development – 20 Sept (verbal update)	Paper O for information	AMc
12.	CORRESPONDENCE	Paper P for information	
13.	ANY OTHER BUSINESS		
14.	DATE OF NEXT MEETING Tuesday 11 December 2018, Room A 305, Kingsway Campus at 10.00am . This meeting will be followed by the Board Christmas Lunch. A Board development session on College finances will be held between 09.00 and 10.00am.		

NB Friday 26 October 2018, Graduation Ceremony, Caird Hall 2.30pm



**BOARD OF MANAGEMENT
Tuesday 25 September 2018**

Minute of Last Meeting – 12 June 2018

Paper A



BOARD OF MANAGEMENT

Minute of the Board of Management of Dundee and Angus College meeting held on
Tuesday 12 June 2018 at 5.00pm in Seminar Room 5, Arbroath Campus

PRESENT:

A McCusker (Chair)	G Robertson
A O'Neill	M Williamson
S Mill	D Fordyce
J Richardson	T Pirie
G Ritchie	L Addison
P Milne	

IN ATTENDANCE:

- C Blake (Vice Principal)
- S Taylor (Vice Principal/Secretary to the Board)
- S Hewitt (Vice Principal)
- C Watson (Stirling University)

1. WELCOME

A McCusker welcomed members to the meeting and welcomed Cate Watson from Stirling University.

A McCusker noted that this was Jane Richardson's last meeting, made a small presentation and thanked her for her service to the Board.

2. STIRLING UNIVERSITY ESRC GOVERNANCE PROJECT

C Watson summarised the research project in respect of good governance in further education and advised that funding had been secured to undertake research across eight FE colleges UK wide (two in each home nation), with Dundee and Angus volunteering to be a part of this. It was noted that the focus of the research would be on "Boards in Action" and that this was the first substantive research undertaken into governance in FE colleges.

C Watson stated that the research was not an evaluation of the effectiveness of boards, but was a study into the operation and role of boards in identifying and creating strategy and supporting this into action. The main research methodology would be by observation and plans to record board meetings throughout 2019 were noted.

C Watson noted that all involved would be asked to provide consent for filming, but that this was voluntary. It was confirmed that all footage would only be used for research purposes, would not be published, and would be destroyed within 12 months of the project ending.

The timing of the research relative to the annual cycle of D&A Board meetings was discussed and it was noted that where meetings were not filmed it may be that the project Research Fellow would attend and observe.

The role of the Impact Group in respect of the project was discussed and it was noted that this group would have a role in sharing best practice. A McCusker asked Board members to let her know if they were interested in being a member of the Impact Group.

S Taylor confirmed that he would oversee completion and return of the required consent forms for current and new members.

The Board welcomed involvement in the project and thanked C Watson for her input.

3. APOLOGIES

Apologies were received from M Galloway, S Watt, J Gregory and R Walker.

4. DECLARATIONS OF INTEREST

A declaration of interest from G Bisset was noted and he did not attend the meeting.

5. MINUTE OF LAST MEETING – 20 March 2018

5.1 Adoption

The minute of the Board of Management meeting held on 20 March 2018 was signed and approved as an accurate record.

5.2 Matters Arising

Regional Outcome Agreement

S Taylor advised that the Regional Outcome Agreement had been completed and was ready to be signed off by the College and Scottish Funding Council (SFC). It was noted that (in common with other colleges) the final sign-off would include a caveat agreed with SFC in respect of credits ring-fenced for Childcare provision. S Taylor stated that this caveat reflected concerns with regard to the availability of potential students and work placement providers to meet the proposed HN level targets.

All other actions had been progressed or were included within the agenda.

6. STRATEGIC ITEMS

6.1 Strategic Away Day

A McCusker summarised thoughts in respect of a strategic away day event and highlighted the need to focus on longer term strategy (to 2025 or beyond).

Arrangements were discussed and it was agreed to look at two half-day sessions, September 2018 and early 2019. **S Taylor to progress.**

6.1 Good to Great Strategy

G Ritchie summarised the detailed interim report produced outlining developments in respect of the Good to Great strategy and project activities.

Progress in respect of the various project themes outlined within the report was summarised and G Ritchie noted the range of staff and student involvement.

Developments in respect of the project outputs discussed through the initial bid were noted and the range of key metrics identified to evidence these outputs were noted.

A McCusker praised the work undertaken and highlighted the positive feedback from the recent Education Scotland visit where the strategy and developments were reviewed.

A McCusker asked the Board to split into smaller groups to discuss the report and to feedback key thoughts/points for consideration. From this the following key points were noted.

- The lack of a current project manager was a concern, with a risk that the Executive focus too much on the project activities rather than the overall strategy
- There was clear progress being made, but also a need to ensure that this was communicated well to staff.
- The senior team should be the drivers of the change, but also need to ensure that the changes being made are sustainable and built into on-going ways of working
- The links between the Good to Great strategy and future long-term strategic direction need to be clear and be explained well – Good to Great should form the basis for the longer term vision.
- The project report was welcomed and provided a good summary of work done. It was clear and easy to understand.
- The metrics were welcomed, but were they all sufficiently challenging?
- How can the impact of Good to Great be isolated and evaluated?

G Ritchie noted that all of these points would be taken into account as the project and strategy developed.

Plans in respect of the project management, communication and metrics were discussed, as was the need to communicate the transformational message underpinning Good to Great to external stakeholders. The potential to include a question on Good to Great within the staff survey was noted.

M Williamson noted the importance of focussing on learning and teaching as core business and in capturing this through the project. This was recognised.

It was noted that the role of the Project Board was not referenced within the report, and the potential for a member of the Board of Management to join the Project Board was discussed.

The update was welcomed and it was confirmed that a further report would be brought to the next meeting. **G Ritchie to progress.**

7. PRINCIPALS REPORT

G Ritchie summarised his report, highlighting the positive position in respect of current year credits and 2018/19 recruitment.

A McCusker noted that she was aware that some colleges within designated “growth regions” had received additional in-year activity. This was discussed and A McCusker noted that it would be useful to include this within the agenda for her meeting with the Chair of SFC.

G Ritchie noted the recent D&A Attributes awards event and the excellent work undertaken to develop and promote the attributes programme.

The 2018 Staff Awards were noted and G Ritchie reminded Board members that they were welcome to attend.

8. STUDENTS' ASSOCIATION REPORT

A McCusker summarised developments and progress made through the Students' Association Advisory Board and noted recent stop and review activities and outcomes.

The Annual Report produced by the Students' Association was noted with interest and the video format of this welcomed.

A McCusker noted plans to build on the 'Pizza with the Principals' events with 'Cake with the Chair' sessions.

9. FINANCE ITEMS

9.1 2018/19 Budget

C Blake summarised the planned budget and noted that this had been discussed and approved as an initial draft by the Finance and Property Committee.

It was noted that the budget outcome was a projection of £571k cash backed surplus and C Blake advised that this figure was required to meet the loan repayment in August 2019.

The cashflow forecasts as at July 2018 and July 2019 were noted and the concerns of the Finance and Property Committee were highlighted in relation to the negative impact of any of the risk areas within the financial strategy coming to fruition.

C Blake noted that significant risks remained in respect of future cost of living increases and noted that the financial levers available in-year were limited.

The need to ensure that there were appropriate contingencies within the budget planning process were discussed and C Blake noted that, whilst a major savings plan was not being proposed, on-going savings would be required to help to improve on the precarious cash position.

C Blake noted that the budget was usually accompanied by the SFC Financial Forecast Return, but that the deadline for submission of this had now changed. This would be brought to the September Board meeting.

Following consideration the 2018/19 budget was approved. **C Blake to progress.**

9.2 Foundation Bid Withdrawal

C Blake summarised the paper produced in respect of the bid for funding to support replacement of the windows at the Kingsway campus. It was noted that the capital funding for 2018/19 included additional funds prioritised for backlog maintenance and that, following discussion with SFC, these funds would support the window replacement. As a result, a request was made that the funding bid to the D&A Foundation for these works be withdrawn.

Following discussion this was agreed. **C Blake to progress.**

9.3 Single Supplier Contract

C Blake outlined the request to progress a contract with Midland HR on a single supplier basis. The background and rationale for this was discussed and the request was approved for submission to SFC. **C Blake to progress.**

9.4 Current Savings/Income Plans

G Ritchie summarised the outcome of the recent savings plan, noting that actions arising from this were now progressing to make the c. £1 million savings necessary under the financial strategy and underpinning the 2018/19 budget.

A McCusker noted that this was welcome news and asked about steps to increase commercial income. G Ritchie noted that this had been discussed through the budget setting process and stated that discussions with companies around the Flexible Workforce Development Fund had identified a range of potential new commercial opportunities. The benefit of testing the market with new short course ideas was discussed.

The update was welcomed.

9.5 Remuneration Committee

P Milne summarised the minute of the Remuneration Committee meeting and stated that there were three key items considered. These were the objectives for the Chair and Principal (including the 360 degree appraisal work undertaken) alongside staff salary arrangements for those senior staff outwith the scope of the NRPA.

P Milne summarised each discussion highlighting the key objectives agreed for the Chair and the Principal.

In respect of senior staff salaries, P Milne stated that she wanted to acknowledge the excellent work undertaken by the senior team and stated that it was not felt that the award that it was possible to make fully reflected this. It was noted that the Committee had agreed that arrangements for these staff needed to reflect those for support staff and noted that this had resulted in an award of £425 consolidated on each salary point plus the £100 unconsolidated payment.

P Milne stated that the Committee had considered the award of an additional day's annual leave to bring senior staff into line with support staff. P Milne stated that it was felt that this would have been an easy decision to reach, but that the Committee felt that annual leave entitlements were already very generous and that further increasing these was not appropriate. P Milne stated that she wanted to be clear that this was not a sign of dissatisfaction in any way with the staff group, but had been decided on a point of principle.

P Milne stated that the Committee had discussed the job evaluation information and exercise undertaken for some senior staff roles and had decided not to make any changes at this point in time.

G Ritchie stated that he felt that he should highlight that reaction had been mixed in respect of the outcomes reached, and that there was disappointment from some senior staff that they had received a lesser award than other staff groups.

G Ritchie stated that a feeling had been expressed by some that they felt that this undermined the work that they did. P Milne stated that she recognised this, but

stressed that the decisions reached did not reflect the excellent work undertaken or the positive view of this from the Committee.

A O'Neil stated that he did not want to comment on the salary or annual leave, but was disappointed that the key objectives for the Principal did not reference curriculum. A McCusker stated that this was subsumed within the Good to Great reference and outcomes.

T Pirie welcomed the update, but noted that the Board would need to keep an eye on any differences emerging as a result of differential pay or conditions awards and be aware to the possible reduction in salary differentials. This was recognised.

Following discussion the Remuneration Committee outcomes were endorsed by the Board. **S Taylor to progress.**

10. GOVERNANCE ITEMS

10.1 Board Membership

S Taylor summarised the Board membership paper, and following discussion the following actions were approved. **S Taylor to progress.**

1. Appointment of the two new members of the Board as detailed.
2. Approval of extension to Board appointments for current members as noted.
3. Creation of the roles of Committee Vice Chair
4. Renaming of the Audit Committee to Audit and Risk Committee
5. Extending the Committee membership of Student Board members.

The potential role for Changing the Chemistry in supporting diversity in the recruitment of new Board members was discussed.

10.2 Board Evaluation and Development Plan

The draft evaluation was discussed alongside feedback received through the recent Board evaluation questionnaire. Following discussion the draft evaluation was approved, as was the proposed development plan for 2018/19. **S Taylor to progress.**

Completion and close off of the development plan arising from the externally facilitated evaluation of the effectiveness of the Board of Management from September 2016 was noted.

10.3 Board Metrics

The range of Board metrics produced were noted.

11. NATIONAL BARGAINING UPDATE

G Ritchie noted that there had been little or no progress made in respect of national bargaining outcomes since the last meeting, but that discussions continued.

It was agreed that a paper summarising the national position for both academic and support staff would be brought to the next meeting. **G Ritchie to progress.**

12. MINUTES OF COMMITTEE MEETINGS

The minutes of the recent round of Committee meetings were noted.

M Williamson noted good progress discussed at the Learning, Teaching & Quality meeting in respect of the use of data and business intelligence to underpin evaluation and decision making.

P Milne noted discussions at the Human Resource and Development Committee in respect of the savings plan and work progressed to support workforce planning.

S Mill noted discussion at Finance and Property in respect of the 2018/19 budget and also in respect of the worsened 2017/18 out-turn. It was noted that this showed a c £775k adverse variance from budget. Discussions had also centred on part-time fee income and space utilisation.

M Williamson stated that the March Audit Committee meeting had discussed the risk register in detail. G Robertson highlighted discussions at the May meeting and noted the potential risk of consolidation in respect of the funds held by the D&A Foundation.

This risk was discussed alongside the independence of the Foundation and its Trustees. The need to ensure early and on-going discussion with the external auditors on this matter was highlighted.

13. CORRESPONDENCE

The list of recent communications was noted.

14. ANY OTHER BUSINESS

There was no other business. J Richardson thanked Board members for her flowers and wished the College success for the future.

15. DATE OF NEXT MEETING

The next Board of Management meeting will take place at 5.00pm on Tuesday 26 September 2018 in Seminar Room 5, Arbroath campus.

Action Point Summary

Action	Responsibility	Date
Presentation on Service Design Academy developments	S Hewitt	26 September 2018
Dates for two half day board strategy sessions to be identified (September 2018 and early 2019)	S Taylor	29 June 2018
Good to Great project update report to be produced	G Ritchie	26 September 2018
Final 2018/19 Budget to be completed	C Blake	31 July 2018
Bid to D&A Foundation for Kingsway campus replacement window funding to be withdrawn	C Blake	29 June 2018
Single Supplier Approval to be sought from SFC	C Blake	29 June 2018
Remuneration Committee outcomes to be progressed	S Taylor	29 June 2018
Board membership and committee actions to be progressed as follows	S Taylor	26 September 2018
<ol style="list-style-type: none">1. Appointment of the two new members of the Board as detailed.2. Approval of extension to Board appointments for current members as noted.3. Creation of the roles of Committee Vice Chair4. Renaming of the Audit Committee to Audit and Risk Committee5. Extending the Committee membership of Student Board members.		
Board 2018/19 development plan to be progressed	S Taylor	26 September 2018 onwards
Update on national bargaining positions and progress	G Ritchie	26 September 2018



**BOARD OF MANAGEMENT
Tuesday 25 September 2018**

Strategic Item

Good to Great Strategy Update

Paper B



PROGRESS REPORT SEPTEMBER 2018

Good to Great Transformation
Project

This report summarises progress being made in respect of delivery of the Good to Great strategy and related projects.

D&A College Good to Great Transformation Project

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1 Progress Report – A Summary of Key Activities to Date

Despite the expected ‘lull’ over the summer vacation period, a significant amount of work has been undertaken through the Good to Great project since the report made to the Board on 12 June 2018.

The key highlights and progress made since the last report include:

- Appointment of a new Transformation Project Manager
- Help Points are up and running in 3 main campuses
- Wellbeing project is well underway with many major developments to be completed by January
- D&A College Website progressing (to be launched in November 2018)
- Students’ Association/Sports Union Website launched at the start of September
- Launch of Service Design Tool kit
- New curriculum commenced
- Various curriculum equipment purchased

1.1 Project Management

A new Transformation Project Manager was appointed in July 2018 on a seconded basis from within the College. Tatiana Zorina has moved 0.5FTE from her role as Learner Engagement Officer to undertake this role and has brought significant energy and enthusiasm to developments, alongside clear project planning and administration skills. This input has made a significant impact on the overall structure, organisation and planning of the Good to Great activities.

1.2 Progress by Theme

As reported in June 2018, the Good to Great project work is being progressed through a series of major themes, with each theme built up from a range of projects. The theme leads are supported within this by individual leaders responsible for specific projects with overall co-ordination and reporting supported by the Transformation Project Manager. This approach is working well, with good progress being made across all themes.

The key themes and underpinning projects include the following:

Recruitment	Retention	Digital	Learning & Teaching	Customer Experience
<ul style="list-style-type: none"> • Funding Focus • Recruitment Days • Help Points • Learn 2 Learn • Onboarding • You Tube Channel • Schools Engagement • D & A Pledge 	<ul style="list-style-type: none"> • Escape Room • Wellbeing • Government Retention Project • Curriculum Area Pilots 	<ul style="list-style-type: none"> • Digital Community • Digital Curriculum • Digital Environment • D&A Baseline • Data Project • MyLearning Changes 	<ul style="list-style-type: none"> • Gateway Programmes • IIIR Curriculum Portfolio Review • Curriculum Resources • Future Skills • Career Coach • CommuniTay STEM Bus 	<ul style="list-style-type: none"> • Customer Charter • College Website • SA / SU Website • Good to Great Learner Ambassadors • Stakeholder Advisory Boards

Progress in respect of each theme as of 10 September 2018 is as follows.

1.2.1 Recruitment

We now have three very busy **Help Points** (one on each of the main campuses). The Help Points are a new initiative which came out of a Service Design event, this 'one-stop shop' for learner frontline enquiries is designed to be the first port of call for learners from day one, right through their College journey. The Help Points have supported 100s of learners per day per campus in first couple of weeks of term. Initial feedback on the service provided is very positive and a full evaluation of the impact of these developments will take place after Christmas holidays.

As a part of recruitment at the end of June we had a very busy week of **Learn 2 Learn (Prepare Me)** events which, although challenging, were rated an average of 8.6 out of 10 by the learners involved.

In January 2018 we launched a **D&A Pledge**, we have promised that each school leaver that come through the door will get a place at D&A College. The **D&A Pledge** has seen us offer unconditional offers to 1,352 school leavers

The creation of new recruitment approaches and a bespoke learner '**on-boarding**' system has streamlined pre and post-recruitment tasks into a single and more clearly mapped out journey. This has simplified arrangements for students and provides a clearer step by step route where learners can check their course application, progress their student funding application, complete registration and access their timetable. Use of task logging allows learners to see at a glance progress made in respect of key pre-entry tasks. This should improve engagement with necessary administrative processes, whilst reducing errors and removing potential barriers to early attendance and retention.

Key theme/project metrics underpinning developments in respect of learner recruitment include the following.

Theme	Good to Great Project Metric	Baseline	National Ave	Interim Measure	Target	Baseline/Data Source
Recruitment	Increase in full time recruitment (each mode)	5225		5200	5563*	2016/17 FES Data
Recruitment, L&T	Reduction in SCQF level 4 courses	103		86	53	Curriculum portfolio 2016/17

**This target will be reviewed in line with the anticipated credit target reduction and emerging thinking from curriculum review regarding the full-time vs part-time balance of the College portfolio.*

1.2.2 Retention

The student and staff **Wellbeing project** (#DAWellbeing) is up and running and we are the first college in Scotland to merge the wellbeing of our staff and learners. A successful Wellbeing Fayre which took place over three campuses over three days (11th - 13th June) was attended by approximately 120 staff around 90% of whom had no direct link to previous wellbeing activities. Of the sessions around 70% of the staff were academic staff which is very positive as we encourage curriculum staff to work together alongside support staff to support positive wellbeing.

During the all staff Welcome back event in August, the **Wellbeing Project** Leads (Jane Cooper and Sarah Ramminger) launched the overall project and led a range of very popular sessions (attended by more than 170 staff).

All staff have been offered a free water bottle to publicise the wellbeing work (and to reduce single use plastics). The #DAWellbeing area (online tool kit) is currently being developed and will be launched in January 2019. The toolkit will be developed and supported by discussion and awareness raising at individual team level, underpinned by individual team data reports outlining the level of mental health and other wellbeing data for their learner groups. Awareness raising throughout the year will be supported through a series of 'Refresher' events to be held for both staff and learners. A full update on this work was provided to the members of the Learning, Teaching and Quality Committee in August.

Our own **Escape Rooms** are currently being developed in Kingsway campus and we are aiming to have the first room available for learner teambuilding and problem solving by the end of November 2018.

Government Retention Project has seen a collaboration between Quality, Learner Engagement, Student Services and Social Sciences. Teams have jointed to look at retention and attainment with Certificate in Social Sciences class in Arbroath. In particular, we are looking at attainment data between week 3 and 7 as during this time we have seen particularly high withdrawals, in response to this we are looking at different ways to support learners.

Key theme/project metrics underpinning developments in respect of learner retention include the following.

Theme	Good to Great Project Metric	Baseline	National Ave	Interim measure	Target	Baseline/Data Source
Retention	Staff completed health & wellbeing training (FTE)	10%		35%	80%	CPD Data March 2018
Retention	Group Tutors completed health and wellbeing toolkit training	0		Toolkit is to be launched in January '19	100%	CPD Data March 2018
Retention	Learner Awareness and engagement with health and wellbeing <ul style="list-style-type: none"> The college cares about my wellbeing I know how to look after my wellbeing 	74%			100%	Learner survey commissioned May 2018
		92%			100%	

1.2.3 Digital

Since the launch of the **Digital Strategy** in May, over 470 staff have completed the College's Digital Capabilities Self-Assessment. The Self-Assessment is backed up by a series of on-line development options and supported sessions are offered to improve skills and use. Work is progressing to give all remaining staff the opportunity to complete their Self-Assessment before the October deadline.

In addition, all new and continuing learners are offered the chance to complete the learner version of this assessment, either independently or as part of their induction or class time.

MyLearning has been given a whole new look for academic year 18/19. In addition, to a wide range of new features and the merger of MyLearning with MyProfessional Learning, the system is being supported externally by Overt. This frees up time for the newly merged Learning and Digital Resources team to concentrate on supporting staff with the development of new and more engaging interactive learning and teaching materials.

Key theme/project metrics underpinning developments in respect of Digital developments include the following.

Theme	Good to Great Project Metric	Baseline	National Ave	Interim measure	Target	Baseline/Data Source
Digital	Staff Digital Competency	zero data	No data	67%	100% competent	Digital competency assessment tool
Digital	6 x Fully digital course provision available	0	n/a	2	6	Online learning audit in May 2018

1.2.4 Learning and Teaching

As a part of **IIR Curriculum Portfolio Review** teams were encouraged to work more closely with other teams within the College to broaden the learner experience. This has been demonstrated in the identification of new provision in Activity Tourism (Travel & Tourism with Sport), Data Analytics (Business and Computing), Food Science (Science and Hospitality) and HNC Engineering Systems with Robotics (Computing and Engineering).

Throughout the review, teams have embraced the **Service Design** approach and methodology, with teams such as Horticulture and Hair and Beauty holding specific service design events with students and employers. A number of key ideas on both how the provision could be enhanced, as well as how it could be delivered, have come out of these events. More teams have scheduled in set service design events within the 18/19 session.

The new **Gateway** course pilots were so successful that it has been further piloted in session 18/19 with Gateway to College (replacing various Access level 4 courses) and Gateway to Trades (incorporating Engineering, Construction and Building Services) in both Angus and Kingsway campuses. These courses have been proven to be very popular within all age groups and we have recruited 185 learners.

More **curriculum resources** have been purchased including Vacuum Former for the Art department which will enhance learners experience by having the ability to design, make and use moulds that learners create will allow them to see the complete creative/design process in action.

Dundee and Angus College have been gifted a bus (**CommuniTAY Bus**) by Xplore Dundee to utilise as a mobile resource with the aim of removing barriers to learning particularly in some of the most deprived communities within the region. Learners of all ages will be targeted.

The overall vision is to provide a mobile resource that will create a flexible space that can be adapted to suit almost all areas of the curriculum e.g. science, care, hospitality, engineering, digital with a particular focus on the STEM (Science, Technology, Engineering and Maths) agenda.

Key theme/project metrics underpinning developments in Learning & Teaching include the following.

Theme	Good to Great Project Metric	Baseline	National Ave	Interim measure	Target	Baseline/Data Source
L&T	Increased class sizes as an average by Dept.	11	11	15.3	16	Business Intelligence: class size by course and department
L&T	Commercial Course Enrolment income increase by 5%	£936K			£983K	Business intelligence 2016/17 metrics commissioned
L&T	% of Course Portfolio modernised	0		50%	80%	Curriculum portfolio 2016/17
Recruitment, L&T	Number of distinct/individual courses at SCQF Level 4	103		86	53	Curriculum portfolio 2016/17

1.2.5 Customer Experience

Innovation Digital has been awarded the contract to create, design and develop our **new D&A College website** with a Go Live date of end of November 2018. This is a very ambitious timeline, and has involved staff from across the college working together to ensure all project deliverables have stayed on track. Site structure has now been tested by a wide user group which included staff, learners and external clients. In parallel we also revisiting “Site Content” – Objective is to have as much new dynamic content as possible which aligns with the college priorities and growth areas; plus, a landing page for each academic area/sector.

The new website has been developed to not only embrace the college’s new digital strategy but the ever developing digital needs of our learners.

The joint **Students’ Association/Student Union website** was launched during Freshers’ week, which will continue to develop and grow over the coming weeks.

The website will give a one stop shop for finding out all the great opportunities we have on offer for our learners at D&A, across the year whether that is sport & wellbeing related or surrounding learner representation. This development will support learners to access enriching opportunities and relevant information easily.

Our **Good to Great Learner Ambassadors** are a group of confident, able learners, who will contribute to the good to great journey by supporting key pieces of research and getting involved in key projects. They have completed their first research which will influence the future of the **Wellbeing project**.

Advisory Board developments are progressing and we now have 13 Advisory Boards (7 new Boards and 6 existing local/board groups) in place.

Key theme/project metrics underpinning developments in the Customer Experience include the following.

Theme	Good to Great Project Metric	Baseline	National Ave	Interim Measure	Target	Baseline/Data Source
Cust Exp	Active Stakeholder Advisory Boards per Academic team	20%	-	65%	100%	2016/17 Stakeholder curriculum saturation
Cust Exp College Website	Number and duration of website sessions/month	zero data		78000	85000	Website analytics
Cust Exp	Number of ‘administrative’ services redesigned	0	No data	1	4	Systems availability review

1.3 Project Finances

A revised Good to Great Budget was agreed by the Finance and Property Committee on 11 September. This revised budget will be considered by the full Board prior to submission to the D&A Foundation. As a part of this revised budget it is recognised that project timescales are likely to slip slightly into session 2019/20 and an amendment to the D&A Foundation funding timeline will be requested.

To end July expenditures on the projects is c £125K.

2 Communication & Engagement Strategy

The all staff event in August was used by the Transformation Project Manager to promote the progress being made and to provide an opportunity for staff to ask questions and communicate their views on project development. Leaflets have been produced to inform staff on the main project vision, the key themes and range of projects being progressed.

Good to Great Portal has been relaunched, with updates on the project being posted weekly. Staff have easy access to the Good to Great portal via a direct link from the main staff portal homepage.

Twitter is playing an increasing role in sharing updates and developments of the project with #DAG2G, #DAWellbeing, #morethanjustacollege and #moresuccessfulstudents being widely used by staff. These Twitter feeds are displayed on a rolling basis on the homepage of the main staff portal.

The weekly staff 'Friday Focus' Senior Leadership Team blog is also being used to promote good to great developments and share updates with staff. The Transformation Project Manager has been given a slot as 'guest host' of this blog once a month to provide a more detailed update.

3 Risk Management

The project risk register has been updated and is included in Appendix 2.

4 Conclusion

The Good to Great Project is entering year 2 with work progressing well across the full range of projects and activities. The slower than anticipated start to some aspects of the project has impacted on the overall timeline, but this is unlikely to be a significant issue overall.

Excellent progress is being made across a number of the major projects, including implementation of the curriculum review and the focus on improving recruitment and retention.

All themes/projects are in a known position and future work plans, expenditures and planned outcomes are known.

Interim measures in respect of the key theme and project metrics show positive movement.

Appendix 1 - Theme/Project Metrics

Theme	Good to Great Project Metric	Baseline	National Average	Interim Measure	Target	Baseline/Data Source
Digital	Staff Digital Competency	zero data		67%	100% competent	Digital competency assessment tool
Digital	6 x Fully digital course provision available	0	No data	1	6	Online learning audit in May 2018
L&T	Increased class sizes as an average by Dept.	11	11	15.3	16	Business Intelligence: class size by course and department
L&T	Commercial Course Enrolment increase by 5%	£936K			£983K	Business intelligence 2016/17 metrics commissioned
Retention	Staff completed health & wellbeing training (FTE)	10%		35%	80%	CPD Data March 2018
Retention	Group Tutors completed health and wellbeing toolkit training	0		To be launched in January '19	100%	CPD Data March 2018
Retention	Learner Awareness and engagement with health and wellbeing <ul style="list-style-type: none"> The college cares about my wellbeing I know how to look after my wellbeing 	74% 92%			100% 100%	Learner survey commissioned May 2018
Recruitment	Increase in full time recruitment (each mode)	5225		5200	5563	2016/17 FES Data
Cust Exp	Active Stakeholder Advisory Boards per Academic team	20%		65%	100%	2016/17 Stakeholder curriculum saturation
L&T	% of Course Portfolio modernised	0		50%	80%	Curriculum portfolio 2016/17
Recruitment, L&T	Number of distinct/individual courses at SCQF Level 4	103		86	53	Curriculum portfolio 2016/17
Cust Exp	Number and duration of website sessions/month	Zero data		78000	85000	Website analytics
Cust Exp	Number of 'administrative' services redesigned	0	No data	1	4	Systems availability review

Appendix 2 – Risk Register

	RISK	DEGREE OF RISK			POTENTIAL CONTRIBUTING FACTORS	CONTROLS/ MITIGATING FACTORS	RISK MONITORING	RESPONSIBILITY
		Likelihood	Impact	Risk Factor				
1.	Poor Project Management results in lack of project direction/ missed opportunity	2	4	8	<ul style="list-style-type: none"> Lack of sustained project management Lack of clarity of projects/outcomes Poor implementation 	<ul style="list-style-type: none"> Project Board in place Experienced Theme Leads Distributed projects 	<ul style="list-style-type: none"> Regular project updates Monitoring of key metrics 	Project Manager, Theme Leads
2.	Failure of strategy and activities to deliver required improvements	2	4	8	<ul style="list-style-type: none"> Strategic misalignment/ confusion/drift Project activities ineffective or misaligned with outputs 	<ul style="list-style-type: none"> Project Board in place Experienced Theme Leads Distributed projects 	<ul style="list-style-type: none"> Regular project updates Monitoring of key metrics 	Board, Executive Team, Project Manager, Theme Leads
3.	Lack of staff engagement and involvement results in limited impact	1	3	3	<ul style="list-style-type: none"> Project communication/ engagement ineffective Complexity of messages – G2G/ savings requirements Change handled poorly 	<ul style="list-style-type: none"> Clear communication & engagement strategy Focus on core business & learners 	<ul style="list-style-type: none"> Face to face communications Regular discussions with Theme Leads Discussion/updates with trade unions 	Executive Team
4.	Focus on Good to Great impacts adversely on normal operations/ developments	1	3	3	<ul style="list-style-type: none"> Management attention diverted by project activities Project activities not “mainstreamed” with operational cycles 	<ul style="list-style-type: none"> Standing item at SLT meetings Discussion on implementation with wider operational groups Allocation of specific project time Focus on core business & learners 	<ul style="list-style-type: none"> Regular project updates Monitoring of key metrics Discussion of G2G alongside other key priorities 	Executive Team, Senior Leadership Team

	RISK	DEGREE OF RISK			POTENTIAL CONTRIBUTING FACTORS	CONTROLS/ MITIGATING FACTORS	RISK MONITORING	RESPONSIBILITY
		Likelihood	Impact	Risk Factor				
	Poor financial management	2	4	8	<ul style="list-style-type: none"> Failure to adequately plan/control expenditures Project budget insufficient Project management and approvals processes ineffective 	<ul style="list-style-type: none"> Project Management and Board in place Budget held centrally with sign off at Executive level only Clear budget allocation at project level 	<ul style="list-style-type: none"> Regular budget monitoring & reporting 	Board, Executive



**BOARD OF MANAGEMENT
Tuesday 25 September 2018**

Strategic Item

Good to Great Revised Budget

Paper C



BOARD OF MANAGEMENT – 25 SEPTEMBER 2018

REVISED GOOD TO GREAT BUDGET – DRAFT FOR APPROVAL

Background

1. In June 2017 the Dundee and Angus Foundation approved a bid from the College for £845k to support a two-year transformation programme, badged as “Good to Great”.
2. The bid was supported by a detailed budget. Following approval, the budget was further developed into a quarterly schedule, to provide the Foundation with information on likely drawdown timings.

Current position

3. An Interim Report was provided to the Board at its meeting in June 2018 and was subsequently shared with the Foundation. This indicated that, although progress had initially been slower than anticipated, a great deal of work had recently been completed in relation to detailed project planning.
4. As a result of this, the programme is now being taken forward under five key themes, with a number of projects under each theme. These were set out in a table in the Interim Report.
5. Claims have continued to be submitted to the Foundation in the format of the original bid – see Appendix 1 for the most recent claim.
6. However, it has become increasingly difficult to plan and report on expenditure under the original headings and so a revised budget has been drawn up which aligns to the themes and projects. Individual budgets have been assigned to those projects which require costs to be incurred. There are some projects which are cost-free, or where costs are already covered by existing budgets.
7. The draft revised budget is attached at Appendix 2. Once this has been approved by the Board and the Foundation, subsequent quarterly reports will be provided in this format. It will also be further developed into a timeline, to provide the Foundation with an indication of revised drawdown timings.

Recommendation

8. Following approval at FPC on 11 September, the Board is asked to approve the revised budget, for onward submission to the Foundation.

Catriona Blake
Vice Principal Corporate Services
13 September 2018

GOOD TO GREAT – QUARTER 4 SCHEDULE

	Budget			Actuals to date		Balance
	Per funding	Virement	Revised	Quarters 1-3	Quarter 4	Revised
	application					less Qs 1-4
	£'000	£'000	£'000	£'000	£'000	£'000
Curriculum Planning						
Career Coach Training	15	13	28	11	4	14
Future Talent Digital Material Production	15	-15	0			0
Website re-design & build	25	40	65			65
Upskilling skills of staff in new subject areas	150	-75	75	11		64
Total Curriculum Planning	205	-37	168	22	4	143
Curriculum Delivery						
Digital Learning Strategy - Implementation Team	90	-45	45			45
Digital Learning Strategy - Equipment	35	65	100	16	4	80
Digital Upskilling/Benchmark Training	20		20		3	17
Scale up Achieve@D&A concept	65	-25	40		25	15
Digital Delivery and materials development	40		40			40
STEM Cluster Pilots	40	10	50			50
Total Curriculum Delivery	290	5	295	16	32	248
Commercial Focussed						
Online sales/donation portal	20	-20	0			0
Cross College CRM System	30		30			30
Total Commercial Focussed	50	-20	30	0	0	30
Support						
Consultancy Support	30	20	50	10	5	35
Development Time - student admin & funding	15		15			15
Development Time - access & inclusion	15		15		6	9
Development Time - systems	70		70			70
Project Administration and Material	15		15			15
ICT Solutions (Software / Hardware)	40	10	50	1		49
Total Support	185	30	215	10	11	193
Curriculum Planning	205	-37	168	22	4	143
Curriculum Delivery	290	5	295	16	32	248
Commercial Focussed	50	-20	30	0	0	30
Support	185	30	215	10	11	193
Project Manager	65	56	121	27	3	91
Contingency	50	-34	16			16
Total	845	0	845	75	50	720

DRAFT REVISED BUDGET

	Budget	Actual	Balance
	£'000	Quarters 1-4 £'000	£'000
Recruitment			
Funding Focus	2	2	0
Help Points	100		100
Learn 2 Learn (Prepare Me)	8	3	5
Schools Engagement	40		40
Total Recruitment	150	5	145
Retention			
Escape Room	10	1	9
Wellbeing	64	3	61
Government Retention Project	50	25	25
Total Retention	124	29	95
Digital			
Digital Community	50	12	38
Digital Curriculum	40		40
Digital Environment	75		75
Data project	15		15
Total Digital	180	12	168
Learning & Teaching			
Gateway programmes	20		20
IIIR Curriculum Portfolio Review	60		60
Curriculum Resources	40	20	20
Career Coach	28	14	14
CommuniTAY STEM bus	25		25
Total Learning & Teaching	173	34	139
Customer Experience			
Customer Charter	15		15
College Website	65		65
SA/SU Website	2		2
Total Customer Experience	82	0	82
General			
Service Design Training	30	15	15
Support review	25		25
Project Manager	66	30	36
Project Administration and material	15		15
Total General	136	45	91
Grand Total	845	125	720



**BOARD OF MANAGEMENT
Tuesday 25 September 2018**

Strategic Item

Regional Outcome Agreement Timescales

Paper D



SESSION 2018-19 REGIONAL OUTCOME AGREEMENT PROCESS AND TIMESCALES

1 Background

Please find attached the proposed process and timescale for the creation and development of the Regional Outcome Agreement (ROA) for the College for 2018/2019.

Key dates proposed for Board members are:

- **20 September 2018 and 21 January 2019** – Strategic Development Session including discussion and agreement on high level strategic direction and ROA impacts.
- **11 December 2018** – Board consideration of first substantive draft of ROA.
- **13 December 2018** – Completion of first substantive draft ROA for discussion with the Scottish Funding Council.
- **19 March 2019** – Board consideration of Final Draft ROA.
- **31 March 2019** – Regional Outcome Agreement submitted to SFC
- **May – July 2019** – ROA jointly signed-off by Board Chair, Principal and Scottish Funding Council.

2 Recommendation

The Board of Management is asked to approve the proposed Regional Outcome Planning process and timescales.

3 Information

Further information in respect of Regional Outcome Agreement requirements, approaches or content is available for Board members by contacting Steve Taylor, Vice Principal (People & Performance), s.taylor@dundeeandangus.ac.uk.



SESSION 2018-19 REGIONAL OUTCOME AGREEMENT PROCESS AND TIMESCALES

The proposed process and timescale for production of the Regional Outcome Agreement for 2019-2020 is:

October 2018	Initial Planning meeting of Executive Team. Initial consideration of external environment changes and priorities.
25 September 2018	Approval of Regional Outcome Agreement process – Board of Management.
20 September 2018 & 21 January 2019	Board of Management strategic events.
October 2018	Publication of ROA guidance (tbc)
November 2018	<p>Liaison with and linkages to plans of key organisations from a Dundee and Angus perspective, including:</p> <p>Scottish Government; Scottish Funding Council (SFC); Dundee City Council and Angus Council – Single Outcome Agreements, Community Plans, Economic Development Strategies, Lifelong Learning Strategies; Employer groups and contacts; Skills Development Scotland; Job Centre Plus; NHS Tayside, other local and national FE/HE providers.</p> <p>Commencement of draft Regional Outcome Agreement in discussion with Scottish Funding Council.</p>
11 December 2018	Board consideration of first substantive draft of ROA.
13 December 2018	Submission of first substantive draft of ROA to SFC
January/February 2019	Briefings to Staff and Student Representatives on Regional Outcome Agreement Planning, Strategic Objectives and external impacts.
Jan/ Feb/March 2019	Discussion of Strategic Direction and draft ROA within key College and Students' Association forums.
19 March 2019	Final draft Regional Outcome Agreement to Board of Management.
31 March 2019	Submission of Final Regional Outcome Agreement to Scottish Funding Council.
April/June 2019	Incorporation of ROA strategy and targets within team plans and arrangements.



**BOARD OF MANAGEMENT
Tuesday 25 September 2018**

Principal's Report

Paper E

Principal's report to the Board

Recruitment

Recruitment for the session is settling down and it is fair to say that the current trend of reduction in the number of full time students is likely to be repeated.

The double impact of schools keeping more pupils on to 6th year and Universities using contextual recruitment to attract students from deprived post codes continues to affect us.

However, we have done really well to maintain full time numbers well above 5,000 and we have managed to match last session's HN target numbers which is a double success of ensuring good class sizes and maximising the fee drawdown.

Our new forms of recruitment piloted through the Good to Great project look like they have been successful although we still need to ensure full evaluation.

We have also targeted partnership work with schools to provide vocational training opportunities for younger people. 2100 school pupils attended College last session and that number is expected to rise by around 30% this session. Our fastest growing age group for enrolments is in under 16s. This is extremely important as demographic change indicates a reduction in the percentage of 16 to 24 year olds in the region.

	Mode 17 13/09/2018	Mode 17 10/09/2017	Mode 05 13/09/2018	Mode 05 10/09/2017
Current	5,185	5,217	261	166
Registered	47	89	5	35
Pre-Registered	79	112	15	30

	HE 13/09/2018	HE 10/09/2017	FE 06/09/2018	FE 10/09/2017
Current	1,968	1,958	3,217	3,259

Student Success

In terms of student success from last session we are delighted to report that our target areas for improvement have all moved in the right direction.

- Student retention has improved.
- Full time pass rates at FE and HE have all improved reversing a three-year decline.
- Part time success rates have improved.
- We have reduced partial success ie students leaving with only one or two credits to complete – we have managed to get far more over the line to full success.
- The curriculum areas we targeted for improvement have all raised their full time pass rates;

Engineering by 8%

Science by 10%

Social Science by 6%

This results are really welcome and would indicate that our focus on the areas we need to target to move from Good to Great has had real impact. All the staff in the college from support and teaching areas deserve real praise for digging in and improving results at a time when we have been managing budget reductions and dealing with significant change.

Although the final checks are still underway the overall position is reflected in the table below:

Mode	16/17	17/18	Diff	Improved
Whole College Attainment	74.40%	76.40%	2.00%	YES
Whole College Withdrawal	15.30%	15.20%	-0.10%	YES
Whole College Partial Success	10.20%	8.30%	-1.90%	YES
Full Time – All	71.70%	74.80%	3.10%	YES
Full Time – FE	70.80%	74.30%	3.50%	YES
Full Time – HE	73.20%	75.90%	2.70%	YES
Part Time – All	77.40%	79%	1.60%	YES
Part Time – FE	78.40%	78.50%	0.10%	YES
Part Time – HE	71.10%	80.50%	9.40%	YES

Work for Session 2018/19 – Academic Restructure

The Good to Great project will ensure that we continue to target improvements in performance and processes throughout the session.

There is one substantial piece of work that we need to focus on in particular however and that is a restructure of the academic management roles.

The structure we have in place is the same as the at the time of merger and has served us well, but there are many drivers for change. Benchmarking against other Colleges has demonstrated that we have more promoted academic posts than other similar sized colleges.

We are also aware from repeated staff surveys that there are improvements that we can make to the operation of the structure. Course leaders have indicated that they spend far too much time on administrative processes and struggle to find adequate time to truly lead learning. We would like to address this directly and may see an increase in support posts. Some Heads of Learning line manage too many people and find it hard to provide adequate levels of support and front line supervision to all of their staff.

Alongside that, national bargaining has resulted in a system of promoted posts that will be adopted across Scotland and our posts do not fit easily into the new layers of management.

We have begun the process of consultation by informing all staff of the intended restructure and we have a detailed timeline for the process. The initial work will begin with a paper to be released at the end of September. An extensive period of consultation will then take place and we expect to complete the process by the end of the academic year. The number of posts and post holders involved numbers approximately 70 across College and competitive interviews will be held to complete the structure so we are talking about a major exercise.

More detailed plans will be presented to the relevant Board committees throughout the session.

Partnership with Skills Development Scotland

We continue to work well with a range of partners and we have agreed an arrangement with Skills Development Scotland that they will have advisers based on our major centres for a day per week during term time. This will significantly increase the availability of support, advice and guidance for learners in relation to careers and the world of work. We can already see evidence of improvement in retention amongst learners working with SDS.

Reducing Child Poverty in Dundee and Angus.

We were invited to apply for funding to a national anti poverty fund by SFC. So far we are the only College to be asked to do so. We have been informed that our bid has been successful and will mean that we will receive project funding in the next year to bring in staff to work with children and older people whose learning is impacted by poverty. The funding has yet to be finally confirmed but the application is for over £200,000 pa for two years making this a substantial exercise.

Awards

Even by our own high standards we are enjoying another bumper year of awards and award nominations.

Recently in Leeds we were recognised as the winner of the FE Team Enterprise category at the National Enterprise Educator Awards for 2018. This will sit nicely alongside our status as Young Enterprise Scotland Entrepreneurial College of the Year.

Gillian McGovern Head of Learning for Creative Media has been nominated for a Scottish Women in Technology award.

The Angus Shared Apprenticeship Scheme has been nominated for the Cosla Excellence award in sustainable communities, with the winners to be announced in October.

At the College Development Network Awards in October we are finalists in 5 categories, more than any other College.

The categories are:

- Colleague of the Year – Steve Swinley, Course Leader Motor Vehicle
- Employer Connections – Futureskills College
- Digital learning – Memory Media project
- Essential Skills – D and A attributes
- Sustainability – Food Waste/Composting.

And finally – the food waste project is a finalist in the Scottish Resources Awards, Best Food Waste Initiative with the decision announced at the Scottish Resources Awards event on the 4th of October.



**BOARD OF MANAGEMENT
Tuesday 25 September 2018**

Finance Items

Audit Scotland Report – College Position

Paper F

FINANCE & PROPERTY COMMITTEE – 11 SEPTEMBER 2018

AUDIT SCOTLAND REPORT – SCOTLAND'S COLLEGES 2018

Introduction

1. Every summer Audit Scotland produce an overview report on the Scottish college sector, focussing on college finances and learning activity.
2. Key recommendations in the 2018 report are as follows:
 - a. SFC and colleges should carry out further work on reducing the attainment gap and tackling gender imbalances in subjects;
 - b. SFC should ensure that the Financial Forecast Returns and the “Underlying Operating Position” are calculated on a consistent basis;
 - c. SFC and the Scottish Government should publish the criteria for prioritising capital investment;
 - d. colleges should work with SFC to further develop their approach to long-term financial forecasting.

Underlying Operating Position

3. Colleges are required to report their “Underlying Operating Position” (UOP) in their annual accounts, applying to their reported surplus a series of standard adjustments. These involve removing non-cash items (net depreciation, FRS102 pension adjustment) and one-off items (eg VS costs), then adding back non-revenue cash items (eg loan repayments).
4. This produces an adjusted result for the year which is close to net cash flow, but excludes working capital movements and one-off items. The following table sets out what is included in each of the three reported results:

	Surplus/Deficit	Net Cashflow	UOP
One-off revenue	Yes	Yes	No
Capital expenditure	No	No	No
Working capital movements	No	Yes	No
Non-cash items	Yes	No	No
Loan repayments	No	Yes	Yes

5. See Appendix 1 for Exhibit 3 in the report, a graph setting out the underlying deficits and surpluses for each college for 2016-17 in ascending order.
6. The graph reveals that the College had the second worst underlying deficit in the sector, after Edinburgh.
7. See Appendix 2 for an analysis of the three results for most colleges in the sector – I have excluded smaller rural colleges and City of Glasgow. I have also added a derived comparator for our own key financial performance metric, Cash-backed Surplus/Deficit, although this should be treated with caution.

8. As can be seen, it is a complicated picture, with colleges performing well on one metric but not so well on another, and is even more so if the previous year comparators are considered (not included in Appendix 2). Having said that, D&A's ranking ranges from 6 to 9 (out of 10), which is consistently poor, and some colleges perform consistently well, notably NESCOL.
9. Appendix 3 contains some observations on individual college results, drawn from a detailed analysis of their accounts.

Analysis

10. As there appeared to be no consistent accounting reason for performance (eg outstanding loan, VS scheme), further analysis was carried out to produce a range of metrics – see Appendix 4.
11. Calculating Total Income divided by Total Staff, where we should have most confidence in the source data, shows D&A at £58k per FTE, compared with an average of £64k for the comparator colleges. If we exclude NESCOL when calculating the average, as they outsource significant elements of activity to non-payroll staff, the average is £61k. This differential equates to 35 FTE or £2m income, and may be due to a range of factors, for instance curriculum mix, class size, rurality etc.
12. Although it is stark to see where the College sits in the table in the Audit Scotland report, the view of the Executive Team is that this simply confirms our own assessment of our financial health, as presented in the annual financial strategy refresh in March. It reinforces the need for the steps we have already taken to improve our financial health, particularly through the recent savings programme.
13. These efforts will continue, for instance through the curriculum review, with a focus on class sizes and continuing to utilise the flexibility offered by part-time variable contracts to match the staffing resource as closely as possible to the quantum of curriculum delivery. We will also continue to employ service design principles and opportunities for automation in order to eliminate duplication from administrative processes.
14. This analysis will continue to inform our strategies around curriculum, commercial and staffing. Our assumption will remain that we need to find ways of delivering the same level of activity with fewer staff, at the same time as growing our non-core income. In order to get the balance right, we believe that it is worth keeping under consideration what the natural size for the College might be.
15. It is worth pointing out that underlying operating position is only one element of a “balanced scorecard” approach, and our consistently high ranking in student indicators suggests that for every £1 spent the College offers better value for money than most others.
16. The accounts relate to the year before last and much will have changed at our own and other colleges since then. In order to access more up-to-date comparators, we have recently shared staffing information within the benchmarking group which was formed a couple of years ago (Edinburgh, Forth Valley, West). Following a recent discussion around financial sustainability, we will also be sharing data with a group of regional colleges (New College Lanarkshire, Ayrshire, West).

Recommendation

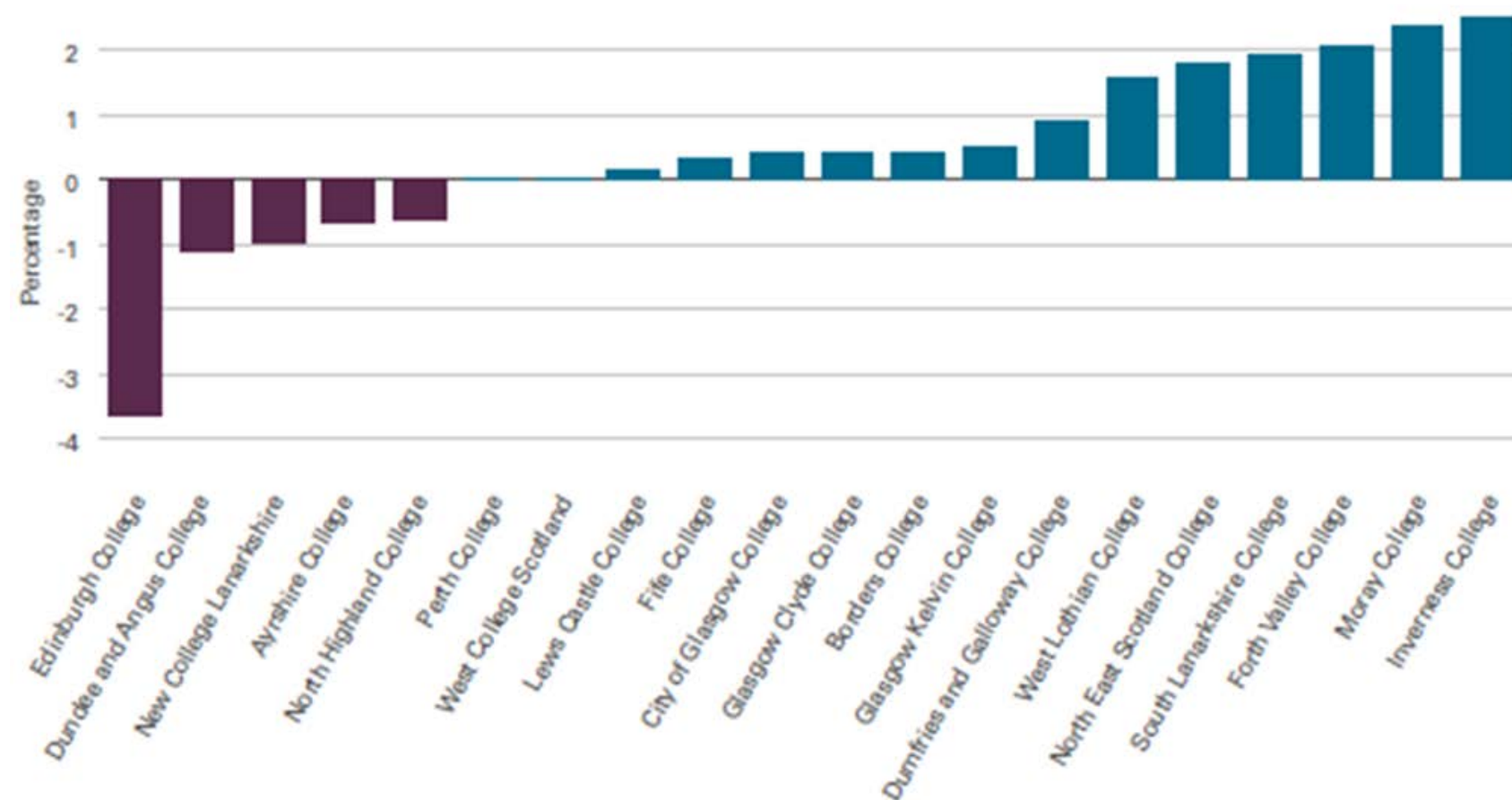
17. FPC are asked to note this paper.

Catriona Blake
Vice Principal Corporate Services
31 August 2018

Exhibit 3

Underlying deficits and surpluses as a percentage of expenditure, 2016-17

The underlying financial position of incorporated colleges varies.



Key financial metrics - 2016/17

	Surplus/ Deficit		Surplus/ Deficit as %age of expend		Cash-backed Surplus/ Deficit		Underlying Operating Position		Cash movement	
	£'000	Rank	%	Rank	£'000	Rank	£'000	Rank	£'000	Rank
D&AC	(2,502)	6	-1.1%	8	111	9	(460)	8	(893)	9
Ayrshire	(2,714)	9	-0.6%	7	1,555	4	(327)	7	(480)	7
Edinburgh	(2,479)	5	-3.6%	10	1,954	1	(2,544)	10	2,808	1
Fife	(3,116)	10	0.3%	5	304	7	162	5	245	4
Forth Valley	(742)	3	2.0%	1	1,159	5	731	1	1,684	3
Glasgow Clyde	39	2	0.4%	4	200	8	200	3	(1,961)	10
Glasgow Kelvin	(2,579)	8	0.5%	3	1,602	3	169	4	(60)	6
NCLan	(2,125)	4	-1.6%	9	(865)	10	(919)	9	(526)	8
NESCOL	769	1	1.2%	2	638	6	605	2	2,667	2
West	(2,511)	7	0.0%	6	1,892	2	18	6	93	5

Appendix 3

By College	
D&AC	All income/staff metrics lower than average.
Ayrshire	Loan repayments £1.8m.
Edinburgh	Non-cash adjustments high. High positive WCM. £2.9m bail-out from SFC adjusted in arriving at UOP.
Fife	Income/staff metrics low.
Forth Valley	Odd UOP adjustment: "Other Government grant from Glasgow Kelvin College" £2m. Highest T fees %.
Glasgow Clyde	Non-government grant £2m (as per rules, included in Surplus and adjusted in UOP). Capex £4.4m.
Glasgow Kelvin	Donation to ALF £2.8m. Disposal proceeds £1m. Worst cash-backed deficit at £1.3m but high positive WCM mean small positive cash movement.
NCLan	UOP as %age of expenditure worse than ours per my calculations but they are ranked better in AS report.
NESCOL	Ranked 1 in two measures and 2 in other two. Low staff numbers because of agency arrangement for curriculum. Non-govt grants £2.6m (£4.1m PY).
West	Lowest T fees %. High net depreciation. Release of PY provision improves Deficit by £1.2m, adjusted in UOP.
By accounts item	
Net depreciation	Big range from 5.2% of spend (West) to 1.1% of spend (New College Lanarkshire). We're relatively high at 4%
Pension adjt	Difference between pension adjt in UOP and CFS in some colleges possibly due to early retirements. We charge cash in full to I&E but others may not.
Loan repayments	Range from zero in 2 colleges to £1.8m (PFI) in Ayrshire. We're £0.6m.
Non-govt grants	Presumably mainly ALF. Range from zero in 4 colleges to £2.1m Clyde and £2.6m NESCOL. Will also vary significantly year on year. We're £0.3m.
Donation to ALF	FV £0.6m and Kelvin £2.8m.
Working capital	Not adjusted for in UOP on basis will tend to zero over longer term. Some big swings.
Staff split	"Academic depts" as % of total staff varies from 41% (New Coll Lan) to 60% (Kelvin). Average is 49%, we are 55%. Need to be cautious re staffing data.
Income/staff	Total income divided by total staff ranges from £55k (New Coll Lan) to £67k (Clyde and Kelvin). Average is £61k, we're £58k. If we were equal to average, that would improve all key financial metrics by £2m. (Note: NESCOL excluded from this average, because agency arrangement skews the calculation.)

Appendix 4

	Academic depts as % of total staff	Total income / total staff	Total income/ academic staff	SFC grants / academic staff	Fees as % of total income
D&AC	55%	58	106	81	15%
Ayrshire	43%	64	148	125	9%
Edinburgh	46%	62	135	104	16%
Fife	52%	56	107	81	18%
Forth Valley	44%	58	131	89	22%
Glasgow Clyde	59%	67	114	82	16%
Glasgow Kelvin	60%	67	112	90	14%
NCLan	41%	55	135	93	18%
NESCOL	58%	101	174	115	20%
West	46%	66	144	118	12%
Total/ Average	49%	64	129	97	16%
Excl NESCOL		61	126	96	



**BOARD OF MANAGEMENT
Tuesday 25 September 2018**

Finance Items

Financial Forecast Return

Paper G

BOARD OF MANAGEMENT – 25 SEPTEMBER 2018

SFC FINANCIAL FORECAST RETURN

Introduction

1. Colleges are required to submit a Financial Forecast Return (FFR) annually to the Scottish Funding Council (SFC). Up to 2016 this had traditionally been submitted by 30 June, following approval at colleges' June Board meeting and reflecting their own income and expenditure assumptions.
2. In 2017 SFC made a number of significant changes which have continued into 2018, including moving the submission date to end September. SFC now closely prescribe the assumptions which colleges must make, particularly around SFC funding and pay costs.
3. At its meeting on 11 September FPC considered a briefing note on FFR.
4. The draft FFR is attached at Appendix 1 and draft commentary at Appendix 2, for approval and subsequent submission to SFC, along with this Board paper.

Assumptions

5. The assumptions prescribed by SFC for 2018 are set out below. See also the table in Appendix 1 which compares these with the assumptions in the updated Financial Strategy approved in March, along with those now reflected in the draft outturn for 2017-18 and the initial forecast for 2018-19.
 - a. Core and ESF teaching credit income to be based on the actual funding allocation for 2018-19. This includes funding for support staff job evaluation, which we have not reflected in the 2018-19 budget, as it is difficult to predict when agreement might be reached between employers and unions.
 - b. Funding to increase again in 2019-20 to cover the impact of curriculum staff harmonisation. Funding will then remain "flat" for the following two years.
 - c. No change to credit targets for the following three years, unless redistribution proves necessary as a result of a region failing to meet its target. In 2022-23 Colleges which currently receive ESF funding (the majority) will see a 3.2% reduction in credits after the programme ends, with an average 2.9% sector reduction.
 - d. Funding to the sector to reduce by 1.2% in 2022-23 to reflect the end of the ESF programme – see above. The funding reduction is lower than the 2.9% activity reduction, because SFC's ESF match funding will be retained and redeployed – see below.
 - e. In 2022-23 SFC to return to a formula funding model, with harmonisation funding redistributed across the sector through a general uplift to the price per credit. As both of these changes will impact differently, individual colleges will see varying levels of funding change.
 - f. SFC's ESF match funding to be deployed in 2022-23 to provide transitional relief to those colleges seeing the greatest loss in funding, allowing reductions to be

capped at 3% (Ayrshire, Fife, West Lothian). In contrast, funding to NESCOL will increase by 2.8%. Dundee & Angus is due to lose 2.9%, presumably with no transitional relief applied as this is just outside the cap.

- g. All student support funding requirements to be met, ie assuming that the additional funding made available in 2018-19 is sufficient to cover increased bursaries to care-experienced learners.
 - h. Capital funding to be based on FY2017-18 (April to March). This implies that the increase from £1.3m in FY2017-18 to £2m in FY2018-19 was a one-off.
 - i. Non-SFC income to be estimated taking account of local circumstances, with no suggested price increase as was the case in the 2017 FFR guidance.
 - j. The impact of National Bargaining harmonisation/job evaluation costs for all staff to be incorporated into the FFR, based on modelling by Colleges Scotland (CS).
 - k. Cost of living pay increases to be based on the most recent offers made by the Employers' Association, whether or not these are agreed. Thereafter annual increases of 2% to be assumed. Compared with our own assumptions, these are more benign in the short term and more aggressive thereafter.
 - l. On staffing numbers, the guidance states that the impact of VS costs "should be consistent with the movement in staff FTE numbers". It goes on to state: "Colleges should not assume that funding will be provided for VS costs, unless already agreed with SFC."
 - m. Non-pay costs to be estimated taking account of local circumstances, with colleges demonstrating where they plan to generate efficiencies.
6. A new 'key risks' page requires colleges to set out material risks and, if possible, quantify these. They should correspond with colleges' risk registers and should be reflected both in the commentary to the FFR.
7. In a separate note, SFC reminds colleges that they can donate any commercial surplus to an ALF prior to the end of the fiscal year in March, so long as it is not needed to off-set a shortfall in cash or resource funding.

Savings assumptions

8. The guidance notes: "funding has not been assumed to cover inflationary pressures as we continue to expect colleges to deliver efficiency savings of at least 3% per annum." This is consistent with the ministerial letter of guidance and with the requirement for all public bodies in Scotland to submit an annual Efficient Government Return. Public bodies are expected to use savings to off-set funding reductions/shortfalls, with any balance reinvested to improve the service.
9. Applied to SFC teaching funding, a 3% savings target would represent £750k (2017-18) for the College. As noted in the Commentary, we have assumed "flat cash" non-pay expenditure, with savings off-setting inflation. This equates to approximately £160k achieved.
10. The balance of the savings reported in the annual return will come from a variety of sources, including staffing efficiencies. However, the FFR assumes that these additional

savings are reinvested, resulting in no net reduction in staff numbers throughout the planning period. This is due to the positive cash position – see below.

11. The FFR shows the College maintaining healthy year end cash balances of over £1m each year up to July 2022, before dropping to £300k at July 2023 as a result of funding reductions that year. These forecast cash balances are based on the assumptions set out in the FFR guidance and, where permitted, our own assumptions from the Financial Strategy.

12. A summary of cash movements and balances is shown below:

	Forecast 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23
Opening cash	2,313	1,172	2,023	2,398	2,372	1,944
Net cash flow	(1,141)	851	375	(26)	(428)	(1,645)
Closing cash	1,172	2,023	2,398	2,372	1,944	299

13. The College's cash position will be kept under close scrutiny with rolling short-, medium- and long-term cash forecasts. Action will be taken to ensure that cash balances remain sufficient to cover liabilities, at the same time as abiding by the rules forbidding retention of government-funded surpluses.

14. Forward planning will be undertaken in order ensure that we are in a position to respond proactively to the reduction in credits and core income in 2022-23. This will include careful consideration of what the "natural" size of the College is, the appropriate balance between core and non-core activity, and detailed workforce planning.

Recommendation

13. The Board is asked to approve the FFR and accompanying commentary for submission to SFC.

Catriona Blake
Vice Principal Corporate Services
17 September 2018

Appendix 1

Element	2018 FFR guidance	DAC March - Financial Strategy	DAC September - 17-18 out-turn, 18-19 forecast
Credit funding - 2019-20	As 2018-19 plus final curriculum harmonisation increase plus support job evaluation	As FFR	Impact of support job evaluation not yet reflected in costs or funding (nil net effect compared with FFR)
Credit funding - 2020-21 and 2021-22	Flat cash	As FFR	N/A
Credit funding - 2022-23	3.2% reduction, following end of ESF programme and redistribution of harmonisation funding	Flat cash	N/A
Non-SFC income	Nothing prescribed	1.5% price increase from 2019-20 plus 5% commercial volume increase each year	18-19 budget/forecast - known activity plus stretch
Cost of living - academic	April 17/18/19 - as per most recent offer from Employers' Association. Thereafter 2% each year.	April 17 - 1%. April 18 - as per public sector pay policy (2% for almost all curriculum staff). Thereafter 1% each year	As Financial Strategy, except April 17 non-consolidated
Cost of living - support	April 18 - as per most recent offer from Employers' Association. Thereafter 2% each year	April 18 - public sector pay policy (3%/2% depending on salary). Thereafter 1% each year	As Financial Strategy
Non-pay	Nothing prescribed	Inflation off-set by efficiencies	Inflation off-set by efficiencies
VS costs	Consistent with staffing FTE changes	£1m in 18-19, £0.25m in 20-21	As per savings plan achieved
Student Support Funds	Assume funding sufficient to cover costs	As FFR	18-19 budget/forecast - £200k shortfall

Financial Forecast Return 2018

College

Contact

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DECLARATION:	The attached worksheets represent the financial forecasts for the College. They reflect a financial statement of our academic and physical plans from 2017-18 to 2022-23. Adequate explanations have been provided where requested on the return. The worksheets and their underpinning assumptions have been reviewed and approved by the Board of Management in accordance with their agreed practices. In preparing this financial forecast the College has fully considered the financial implications of all aspects of its strategy and has properly reflected these in the forecast.
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Signed:

Principal/Chief Executive Officer

Date:

KEY RISKS

Please use the boxes below to provide a commentary on material risks to income and expenditure as identified in the Risk Register. Where possible these risks should be quantified.

Pay awards secured through NPB cannot be directly controlled, and our ability to secure sufficient efficiencies to meet additional costs will be extremely challenging. It may not be possible to reduce costs through voluntary severance schemes, and such schemes, where they are effective, may not be affordable.

Increasing competition from universities and uncertainty of the associate programme threaten to further destabilise our HE student income.

Student support funds continue to present a short term risk to the college if in year distribution cannot adequately cover increased demand or cannot respond flexibly to forecast fluctuations. A potential shortfall of circa £660K is our early prediction.

Changes in SFC Funding Methodology and Allocation, resulting in reduction in funding.

Please use the boxes below to describe the actions planned by the College to address/mitigate the identified risks.

Expenditure modelling, on-going discussions with staff, financial strategy sensitivities

Partnership working with universities across the Region

Detailed data modelling to inform in-year forecasts, continuous review of discretionary elements of eligibility etc

Modelling of new funding methodologies and allocations, amendment of strategic or operational directions/plans, financial strategy sensitivities

Dundee and Angus

	Actual 2016-17	Forecast 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23	2016-17 - 2017-18	2017-18 - 2018-19	2018-19 - 2019-20	2019-20 - 2020-21	2020-21 - 2021-22	2021-22 - 2022-23	Explanation for variance
Statement of Comprehensive income and expenditure (Consolidated)	£000	£000	£000	£000	£000	£000	£000	%	%	%	%	%	%	
INCOME														
Tuition fees and education contracts	5,840	5,467	5,217	5,323	5,430	5,540	5,653	-6.4%	-4.6%	2.0%	2.0%	2.0%	2.0%	SDS reduction anticipated for 18/19, thereafter price+volume increases assumed.
Funding council grants	28,105	29,378	31,754	31,934	31,685	31,685	30,862	4.5%	8.1%	0.6%	-0.8%	0.0%	-2.6%	As per directed assumptions, plus Childcare grant inc. in Other operating expenses.
Research grants and contracts	0	0	0	0	0	0	0							
Revenue grants from Arms Length Foundation	89	140	669	36	0	0	0	57.3%	377.9%	-94.6%	-100.0%			Transformation funding per schedule.
Capital grants from Arms Length Foundation	291	0	0	0	0	0	0	-100.0%						
Other non-government capital grants	0	0	0	0	0	0	0							
Deferred capital grant release (SFC and non-SFC Government)	2,833	2,795	2,703	2,703	2,703	2,703	2,703	-1.3%	-3.3%	0.0%	0.0%	0.0%	0.0%	No changes assumed from 18/19 budget.
Other income	3,092	3,278	2,797	2,891	2,989	3,089	3,194	6.0%	-14.7%	3.4%	3.4%	3.3%	3.4%	Reduced European and subsidiary company income forecast from 18/19
Investment income	4	3	2	2	2	2	2	-25.0%	-33.3%	0.0%	0.0%	0.0%	0.0%	
Total income before donations and endowments	40,254	41,061	43,142	42,889	42,809	43,019	42,414	2.0%	5.1%	-0.6%	-0.2%	0.5%	-1.4%	
Donations and endowments	0	0	0	0	0	0	0							
Total income	40,254	41,061	43,142	42,889	42,809	43,019	42,414	2.0%	5.1%	-0.6%	-0.2%	0.5%	-1.4%	
EXPENDITURE														
Staff costs	27,959	28,839	29,191	30,049	30,667	31,299	31,944	3.1%	1.2%	2.9%	2.1%	2.1%	2.1%	No pension adjustment from 18/19. NPB assumptions applied.
Staff costs - exceptional restructuring costs	317	390	0	0	0	0	0	23.0%	-100.0%					
Exceptional costs - non-staff	0	0	0	0	0	0	0							
Other operating expenses	9,191	9,337	9,705	9,058	8,783	8,783	8,783	1.6%	3.9%	-6.7%	-3.0%	0.0%	0.0%	Impacted significantly by movements in C&M and ALF funding.
Donation to Arms Length Foundation	0	0	0	0	0	0	0							
Depreciation	4,561	4,507	4,382	4,382	4,382	4,382	4,382	-1.2%	-2.8%	0.0%	0.0%	0.0%	0.0%	No changes assumed from 18/19 budget, but revaluations will impact.
Interest and other finance costs	728	734	182	169	147	127	94	0.8%	-75.2%	-7.1%	-13.0%	-13.6%	-26.0%	17/18 inc. pension charges, thereafter only diminishing loan interest.
Total expenditure	42,756	43,807	43,460	43,658	43,979	44,591	45,203	2.5%	-0.8%	0.5%	0.7%	1.4%	1.4%	
Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates	(2,502)	(2,746)	(318)	(769)	(1,170)	(1,572)	(2,789)	9.8%	-88.4%	141.8%	52.1%	34.4%	77.4%	
Gain/(loss) on disposal of fixed assets	(34)	0	0	0	0	0	0	-100.0%						
Gain/(loss) on investments	0	0	0	0	0	0	0							
Share of operating surplus/(deficit) in joint venture(s)	0	0	0	0	0	0	0							
Share of operating surplus/(deficit) in associate(s)	0	0	0	0	0	0	0							
Surplus/(deficit) before tax	(2,536)	(2,746)	(318)	(769)	(1,170)	(1,572)	(2,789)	8.3%	-88.4%	141.8%	52.1%	34.4%	77.4%	
Other taxation	0	0	0	0	0	0	0							
Surplus/(deficit) for the year	(2,536)	(2,746)	(318)	(769)	(1,170)	(1,572)	(2,789)	8.3%	-88.4%	141.8%	52.1%	34.4%	77.4%	
Unrealised surplus on revaluation of land and buildings	0	0	0	0	0	0	0							
Actuarial (loss)/gain in respect of pension schemes	1,078	0	0	0	0	0	0	-100.0%						
Other comprehensive income	0	0	0	0	0	0	0							
Total comprehensive income for the year	(1,458)	(2,746)	(318)	(769)	(1,170)	(1,572)	(2,789)	88.3%	-88.4%	141.8%	52.1%	34.4%	77.4%	

Balance Sheet		Actual 2016-17	Forecast 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23	2016-17 - 2017-18	2017-18 - 2018-19	2018-19 - 2019-20	2019-20 - 2020-21	2020-21 - 2021-22	2021-22 - 2022-23	Explanation for variance
		£000	£000	£000	£000	£000	£000	£000	%	%	%	%	%	%	
1 Non-current assets	a) Intangible assets	0	0	0	0	0	0	0							
	b) Fixed assets	64,380	59,873	55,491	51,109	46,727	42,345	37,963	-7.0%	-7.3%	-7.9%	-8.6%	-9.4%	-10.3%	
	c) Investments	0	0	0	0	0	0	0							
Total non-current assets		64,380	59,873	55,491	51,109	46,727	42,345	37,963	-7.0%	-7.3%	-7.9%	-8.6%	-9.4%	-10.3%	
2 Current assets	a) Stock	20	16	16	16	16	16	16	-20.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
	b) Debtors	2,052	2,591	2,359	2,327	2,295	2,263	2,231	26.3%	-9.0%	-1.4%	-1.4%	-1.4%	-1.4%	
	c) Investments	0	0	0	0	0	0	0							
	d) Cash and cash equivalents	2,313	1,172	2,023	2,398	2,372	1,944	299	-49.3%	72.6%	18.5%	-1.1%	-18.0%	-84.6%	
	e) Other (e.g. assets for resale)	0	0	0	0	0	0	0							
Total current assets		4,385	3,779	4,398	4,741	4,683	4,223	2,546	-13.8%	16.4%	7.8%	-1.2%	-9.8%	-39.7%	
3 Creditors: amounts falling due within one year	a) Bank loans and external borrowing	567	567	567	567	567	567	567	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
	b) Bank overdrafts	0	0	0	0	0	0	0							
	c) Lennartz creditor	0	0	0	0	0	0	0							
	d) Obligations under finance leases and service concessions	0	0	0	0	0	0	0							
	e) Payments received in advance	709	457	457	457	457	457	457	-35.5%	0.0%	0.0%	0.0%	0.0%	0.0%	
	f) Amounts owed to Funding Council	346	378	177	177	177	177	177	9.2%	-53.2%	0.0%	0.0%	0.0%	0.0%	
	g) Obligations under PFI/NPD	0	0	0	0	0	0	0							
	h) Other creditors and accruals	5,178	5,085	5,111	5,111	5,111	5,111	5,111	-1.8%	0.5%	0.0%	0.0%	0.0%	0.0%	
Total creditors < 1 year		6,800	6,487	6,312	6,312	6,312	6,312	6,312	-4.6%	-2.7%	0.0%	0.0%	0.0%	0.0%	
Share of net assets/(liabilities) in associate		0	0	0	0	0	0	0							
NET CURRENT ASSETS/LIABILITIES		(2,415)	(2,708)	(1,914)	(1,571)	(1,629)	(2,089)	(3,766)	12.1%	-29.3%	-17.9%	3.7%	28.2%	80.3%	
TOTAL ASSETS LESS CURRENT LIABILITIES		61,965	57,165	53,577	49,538	45,098	40,256	34,197	-7.7%	-6.3%	-7.5%	-9.0%	-10.7%	-15.1%	
4 Creditors: amounts falling due after more than one year	a) Local authority loans	0	0	0	0	0	0	0							
	b) Bank loans and external borrowing	5,682	5,114	4,547	3,980	3,413	2,846	2,279	-10.0%	-11.1%	-12.5%	-14.2%	-16.6%	-19.9%	
	c) Lennartz creditor	0	0	0	0	0	0	0							
	d) Finance leases and service concessions	0	0	0	0	0	0	0							
	e) Obligations under PFI/NPD	0	0	0	0	0	0	0							
	f) Amounts repayable to Funding Council	0	0	0	0	0	0	0							
	g) Other creditors	33,007	29,999	27,296	24,593	21,890	19,187	16,484	-9.1%	-9.0%	-9.9%	-11.0%	-12.3%	-14.1%	
Total creditors >1 year		38,689	35,113	31,843	28,573	25,303	22,033	18,763	-9.2%	-9.3%	-10.3%	-11.4%	-12.9%	-14.8%	
5 Provisions	a) Pension provisions	20,621	8,707	8,707	8,707	8,707	8,707	8,707	-57.8%	0.0%	0.0%	0.0%	0.0%	0.0%	
	b) Other	0	0	0	0	0	0	0							
Total provisions		20,621	8,707	8,707	8,707	8,707	8,707	8,707	-57.8%	0.0%	0.0%	0.0%	0.0%	0.0%	
TOTAL NET ASSETS		2,655	13,345	13,027	12,258	11,088	9,516	6,727	402.6%	-2.4%	-5.9%	-9.5%	-14.2%	-29.3%	
9 Restricted Reserves	a) Endowment Reserve	0	0	0	0	0	0	0							
	b) Restricted Reserve	0	0	0	0	0	0	0							
10 Unrestricted reserves	a) Income and Expenditure Reserve	-9,097	2,512	3,112	3,261	3,009	2,355	484	-127.6%	23.9%	4.8%	-7.7%	-21.7%	-79.4%	
	b) Revaluation reserve	11,752	10,833	9,915	8,997	8,079	7,161	6,243	-7.8%	-8.5%	-9.3%	-10.2%	-11.4%	-12.8%	
11 Non-controlling interest		0	0	0	0	0	0	0							
TOTAL RESERVES		2,655	13,345	13,027	12,258	11,088	9,516	6,727	402.6%	-2.4%	-5.9%	-9.5%	-14.2%	-29.3%	

Dundee and Angus

	Actual 2016-17 £000	Forecast 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000	2016-17 - 2017-18 %	2017-18 - 2018-19 %	2018-19 - 2019-20 %	2019-20 - 2020-21 %	2020-21 - 2021-22 %	2021-22 - 2022-23 %	Explanation for variance
UNDERLYING OPERATING RESULT														
Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates	(2,502)	(2,746)	(318)	(769)	(1,170)	(1,572)	(2,789)							
Add:														
Total depreciation (Government-funded, privately funded and NPD-funded assets) net of deferred capital grant release (<i>incorporated colleges only</i>)	1,728	1,712	1,679	1,679	1,679	1,679	1,679	-0.9%	-1.9%	0.0%	0.0%	0.0%	0.0%	
Exceptional non-restructuring items (e.g. impairment costs)	0	0	0	0	0	0	0							
Non-cash pension adjustment - net service cost	1,069	1,389	408	408	408	408	408	29.9%	-70.6%	0.0%	0.0%	0.0%	0.0%	Uses only unfunded payments from 18/19 Not known beyond 2017/18
Non-cash pension adjustment - net interest cost	512	535	0	0	0	0	0	4.5%	-100.0%					
Donation to Arms Length Foundation (<i>incorporated colleges only</i>)	0	0	0	0	0	0	0							
Deduct:														
Non-Government capital grants (e.g. ALF capital grant)	291	0	0	0	0	0	0	-100.0%						
Exceptional income (if disclosed as exceptional in accounts)	0	0	0	0	0	0	0							
CBP allocated to loan repayments and other capital items (<i>incorporated colleges only</i>)	571	571	571	571	571	571	571	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
NPD payments to reduce NPD balance sheet debt	0	0	0	0	0	0	0							
Underlying operating result	(55)	319	1,198	747	346	(56)	(1,273)	-680.0%	275.5%	-37.6%	-53.7%	-116.2%	2173.2%	
Cash budget for priorities (<i>incorporated colleges</i>):														
Revenue priorities														
Student support funding	327	0	0	0	0	0	0							
2015-16 pay award	473	473	473	473	473	473	473							
Voluntary severance	0	0	0	0	0	0	0							
Estates costs	0	0	0	0	0	0	0							
Other - Additional unfunded costs including pension & NI increases, in addition to annual loan interest	69	11	11	11	11	11	11							
Total impact on operating position	869	484	484	484	484	484	484							
Capital priorities														
Loan repayments	571	571	571	571	571	571	571							
NPD / PFI repayments	0	0	0	0	0	0	0							
Estates costs	0	0	0	0	0	0	0							
Provisions pre 1 April 2014	0	0	0	0	0	0	0							
Total capital	571	571	571	571	571	571	571							
Total cash budget for priorities spend	1,440	1,055	1,055	1,055	1,055	1,055	1,055							

Dundee and Angus

	Actual 2016-17 £000	Forecast 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000	2016-17 - 2017-18 %	2017-18 - 2018-19 %	2018-19 - 2019-20 %	2019-20 - 2020-21 %	2020-21 - 2021-22 %	2021-22 - 2022-23 %	Explanation
Staff costs														
Salaries	21,504	21,919	23,046	23,728	24,221	24,725	25,239	1.9%	5.1%	3.0%	2.1%	2.1%	2.1%	Substantive impact from NPB JE in 18/19, along with final harmonisation and pay award
Social Security costs	2,006	2,043	2,090	2,187	2,267	2,348	2,431	1.8%	2.3%	4.6%	3.7%	3.6%	3.5%	
Other pension costs	3,381	3,488	3,647	3,726	3,771	3,818	3,866	3.2%	4.6%	2.2%	1.2%	1.2%	1.3%	No pension adjustment
FRS 102 pensions adjustments	1,068	1,389	408	408	408	408	408	30.1%	-70.6%	0.0%	0.0%	0.0%	0.0%	Unfunded cash only from 2018/19
Total	27,959	28,839	29,191	30,049	30,667	31,299	31,944	3.1%	1.2%	2.9%	2.1%	2.1%	2.1%	

Dundee and Angus

Capital Expenditure Projects and Forecast Methods of Financing

	Actual 2016-17 £000	Forecast 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000	2016-17 - 2017-18 %	2017-18 - 2018-19 %	2018-19 - 2019-20 %	2019-20 - 2020-21 %	2020-21 - 2021-22 %	2021-22 - 2022-23 %
Expenditure:													
Land & Buildings	123	0	0	0	0	0	0	-100.0%					
Equipment & Others	816	0	0	0	0	0	0	-100.0%					
	939	0	0	0	0	0	0	-100.0%					
Financed by:													
Cash reserves	0	0	0	0	0	0	0						
Arms Length Foundation	291	0	0	0	0	0	0	-100.0%					
Leasing	0	0	0	0	0	0	0						
SFC grant	648	0	0	0	0	0	0	-100.0%					
Re-investment of proceeds from disposal of assets *	0	0	0	0	0	0	0						
Non-SFC grants	0	0	0	0	0	0	0						
PFI/NPD	0	0	0	0	0	0	0						
Other - please specify if material	0	0	0	0	0	0	0						
	939	0	0	0	0	0	0	-100.0%					

* to be included only where this has been agreed by SFC

Capital disposals

Disposal proceeds:

Asset description							
Asset description							
Asset description							
Asset description							
	0	0	0	0	0	0	0

Gain/(loss) on disposal:

Asset description	-34						
Asset description							
Asset description							
Asset description							
	-34	0	0	0	0	0	0

Dundee and Angus

ALF Funding

	Actual 2016-17 £000	Forecast 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000
Estimated balance of cash in ALF as at 1 August	6,289	5,909	5,769	5,100	5,064	5,064	5,064
Donation to Arms Length Foundation	0	0	0	0	0	0	0
Grant from Arms Length Foundation - capital	(291)	0	0	0	0	0	0
Grant from Arms Length Foundation - revenue	(89)	(140)	(669)	(36)	0	0	0
Estimated balance of cash in ALF as at 31 July	5,909	5,769	5,100	5,064	5,064	5,064	5,064

Note:

For most foundations, the most recent accounts available are for periods ending in 2017. Colleges' forecast movements will not include governance costs, donations from third parties, payments to third parties or investment income.

Grant from Arms Length Foundation - capital:

IT Data Storage	291	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Total	291	0	0	0	0	0	0

Grant from Arms Length Foundation - revenue

Transformation 'Good to Great' Funding	0	140	669	36	0	0	0
IT Data Storage	89	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Total	89	140	669	36	0	0	0

Dundee and Angus
FINANCIAL SUMMARY

Actual 2016-17	Forecast 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23
£000	£000	£000	£000	£000	£000	£000

Income ratios							
Total Income	40,254	41,061	43,142	42,889	42,809	43,019	42,414
Total Funding Council Grant as % of Total Income	70%	72%	74%	74%	74%	74%	73%
Total non-Funding Council Grant as % of Total Income	30%	28%	26%	26%	26%	26%	27%
Total Education Contracts and Tuition Fees as % of Total Income	15%	13%	12%	12%	13%	13%	13%
Total Research Grants and Contracts as % of Total Income	0%	0%	0%	0%	0%	0%	0%
Total Other Income as % of Total Income	8%	8%	6%	7%	7%	7%	8%

Expenditure ratios							
Total Expenditure	42,756	43,807	43,460	43,658	43,979	44,591	45,203
Salaries as % of Total Expenditure	65%	66%	67%	69%	70%	70%	71%
Other operating costs as % of Total Expenditure	21%	21%	22%	21%	20%	20%	19%
Depreciation/amortisation as % of Total Expenditure	11%	10%	10%	10%	10%	10%	10%

Operating position							
Operating Surplus/(deficit)	-2,502	-2,746	-318	-769	-1,170	-1,572	-2,789
Operating Surplus/(deficit) as % of Total Income	-6%	-7%	-1%	-2%	-3%	-4%	-7%
Underlying operating surplus/(deficit)	-55	319	1,198	747	346	-56	-1,273
Underlying operating surplus/(deficit) as % of Total Income	-0.1%	0.8%	2.8%	1.7%	0.8%	-0.1%	-3.0%

Cash Position							
Cash and Current Asset Investments	2,313	1,172	2,023	2,398	2,372	1,944	299
Overdrafts	0	0	0	0	0	0	0
Days Ratio of Cash to Total Expenditure	22	11	19	22	22	18	3

Balance Sheet strength							
Unrestricted reserves	(9,097)	2,512	3,112	3,261	3,009	2,355	484
Current Ratio	0.64	0.58	0.70	0.75	0.74	0.67	0.40
Unrestricted reserves as % of Total Income	-23%	6%	7%	8%	7%	5%	1%
Total borrowing (Overdrafts, Loans, Finance Leases, PFI/NPD)	6,249	5,681	5,114	4,547	3,980	3,413	2,846
Interest cover	-2.44	-2.74	-0.75	-3.55	-6.96	-11.38	-28.67

DUNDEE & ANGUS COLLEGE – FINANCIAL FORECAST RETURN 2018

COMMENTARY

Introduction

The FFR covers six years from 2017-18. The 2017-18 forecast reflects the draft outturn and the 2018-19 forecast is based on the College budget, which was approved by the Board on 12 June. The forecasts for 2019-20 to 2022-23 are drawn from our 2018 Financial Strategy which was approved by the Board on 21 March, amended where appropriate for the assumptions set out in the SFC guidance.

College strategies are reflected in the forecasts as follows:

- **HR and workforce.** Pay costs reflect the continuous improvement programme pursued by the College to achieve efficiencies through curriculum review, process design and automation.
- **Estates.** The FFR simply reflects investment in the College's physical infrastructure as funded through the SFC Capital & Maintenance grant. As there is a lack of clarity at present over the likely timing and value of any major capital funding to redevelop our Kingsway Campus, this key plank of our Estates Strategy has not been reflected in the FFR.

Review of financial performance 2017-18

The projected deficit of £2,746 is higher than the previous year's deficit of £2,502. However, the underlying operating result shows an improvement of £374K, to £319K for 2017/18, after accounting for higher non-cash pension adjustments and non-government capital grants.

Whilst Funding Council grants increased for 2017/18, following a 2.7% uplift in teaching grant, Tuition Fees and education contracts fell by £373K (6.4%), with reductions evident across most categories of both full-time and part-time fees as the student numbers declined from previous levels, particularly at HE level.

ALF income of £140K was received to support revenue expenditure associated with the Good to Great transformation project. This is down from the previous year's £380K towards the costs of the ICT Data Storage project.

Other income has increased by £186K (6%), with most of the main categories contributing modest increases.

Staff costs have risen as anticipated for academic harmonisation and NPB pay awards, but have come in below budget as a consequence of in-year savings and a concerted effort to reduce variable teaching costs. Total staff FTE has fallen by 4, to 690, equating to 0.6%.

Non-cash pension charges included within Staff costs have risen by 30% to £1,389K.

Exceptional restructuring voluntary severance costs, at £390K, have continued at a similar level this year and will continue to secure substantial savings going forward.

Other operating costs rose by only 1.6% in 2017/18, however this masks substantial increases in SFC funded property costs, off-set by targeted efficiency reductions in other categories. ICT spending was curtailed pending a strategic resource review, and Student

related expenditure fell with the prior year's support fund subsidy of £326K no longer a feature.

The College avoided the need to subsidise student support funds due to the successful bid to Funding Council for an additional £160K received in July.

Interest and other finance costs reduce with annual loan repayments; however, this heading includes increased pension interest costs of £535K.

SFC recurrent grant

Assumptions regarding SFC income are in accordance with the 2018-19 final funding allocations issued on 18 May (SFC/AN/09/2018), and the tables in Appendix B to the FFR guidance which set out assumed forecast funding for the period to 2022-23

Changes in tuition fee income and other income

Tuition fee income and other income for 2017-18 and 2018-19 are based on the draft outturn and budget respectively. Subsequent years are in line with our Financial Strategy, with a 1.5% year-on-year price increase assumption.

Commercial income

Commercial income for 2017-18 and 2018-19 is based on the draft outturn and budget respectively. Subsequent years are in line with our Financial Strategy, with a 1.5% year-on-year price increase and a further 2% year-on-year volume increase.

The barriers to commercial income generation include:

- Inability to invest or to take risks in the development of new activity, given the requirement to break even each year.
- Pricing advantage offered by competitors who have a lower cost base.
- Reluctance to deflect focus from our core business, which involves supporting learners with a diverse range of needs and meeting the requirements of complex funding mechanisms.
- Sluggish economic conditions and, specifically, the decline in oil and gas activity.

Given that commercial income is in the main generated by the same staff who deliver our core activity, it is difficult to identify the net contribution. However, we aspire to generate an overhead of 30%, although this is dependent on pricing in the market.

Changes in staff and non-staff costs

As instructed, we have modelled cost of living increases for lecturing and support staff on the most recent pay offers made by the Employers' Association, with 2% for each of the remaining years in the forecast period.

We have made different assumptions in our draft outturn, budget and 2018 Financial Strategy, as follows:

	Lecturing	Support
April 2017	1% (non-consolidated)	As paid
April 2018	Per public pay policy (non-consolidated)	Per public pay policy (consolidated)
April 2019	2.5%	1%
April 2020 onwards	1%	1%

In comparison with the above, the FFR assumptions generate lower increases in the short term, but higher in the longer term.

We continue to reflect the costs of harmonisation for lecturing staff, and the associated transitional funding, according to the modelling carried out by Colleges Scotland. We have reflected the costs of job evaluation for support staff on the basis that these will be fully funded by the provisional allocations announced in SFC/AN/09/2018.

The College's financial strategy is that the savings required to maintain a positive cash position will be achieved by means of staffing reductions, primarily through voluntary severance. The level of staff reductions required is kept under constant review by the Board, as assumptions regarding staff costs and funding change. The FFR reflects the impact of two VS schemes during 2017-18, which generated full year savings of c£700k, with associated costs of c£350k. As the FFR modelling suggests that the College will stay cash positive through to the end of the forecast period without any further net staffing reductions, there are no severances assumed in future years.

It is assumed that there are no increases to pension contribution rates or participation levels.

We have assumed that any non-pay inflation will be in line with GDP but will be off-set by equivalent savings, resulting in "flat cash" forecasts for 2019-20 onwards. Assuming a GDP deflator at 2%, this implies that there are efficiency savings of c£160k each year embedded in this line.

Cash budget for priorities (Incorporated colleges only)

The following table will be included in our annual financial statements:

Table of cash budget for priorities spend	
	2017/18 £'000
Revenue	
Student support	21
2015-16 Pay award	463
Total impact on operating position	484
Capital	
Loan repayments	571
Total Capital	571
Total cash budget for priorities spend	1,055

Balance sheet – cash position

The operating cash position is largely driven by the operating position, which is itself subject to considerable volatility.

The target underpinning our financial strategy is to generate a cash-backed surplus (ie before net depreciation charge and other non-cash items) which is sufficient to meet the annual capital repayment on our loan.

A summary of cash movements and balances is shown below:

	Forecast 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23
Opening cash	2,313	1,172	2,023	2,398	2,372	1,944
Net cash flow	(1,141)	851	375	(26)	(428)	(1,645)
Closing cash	1,172	2,023	2,398	2,372	1,944	299

Risk management

In our 2018 Financial Strategy, we identified specific risks and calculated sensitivities as shown in Appendix A. As stated above, the assumptions in the FFR are different in many respects from those used in the Financial Strategy and so these sensitivities would not apply to the FFR, in particular around SFC funding and cost of living awards.

The risks represented by these sensitivities have been cross-referenced to our Strategic Risk Register and will be managed accordingly.

Any other information

None.

APPENDIX A

Element	Base case	Change	July 2019 cash balance	July 2023 cash balance	July 2019 - change from base	July 2023 - change from base
Base case			317	308		
Voluntary severance	2018-19 £1m saving	Target missed by 30%	164	-1,076	-154	-1,384
Voluntary severance	2018-19 £1m saving	Target missed by 6 months	-183	-212	-500	-520
SFC core funding	Flat cash 2020-21 onwards	0.5% reduction	317	-603	0	-912
ESF credits	100% replaced with core	50% replaced with core from 2020-21	317	-1,423	0	-1,731
Increase in total credits	No increase	1% increase from 2019-20	317	1,386	0	1,078
Non-core income	1.5% price, 2% volume (other)	Zero growth	317	-1,879	0	-2,187
Promoted lecturers	Mapped to levels 1/2	Mapped to levels 2/3 but SFC funding at 1/2	-226	-3,724	-543	-4,033
Cost-of-living pay awards	1% academic / support	0% academic until 2020/21	836	3,170	518	2,862
Cost-of-living pay awards	1% academic / support	2% academic / support	21	-4,318	-297	-4,626
On-costs	Current rates	Increase by 2 percentage point from 2018-19	-127	-1,912	-444	-2,220
Funding model changes	No change	£1.2m reduction 2019/20	317	-4,492	0	-4,800



**BOARD OF MANAGEMENT
Tuesday 25 September 2018**

Finance Items

Voluntary Severance Scheme

Paper H



BOARD OF MANAGEMENT VOLUNTARY SEVERANCE SCHEME

1 Introduction

This paper outlines the proposal to re-open the Voluntary Severance scheme for applicants.

2 Scheme Background

The Board of Management approved the terms and arrangements for a Voluntary Severance scheme at its March 2016 meeting. Arrangements for this scheme were developed through discussions with the trades unions and Chairs Committee.

Under the requirements of the relevant [SFC guidance](#), the terms of the scheme have been approved by SFC through until 31 December 2019.

The terms of the scheme supported payment of a maximum of 8 months' salary with payback required within a maximum 12 month period.

3 Proposal

Given the continuing financial pressures facing the College, the requirements of the Financial Strategy, and the proposed review of the structure for academic management, it is proposed that voluntary severance be re-opened across the College.

Approval is sought for the scheme to re-open alongside restructuring proposals in autumn 2018 with a focus on any individual that is displaced from, or do not see themselves within, the proposed new structure.

It is planned that the scheme will remain open until final structure changes are confirmed, appointments made and the structure enacted. This will most likely be May/June 2019.

Applicants within this round of voluntary severance would normally leave College service by 31 July 2019.

The terms of the scheme will be identical to those approved previously by the Board of Management and SFC.

In line with previous arrangements, all decisions will require strict cost savings and all costs will be managed to ensure that they do not impact negatively on the in-year cash position.

4 Information

Further information in respect of Voluntary Severance matters is available for Board members by contacting Steve Taylor, Vice Principal People & Performance, s.taylor@dundeeandangus.ac.uk.



**BOARD OF MANAGEMENT
Tuesday 25 September 2018**

Quality Items

Annual Quality Report 2017/2018

Paper I

EMBARGOED



**BOARD OF MANAGEMENT
Tuesday 25 September 2018**

Quality Items

Enhancement Plan 2018/2021

Paper J

EMBARGOED



**BOARD OF MANAGEMENT
Tuesday 25 September 2018**

Governance Items

BOM Membership

Paper K



BOARD OF MANAGEMENT MEMBERSHIP UPDATE

1 Introduction

This paper summarises arrangements and requirements in respect of the membership of the Board of Management of Dundee and Angus College as a Regional College under the terms of the Post-16 Education (Scotland) Act 2013.

2 Board of Management Membership

Under the terms of the Post-16 Education (Scotland) Act and the ministerial guidance on the recruitment of board members, the Board of Management must make appropriate arrangements for the recruitment of migrating and new members of the Board.

To operate within the terms of the legislation the Board of Management must include **a minimum of 15 members and a maximum of 18 members** (up to 12 of whom are classified as “ordinary members” recruited under the board arrangements). The College Board cannot operate legally with fewer than 15 members.

3 Board of Management June Appointments

Following the recruitment arrangements completed in May 2018, two new Board members were approved for appointment by the Scottish Government and were appointed by the Board at its June 2018 meeting. Unfortunately, due to a number of circumstances, neither of the new members has been in a position to take up their Board positions. As a result, two vacancies have been carried forward to the current round of recruitment.

4 New Board Recruitment

Following the resignation of Michael Galloway and Jane Richardson the Board currently has four vacancies. Pam Milne has also signalled her desire to step down from the board when her tenure comes to an end in 2019. As a result, current Board recruitment arrangements are seeking to fill 5 vacant Board positions.

Recruitment arrangements are currently underway and an update will be given to the Board meeting.

5 Student Members

Following the sad loss of Josh Gregory over the summer the Students’ Association has nominated Reece Walker to continue as the second student Board member.

At the June 2018 meeting it was agreed that student members would be given the opportunity to become members of additional board committees. This has been discussed with the two current student Board members who have decided not to take up this opportunity currently given the range of study, work and personal commitments that they have.

6 Support Staff Member

Following the resignation of Liz Addison from her post at the College an election has been held for a new Support Staff member of the Board and Chrissie Clinkscale, Administration team leader for the Gardyne campus has been elected to this role.

Chrissie has been appointed until 31 October 2020.

7 Information

Further information in respect of Governance matters is available for Board members by contacting Steve Taylor, Vice Principal People & Performance, s.taylor@dundeeandangus.ac.uk.

Board Membership as at 25 September 2018

	Appointment	Member Until	Profession/Specialism
1. Angela McCusker	Regional Chair July 2014	Scottish Government Appointment until 31/07/22	Business, Management, Finance
2. George Robertson	March 2015	31/03/19	Finance, Management
3. Steven Watt	March 2015	31/03/19	ICT, Management
4. Margo Williamson	June 2014	31/05/21	Public Service Management, Education
5. Gary Bissett	June 2014	31/05/21	HR, Management, Manufacturing
6. Steven Mill	June 2014	31/05/21	Finance, Management
7. Donna Fordyce	April 2017	31/04/21	Economic Development/ Enterprise, Fisheries, Retail Management
8. Trisha Pirie	April 2017	31/04/21	Economic Development, Commercial Management, Enterprise
9. Pamela Milne	March 2015	Resigned 31/03/19	HR, HE Management
10. Mike Galloway	March 2015	Resigned 30/09/18	Public Service Management, Planning
11. Vacancy			
12. Vacancy			
13. Vacancy			
14. Grant Ritchie	--		Principal
15. Chrissie Clinkscale	September 2018	31/10/20	Non-Teaching Staff Member
16. Alan O'Neill	April 2015	31/03/19	Teaching Staff Member
17. Diane Humphries	August 2018	31/07/19	Student Member
18. Reece Walker	August 2017	31/07/19	Student Member



**BOARD OF MANAGEMENT
Tuesday 25 September 2018**

Governance Items

Risk Register

Paper L



STRATEGIC RISK REGISTER

2018 - 2019

As at September 2018

Post Holders	ELT	Executive Leadership Team	PRIN	Principal	Score	Impact	Likelihood
	SLT	Senior Leadership Team	DirC&A	Directors of Curriculum & Attainment	1	Routine	Remote
	Board	Board of Management	HoICT	Head of ICT	2	Minor	Unlikely
	VPP&P	Vice Principal People & Performance	HoE	Head of Estates	3	Significant	Possible
	VPCS	Vice Principal Corporate Services			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
1	Strategic and Structural									
1.1	Failure of College strategy to meet the needs of the D&A Region and/or national priorities (eg Employability, DYW, attainment, articulation)	4	4	16	<ul style="list-style-type: none"> Robust strategic planning Effective environmental scanning Strong partnerships Clear links between strategy and practice Concerted demands for increased activity levels 	4	1	4	<ul style="list-style-type: none"> Robust monitoring via ROA Clear performance metrics Amendment of strategic direction/plans Rolling curriculum review 	Board, ELT
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 scanning Negotiation/influence at national level 	4	2	8	<ul style="list-style-type: none"> Review of changes and amendment of strategic direction/plans Financial strategy sensitivities 	ELT
1.3	College disadvantaged by changes arising from UK leaving European Union	5	4	20	<ul style="list-style-type: none"> Negotiation/influence at national level Review of activities/projects Responsiveness to new opportunities 	5	2	10	<ul style="list-style-type: none"> Review of changes and amendment of strategic direction/plans/curriculum Financial strategy ESF sensitivity 	ELT

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

Post Holders	ELT	Executive Leadership Team	PRIN	Principal	Score	Impact	Likelihood
	SLT	Senior Leadership Team	DirC&A	Directors of Curriculum & Attainment	1	Routine	Remote
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	VPCS	Vice Principal Corporate Services			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
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	4	<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
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 Effective budgetary control Where required, swift action to implement savings 	4	3	12	<ul style="list-style-type: none"> Monthly monitoring of budgets Regular review of financial strategy and non-core income sensitivity Detailed monitoring of savings programmes 	ELT
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 	VPP&P, VPCS

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

Post Holders	ELT	Executive Leadership Team	PRIN	Principal	Score	Impact	Likelihood
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	VPCS	Vice Principal Corporate Services			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
2	Financial									
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 	VPCS
2.5	D&A Foundation refuses/withholds funding for key College priorities	5	3	15	<ul style="list-style-type: none"> On-going dialogue with Foundation Trustees Appropriate bid arrangements in place 	3	2	6	<ul style="list-style-type: none"> Monitor and advise Board of Management 	VPCS

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

Post Holders	ELT	Executive Leadership Team	PRIN	Principal	Score	Impact	Likelihood
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	Board	Board of Management	HoICT	Head of ICT	2	Minor	Unlikely
	VPP&P	Vice Principal People & Performance	HoE	Head of Estates	3	Significant	Possible
	VPCS	Vice Principal Corporate Services			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
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 requirements Positive Union relations and staff communication Effective management development programmes 	3	2	6	<ul style="list-style-type: none"> Monitoring and reporting in key areas – eg H&S, equalities, employee engagement Continuous professional development Internal audit programme Staff surveys 	ELT
3.2	Reputational Risk – Loss of reputation with key stakeholders	4	3	12	<ul style="list-style-type: none"> Marketing strategy Reputation plan Positive marketing approaches 	4	2	8	<ul style="list-style-type: none"> Stakeholder engagement Social media monitoring arrangements 	VPC&A
3.3	Disasters – eg Fire, MIS Failure, Failure of Emergency Procedures	5	4	20	<ul style="list-style-type: none"> Sound systems of administration Clear fire and disaster recovery arrangements Staff CPD 	5	1	5	<ul style="list-style-type: none"> Business Continuity Plan including scenario testing 	VPCS, VPP&P HoE, HoICT
3.4	Failure to meet Prevent and related obligations	5	3	15	<ul style="list-style-type: none"> Prevent training Staff awareness and contingency planning Engagement/practice sharing with local agencies 	5	1	5	<ul style="list-style-type: none"> Business Continuity Plan including scenario testing Information sharing with local agencies 	VPCS, VPP&P

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

Post Holders	ELT	Executive Leadership Team	PRIN	Principal	Score	Impact	Likelihood
	SLT	Senior Leadership Team	DirC&A	Directors of Curriculum & Attainment	1	Routine	Remote
	Board	Board of Management	HoICT	Head of ICT	2	Minor	Unlikely
	VPP&P	Vice Principal People & Performance	HoE	Head of Estates	3	Significant	Possible
	VPCS	Vice Principal Corporate Services			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
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 requirements Positive Union relations and staff communication Effective management development programmes Industrial action continuity planning 	4	3	12	<ul style="list-style-type: none"> Regular union/management dialogue Regular employee engagement monitoring Open communication with staff 	VPP&P
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 systems Effective management of ICT arrangements Clear investment plan 	4	2	8	<ul style="list-style-type: none"> Regular review/reporting on milestones, systems effectiveness etc Regular CPD 	VPCA, HoICT
3.7	Breach of ICT/Cyber security	4	3	12	<ul style="list-style-type: none"> Effective management of ICT arrangements Active ICT/data security monitoring and cyber security policy 	4	2	8	<ul style="list-style-type: none"> Staff CPD on cyber security issues Regular security monitoring/testing Cyber resilience plan 	VPCS, HoICT

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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Risk Number	POTENTIAL CONTRIBUTING FACTORS			TREATMENT		POST MITIGATION EVALUATION				
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Responsibility
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 	VPCS, HolCT, Data users
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 	3	2	6	<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 	VPC&A, VPP&P, DirC&A
3.10	Failure to achieve/maintain compliance arrangements, e.g. 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 Concerted demands for increased activity levels 	2	2	4	<ul style="list-style-type: none"> Effective internal monitoring/review/verification arrangements External review findings 	SLT, VPP&P

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



**BOARD OF MANAGEMENT
Tuesday 25 September 2018**

Board Metrics

Paper M



BOARD DATA METRICS SEPTEMBER 2018

1 Introduction

This paper outlines a series of standardised Board Metrics as discussed and agreed at previous meetings.

2 Board Metrics Report

To ensure that there is clear visibility of data and progress the following series of clear metrics is produced for consideration at each Board meeting. These metrics link together a number of data sources into a single high level Board report to provide high level indications of College performance. The further detail in each case should rest with the relevant Committee, or be part of the operational activities of the College. In this way, the metric report should supplement, rather than replace, the range of current information provided to the Board and its Committees.

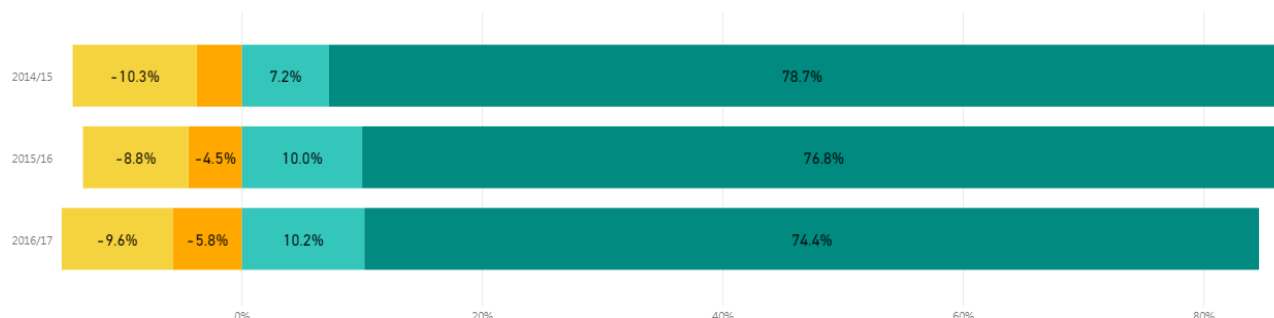
3 Information

Further information in respect of Quality matters is available for Board members by contacting Steve Taylor, Vice Principal People & Performance, s.taylor@dundeeandangus.ac.uk

Board Metrics Report September 2018

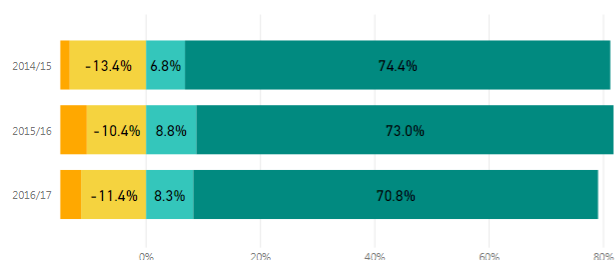
Performance Indicators

Total PI by Session

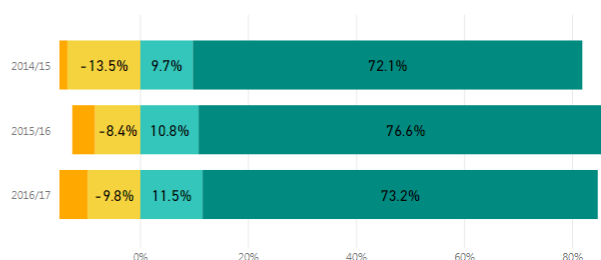


Note: Provisional 2017/18 PIs: Successful Completion 76.4% (up 2% points), Partial 8.3%, Withdrawal 15.2%

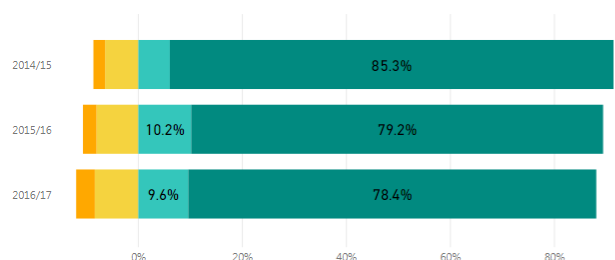
FE Full Time



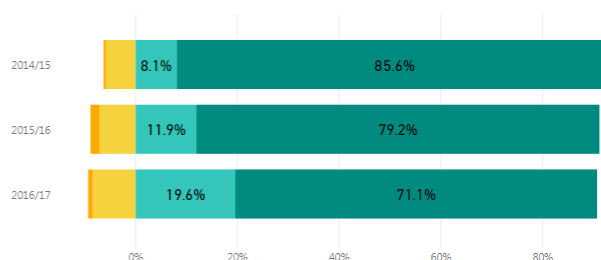
HE Full Time



FE Part Time



HE Part Time



Note: Provisional 2017/18 PIs by level and mode:

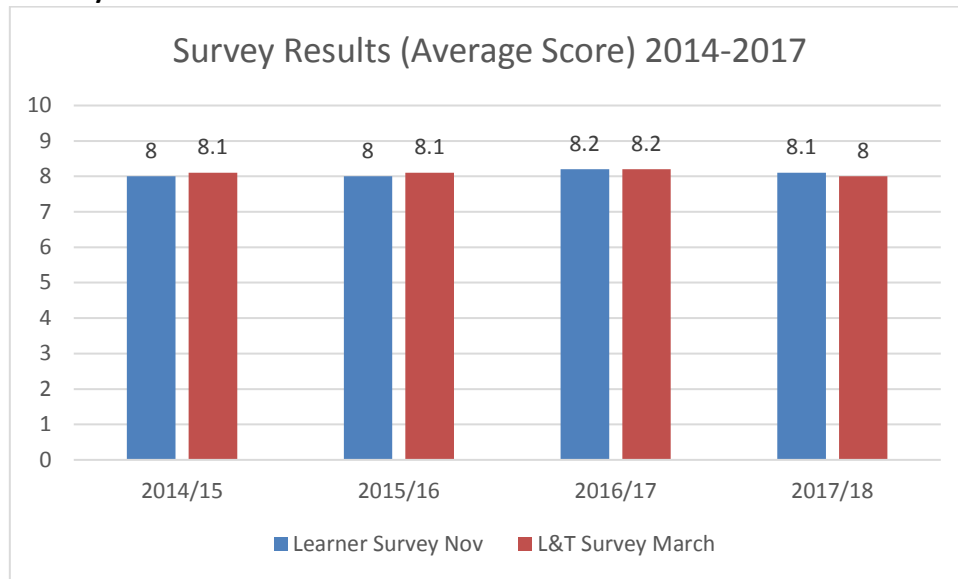
FE Full Time: Successful Completion 74.3% (up 3.5%), Partial 6.3%, Withdrawal 19.4%

FE Part Time: Successful Completion 78.5% (up 0.1%), Partial 8.8%, Withdrawal 12.7%

HE Full Time: Successful Completion 75.9% (up 2.7%), Partial 10.3%, Withdrawal 13.8%

HE Part Time: Successful Completion 80.5% (up 9.4%), Partial 11.1%, Withdrawal 8.3%

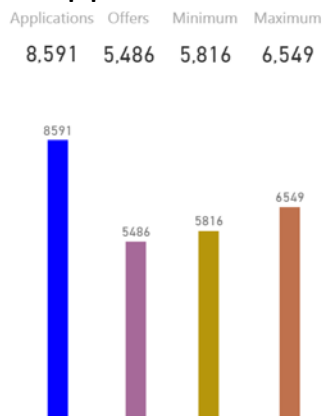
Student Survey Results



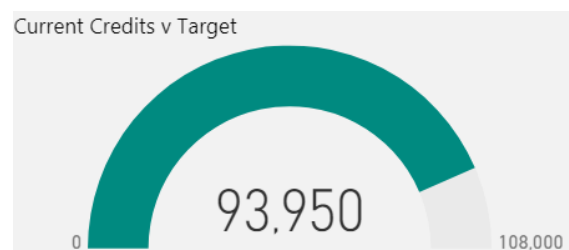
SFC Student Satisfaction & Engagement Survey – Positive response rate

	D&A	National
Overall Satisfaction 2015/16	90.1%	82.5%
Overall Satisfaction 2016/17	90.6%	83.5%
Overall Satisfaction 2017/18	90.4%	TBC

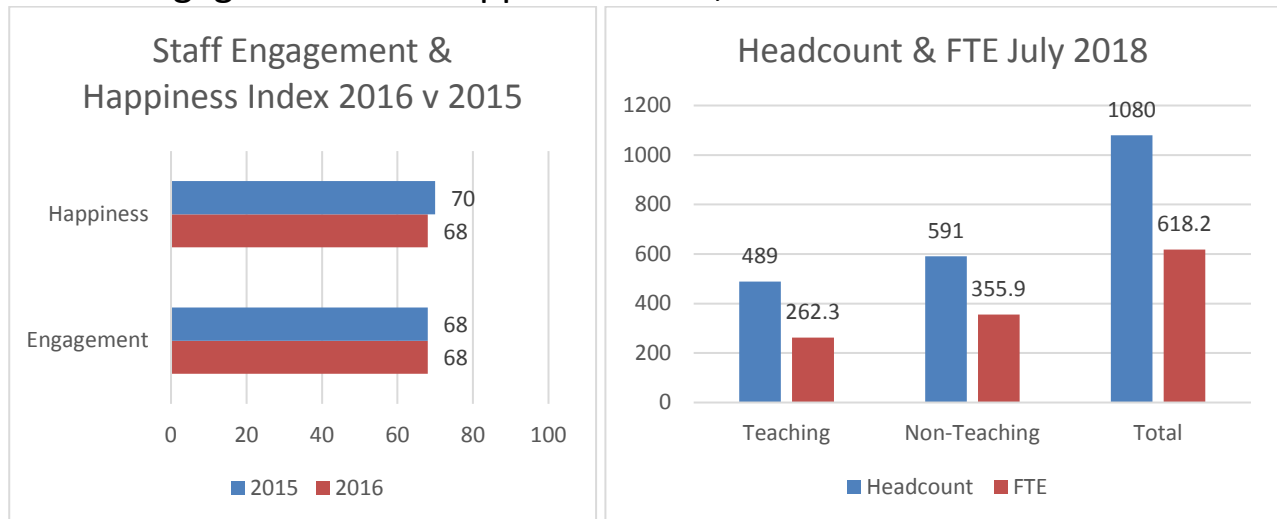
18/19 FT Applications and Offers



Credit Count v Target 18/19

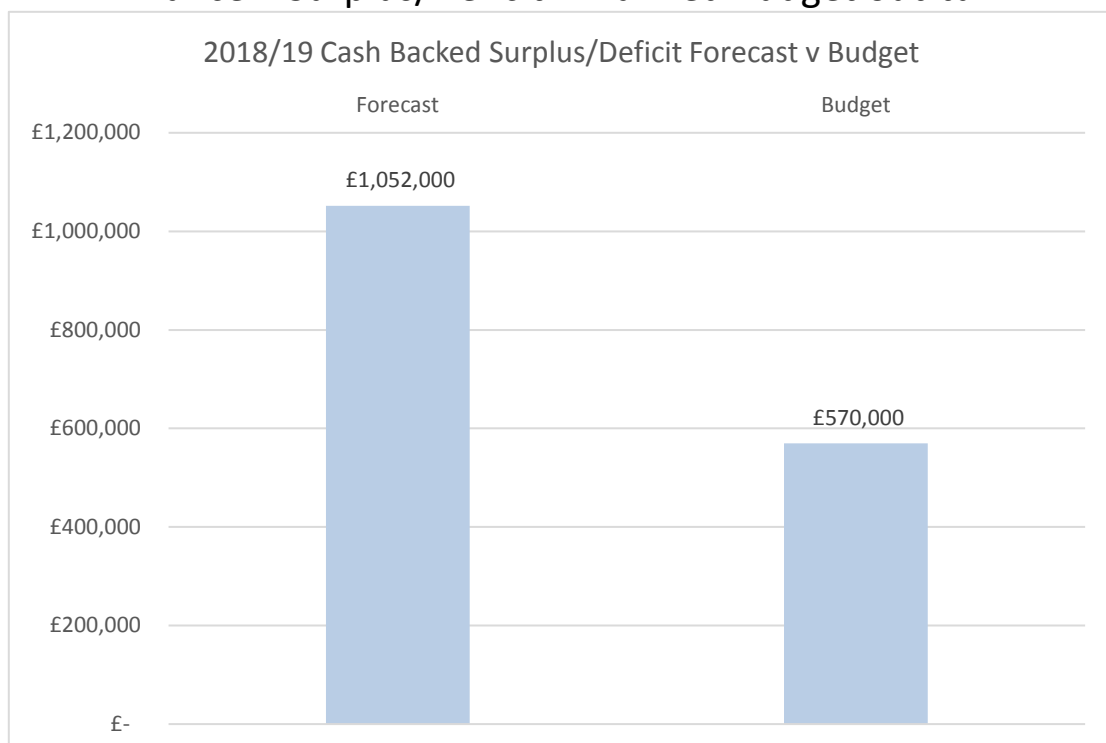


Staff – Engagement and Happiness Index, FTE & Headcount and Absence



	2017/18	2016/17	2015/2016
Average working days lost per headcount	5.4	5.3	5.7
Working time lost	2.1%	2.0%	2.6%

Finance – Surplus/Deficit v Planned Budget out-turn



	Year to date	2017/18
RIDDOR – Reportable Accidents	0	3

	Completed	Planned
Audits Completed v Planned	6 Fieldwork underway on remaining 3	9



**BOARD OF MANAGEMENT
Tuesday 25 September 2018**

National Bargaining Update

Paper N

EMBARGOED



**BOARD OF MANAGEMENT
Tuesday 25 September 2018**

Minutes of Committee Meetings

11.1 Learning, Teaching & Quality – 29.08.18

11.2 Finance & Property – 11.09.18

Paper O



BOARD OF MANAGEMENT LEARNING, TEACHING AND QUALITY COMMITTEE MEETING

Minute of the Learning, Teaching and Quality Committee meeting held on Wednesday
29 August 2018 at 5.00pm in Room Y150, Gardyne Campus.

PRESENT:

M Williamson (Chair)	G Robertson
A O'Neill	A McCusker
G Ritchie	S Mill
S Watt	D Humphries

IN ATTENDANCE:

S Hewitt (Vice Principal)	
C Blake (Vice Principal)	S Ramminger (Wellbeing Project Lead)
S Taylor (Vice Principal/Secretary to the Board)	

1. WELCOME

M Williamson welcomed Committee members and welcomed Diane Humphries to her first meeting as Student Board Member. M Williamson welcomed Sarah Ramminger to the meeting.

M Williamson stated that she wanted to highlight the sad loss of Josh Gregory over the summer and to mark the contribution that he had made as Student President.

2. APOLOGIES

There were no apologies.

3. DECLARATIONS OF INTEREST

There were no declarations of interest.

4. MINUTE OF PREVIOUS MEETING

The minute of the meeting held on 9 May 2018 was approved as an accurate record.

5. MATTERS ARISING

(i) Student satisfaction – Service Design Event

S Taylor noted previous discussions and summarised plans to use a range of service design inputs to identify steps to improve student satisfaction. Developments were noted with interest and further details would be provided at a future date. **S Taylor to progress.**

6. APPOINTMENT OF COMMITTEE VICE CHAIR

Following a nomination received, A O'Neill was appointed to the new role of Vice Chair of the Learning, Teaching and Quality Committee.

7. CURRICULUM REPORT – WELLBEING PROJECT

M Williamson welcomed S Ramminger to the meeting.

S Ramminger summarised the planned activities and outcomes under the Good to Great Wellbeing project, highlighting that this project covered both student and staff wellbeing. It was noted that S Ramminger was working alongside J Cooper from the People team, who was focusing on the staff side of the work.

S Ramminger showed the wellbeing video prepared for the all staff welcome back event at the start of session and noted that interest and engagement in the project following this event had been very strong.

S Ramminger stated that her key focus was around the creation of a learner wellbeing toolkit that would be used by staff, Group Tutors and learners themselves to support and develop improved wellbeing. It was noted that this would include developing awareness of support and approaches on a more consistent basis across the College. This would include staff CPD so that staff could better support others and develop awareness and wellbeing through 'marginal gains' in all parts of the College.

S Ramminger stated that work had progressed to create student volunteer wellbeing officer roles and highlighted plans to develop themes such as 'cook well – eat well', 'keep in touch' and 'Refresh' events with input from different curriculum areas.

S Mill welcomed the update and asked if there were different approaches between staff and students. S Ramminger noted that there would, but that there would also be a number of resources and events that would be the same for everyone.

S Watt asked if there was a risk that the project could drive up demand for student support services that it would be difficult to meet. S Ramminger noted that this was possible, but that project approaches would also look at better adoption of preventative strategies and also develop group approaches to support more efficient delivery of services and support.

A McCusker asked how support would work when student left the College. S Ramminger stated that there was a strong focus on developing resilience and on supporting students to understand the triggers that impact on their wellbeing and how they can manage these better through approaches such as WRAP (Wellness Recovery Action Planning) training. The role of the Students' Association and Learner Engagement Team were discussed and it was noted that students and these teams were very actively involved in project development and delivery.

S Ramminger advised that clear project outcomes had been identified, including student feedback against the initial baseline developed in May 2018. It was noted that outcomes included both qualitative feedback and quantitative measures in terms of use of the toolkit and engagement in events/activities. S Ramminger stated that the end goal for this work was to improve wellbeing so that it impacted positively on retention and attainment.

The role of the student volunteers was discussed and S Ramminger summarised how these volunteers would be trained and supported to work with students and staff to deliver wellbeing inputs and activities for their peers as a part of their own learning.

The difference in student feedback on wellbeing between campuses was discussed and it was noted that Gardyne appeared to be significantly different from the other campuses. S Ramminger noted that the project work would look at, and seek to address, this.

M Williamson stated that the project and approach presented was very positive and noted that she was looking forward to hearing how this was progressing over the coming months.

Link to video is available [here](#). NB this will need you to be logged into your College account.

8. SCOTTISH GOVERNMENT RETENTION PROJECT

S Taylor summarised the paper presented outlining work undertaken during year 1 of the project and developments planned for year 2.

It was noted that the focus of the project nationally had been changed, with a number of residential development sessions planned over the year, themed around key factors impacting on student retention.

S Taylor highlighted that within the College, and nationally, it had been very difficult to link project activities with changes in levels of retention. It was noted that this was part of the decision nationally to narrow the focus of the project and look at more concentrated inputs.

The update was welcomed.

9. CURRICULUM REVIEW UPDATE

S Hewitt summarised the update paper presented, highlighting developments made at the halfway point in respect of the review of curriculum for session 2018/19 and session 2019/20.

S Hewitt stated that the focus on using solid data sources to underpin future planning and decision making had really helped to identify opportunities and to inform outcomes that may not otherwise have arisen. It was noted that this included significant strategic decisions around some elements of activity, including a 30% increase in schools provision for 2018/19.

S Hewitt stated that there were bigger changes planned for full-time provision in 2019/20, with full new Higher Nationals planned alongside other developments and changes to on-going courses.

S Hewitt noted that work was progressing to align marketing activity with these changes to develop awareness and understanding of the type of job opportunities within the regional economy that these new courses would equip students for.

S Hewitt stated that the curriculum review had been progressed along with a significant number of other changes, including service design developments, but was pleased to note that this had not impacted negatively on results, with an anticipated increase in student success and retention. This early indication of an improvement in retention and attainment was welcomed.

S Hewitt noted that this included substantive increases within some of the curriculum areas that had been discussed at previous meetings, including Engineering, Social Science and Science. These improvements were welcomed and approaches and changes underpinning these discussed.

10. SQA HIGHERS/NATIONAL 5 RESULTS

S Hewitt summarised the results for the range of SQA Higher and National 5 exams. He noted that he was aware that these outcomes were not as good as anticipated and stated that decisions had already been made to pull a number of Highers as a result.

This included removing Higher Accounting and Higher Care in 2018/19 and further, more substantial, changes for session 2019/20.

A number of factors impacting on the results were discussed, including preparation for exams and some staffing issues. S Hewitt stated that specific work was required to address the decline in results in Psychology given the significant role that this played in school link provision.

S Hewitt stated that not all of the results were negative, with some good outcomes and improvements in some subjects, including Chemistry, Maths and English.

G Ritchie stated that changes over the years had reduced the dependence on students getting Highers as the key entry route into university and stated that the College had to look at the various routes and success of these in determining future curriculum. S Taylor noted that this was underpinned by some good data on success and progression that would help to guide decision making.

It was agreed that plans and developments with regards to Highers provision be brought back to a future meeting. **S Hewitt to progress.**

11. VP CURRICULUM AND ATTAINMENT REPORT

The VP Curriculum and attainment report was noted. S Hewitt highlighted that the most up to date recruitment figures put full-time numbers at 4,532 compared with 4,686 at the same point last year.

Service Design Academy developments were discussed and it was noted that validation of the Professional Development Group award was being progressed now that the units making up the award had all been approved. S Hewitt confirmed that the main focus for this PDA would be commercial, rather than credit funded.

Developments in respect of senior phase schools provision was discussed, including some of the challenges in developing and supporting engagement with the full range of schools within the D&A region.

S Hewitt noted that engagement with the Digital Strategy self-assessment tool was continuing to grow, with around 400 staff now completed and further work planned.

Good to Great project developments were noted and C Blake highlighted that a revised project budget would be brought to the Finance and Property Committee meeting.

12. LT&Q METRICS

S Taylor summarised the metrics paper produced and highlighted that this included information on the anticipated credit out-turn in excess of the 2017/18 target.

13. STUDENTS' ASSOCIATION REPORT

D Humphries noted that projects and events for the Students' Association were just kicking off and that a full report would be provided at the next meeting.

S Taylor stated that the SA Advisory Board and Student Congress had decided not to replace the role of Student President for 2018/19 in line with the SA Constitution. Work would be picked up by the remaining Officers, and plans had been developed to provide a greater role for the Lead Representatives group.

It was noted that the Vice President for Kingsway had not attended work over the summer and that a vote of no confidence was likely.

A McCusker noted that the new Students Association and Sports Union website had been launched and was a very positive development. **The website can be accessed [here](#).**

14. DEVELOPING THE YOUNG WORKFORCE

G Ritchie noted progress being made by the Developing the Young Workforce (DYW) group, but advised that a new Chair for the group had yet to be appointed.

Work was progressing with schools, employers and the College, including plans for a major apprenticeships promotion event in Angus in autumn 2018.

G Ritchie noted that a set of new national targets for DYW activities and outcomes had been announced and would be brought to the Committee at the next meeting. **G Ritchie to progress.**

15. DATE OF NEXT MEETING

The next Learning, Teaching and Quality Committee meeting will take place on Wednesday 14 November 2018 at 5.00pm in Room Y150, Gardyne Campus.

Action Point Summary

Action	Responsibility	Date
Service Design Activity to be used to identify potential developments arising for areas with low scores within the student surveys.	S Hewitt/ S Taylor	14 November 2018
Update on plans for future Highers curriculum	S Hewitt	14 November 2018
National DYW Targets to be discussed	G Ritchie	14 November 2018



BOARD OF MANAGEMENT FINANCE AND PROPERTY COMMITTEE MEETING

Minute of the Finance and Property Committee meeting held on Tuesday 11 September 2018 at 5.00 pm in Y150, Gardyne Campus.

PRESENT: S Mill (Chair) A McCusker
A O'Neill G Ritchie
G Bisset

IN ATTENDANCE: C Blake (Vice Principal) S Hewitt (Vice Principal)
S Taylor (Vice Principal and Secretary to the Board)
W Grace (Head of Estates) B Ferguson (Head of Finance)

1. WELCOME

S Mill welcomed members to the meeting. It was noted that there had been no nominations for the role of Vice Chair and that this would be revisited following completion of current Board recruitment arrangements.

2. APOLOGIES

Apologies were noted from D Fordyce and M Galloway.

3. DECLARATIONS OF INTEREST

There were no declarations of interest.

4. MINUTES OF FINANCE AND PROPERTY COMMITTEE MEETING 22 MAY 2018

The minute of the Finance and Property Committee meeting held on 22 May 2018 was approved as an accurate record.

5. MATTERS ARISING

C Blake noted that the ICT resource plan had been delayed due to staff absence. This would be revisited for the next meeting. **C Blake to progress.**

Developments in respect of month 2 reporting were outlined alongside improvements made in respect of communication over budgeting and forecasting arrangements.

All other actions had been progressed or were included in the agenda.

6. BUDGET MONITORING REPORT

S Mill stated that the draft out-turn for 2017/18 showed an improved position on the previous monitoring report and noted that this was presented alongside the 2018/19 budget monitoring report.

B Ferguson summarised the report, highlighting that the 2017/18 out-turn had improved from a deficit of £432k to a projected cash-backed surplus of £187k against a budgeted surplus of £343k. It was noted that this out-turn had also impacted positively on the initial forecast for 2018/19 with a projected surplus of £1,052k against a budget surplus of £570k.

The impact of additional voluntary severances on the figures was noted alongside the additional student support funds received and reduced ICT spend. B Ferguson noted that there had been a change in the provision made for the academic pay award to reflect anticipated values, but noted that this was still more prudent than the guidance for the Financial Forecast Return (FFR).

Differences in the scheduling of capital income/expenditures and Good to Great funding were noted alongside changes in timing for some of the Flexible Workforce Development Fund (FWDF) activities.

S Mill asked if current external audit discussions were likely to have an impact on the projected out-turn. B Ferguson stated that this was possible, but that he did not anticipate any significant change.

Developments in respect of risk management and related contingency planning were discussed. It was noted that the improved position was welcomed, but that variances could also have gone the other way. This was recognised, and C Blake noted comment within the report on the contingency approaches that could be adopted. It was noted that the options available in-year were limited and that this would impact on the profile of spend to give best flexibility. The importance of management information to provide early warning of financial risks was noted.

7. GOOD TO GREAT REVISED BUDGET

S Mill noted that the paper summarised planned changes to the Good to Great budget to reflect the range of projects and activities developed under the five themes.

C Blake stated that the changes planned to the budget reflected the project update provided to the Board at its June 2018 meeting. It was confirmed that these changes reflected the work undertaken across the range of workstreams and the known work plans in each case.

C Blake stated that the revised budget would go to the full Board and then the D&A Foundation if approved.

S Mill noted that the profile of spend highlighted to date would suggest that the project would be extended beyond September 2019. C Blake noted that this was likely, and the need to seek an extension from the D&A Foundation was discussed.

It was agreed that any extension request would be included alongside the budget update for consideration at the Board meeting on 25 September and (if approved) for submission to the D&A Foundation for its October 2018 meeting. **C Blake to progress.**

A McCusker suggested that it would be useful to invite the trustees of the D&A Foundation in to hear about the Good to Great project and the impact this was having. It was noted

that an invite for late November, alongside the launch of the new website, would be appropriate. **G Ritchie to progress.**

8. FINANCIAL FORECAST RETURN (FFR)

S Mill noted the requirement on the College to produce the FFR for submission to the Scottish Funding Council (SFC) by 28 September 2018, with this going to the full Board meeting for approval prior to submission.

C Blake stated that the FFR was covered by detailed guidance on its production and the assumptions to be used in determining the forecast. It was noted that the assumptions on SFC funding were broadly similar to those in the financial strategy until 2022/23 where there was a significant change due to the loss of ESF credit funding and the planned enactment of the 'simplified' funding model. C Blake stated that any drop in funding from these combined changes would be capped at 3%, but that it was anticipated that these would equate to a 2.9% reduction in funding for D&A.

The impact of losing c3,400 ESF funded credits was discussed and it was noted that this funding covered students across a wide range of provision rather than specific ESF funded programmes.

The assumptions underpinning future cost of living increases were discussed, as were the complexities of showing the impact of voluntary severance within the FFR format.

S Mill asked what approach would be taken for assumptions that were not closely specified by SFC. C Blake stated that these would be developed in line with the assumptions underpinning the financial strategy.

It was agreed that the final draft FFR be developed in discussion with the Board Chair and Chair of the Finance and Property Committee for approval at the September Board Meeting. **C Blake to progress.**

9. VMWARE PROCUREMENT

S Mill noted the paper presented in respect of the procurement of the VMWare maintenance contract renewal.

C Blake summarised the paper and the steps followed in respect of the renewal of the maintenance contract despite the significant increase in the three-year cost of this.

Failings in respect of the application of the necessary Board approvals under the terms of the College procurement policy were noted and discussed. Following this it was agreed that the issue was of significant enough importance to warrant referral to the Audit and Risk Committee for consideration of an internal audit review. **C Blake to progress.**

It was agreed that information be issued to all budget holders to remind them of the requirements of the procurement policy and to refresh awareness of the delegated spend limits and related requirements. **C Blake to progress.**

10. AUDIT SCOTLAND REPORT – COLLEGE POSITION

S Mill highlighted that the paper produced detailed the underlying operating position as set out within the recent Audit Scotland report on Scotland's Colleges.

C Blake outlined how this underlying position was calculated and noted the areas of income and expenditure considered within this. It was noted that this picture did not provide any information that wasn't previously known and C Blake stated that it was awareness of the

underlying information that had prompted the need for the savings plan undertaken during 2017/18.

C Blake stated that what was new was the comparison with others in the sector and the concern that this raised with regard to the overall positioning of the College.

The analysis of this was discussed and C Blake stated that the key factors related to the overall income per staff FTE, where this was lower for the College compared with others. C Blake stated that this was already known, but that the factors underpinning this were complex and that further analysis would be undertaken.

It was noted that a clear factor within this was ensuring that all staffing was as efficient as it could be and that non-core 'commercial' income was maximised.

S Taylor highlighted that there were also some structural effects underpinning this picture, including the credit 'price band' mix of the College curriculum and the impact of rural provision where economies of scale were more difficult to achieve.

C Blake stated that work would continue in respect of analysis and also to improve the underlying income: staff ratio. **C Blake to progress.**

It was noted that the Audit Scotland report would be discussed in the Scottish parliament later that week.

The paper, and actions arising, would be discussed at the full Board. **C Blake to progress.**

11. ESTATES ANNUAL REPORT

B Grace summarised the estates annual report and the range of works undertaken. It was noted that the report did not include data on space utilisation, but that this information for session 2017/18 had been made available at the May meeting.

The Kingsway campus redevelopment was discussed and it was noted that feedback from SFC was likely to result in a change of strategy with regard to this. It was noted that the prospect of large-scale redevelopment funding was less likely and that a mixed renovation/STEM centre project was now more likely. This would be considered in detail at the Board strategic session on 20 September.

B Grace noted progress being made in respect of the extensive range of summer backlog maintenance projects, including the window replacement in the Kingsway tower which was almost complete. B Grace stated that feedback on the works and the impact of the window replacement was very positive.

B Grace confirmed that the capital funds earmarked for backlog maintenance projects would be spent by 31 March 2019.

The timing of future Estates Annual Reports was discussed and it was agreed that these (including space utilisation data) be brought to May meetings of the Committee. **B Grace to progress.**

12. VP CORPORATE SERVICES REPORT

C Blake summarised her report, highlighting the likely change in the pension fund valuation for the local government scheme.

The renewal of insurance arrangements were noted and C Blake summarised the range of recent (and imminent) contract renewals for mobile phones, travel and the new website.

13. DATE OF NEXT MEETING

Tuesday 27 November 2018 in Y150, Gardyne Campus (joint meeting with Audit).

<u>Action Point Summary</u>		
Action	Responsibility	Date
ICT Resource plan to be developed relative to updated ICT Strategy	C Blake/K Oza	27 November 2018
Revised Good to Great budget to be submitted to the Board for approval	C Blake	25 September 2018
D&A Foundation trustees to be invited to the College for an update on the project and its impacts	G Ritchie	30 November 2018
FFR to be finalised in discussion with Board and Finance & Property Committee Chairs for submission to the Board for approval	C Blake	25 September 2018
VMWare procurement issues to be subject to internal audit review and discussion at Audit & Risk Committee.	C Blake	27 November 2018
Procurement policy requirements and thresholds to be reinforced with budget holders	C Blake	30 September 2018
Work to continue to analyse and improve income: staff ratio.	C Blake	On-going
Audit Scotland – College Position paper to be discussed with full Board.	C Blake	25 September 2018
Annual Estates report (incorporating space utilisation data) to be presented at future May meetings of the Committee	B Grace	21 May 2019



**BOARD OF MANAGEMENT
Tuesday 25 September 2018**

Correspondence

Paper P

SFC Communications

<p><u>Access to free sanitary products 2018-19</u> Ref: SFC/AN/13/2018 Date: 24.08.18</p>	<p>Announcement of additional funding for access to sanitary products at colleges and universities in 2018-19.</p>
<p><u>ESF Developing Scotland's Workforce</u> Ref: SFC/GD/19/2018 Date: 07.08.18</p>	<p>Guidance notes for institutions participating in the European Social Fund (ESF) Developing Scotland's Workforce programme, Phase 2 (2018-23).</p>
<p><u>SFCGD192018 ESF Developing Scotlands Workforce.pdf [PDF] - 0.31 MB</u> Date: 07.08.18</p>	<p>Guidance notes for institutions participating in the European Social Fund (ESF) Developing Scotland's Workforce programme, Phase 2 (2018-23)</p>
<p><u>College Staffing Return Guidance 2017-18</u> Ref: SFC/GD/18/2018 Date: 02.08.19</p>	<p>Guidance notes for the completion of the aggregate Staffing Return for Academic Year 2017-18.</p>
<p><u>FES return and audit guidance 2017-18</u> Ref: SFC/GD/17/2018 Date: 02.08.18</p>	<p>Guidance to colleges on the completion of their student activity data for academic year 2017-18 (FES return) and also provides the audit guidance for that year.</p>
<p><u>Flexible Workforce Development Fund 2018-19</u> Ref: SFC/GD/16/2018 Date: 31.07.18</p>	<p>To provide guidance on the Flexible Workforce Development Fund for college regions in AY 2018-19.</p>
<p><u>Student Support Fund audit guidance 2017-18</u> Ref: SFC/GD/15/2018 Date: 27.07.18</p>	<p>SFC's audit arrangements for the aggregated student support return for academic year 2017-18.</p>
<p><u>EMA audit guidance 2017-18</u> Ref: SFC/GD/14/2018 Date: 25.07.18</p>	<p>Guidance to colleges on the audit requirements for the operation of the EMA programme for the period 1 August 2017 to 31 July 2018.</p>

<p><u>Accounts direction for Scotland's colleges 2017-18</u> Ref: SFC/GD/13/2018 Date: 13.07.18</p>	<p>To provide SFC's 2017-18 accounts direction for Scotland's colleges.</p>
<p><u>Education Maintenance Allowance return 2017-18</u> Ref: SFC/GD/12/2018 Date: 10.07.18</p>	<p>Guidance notes for the collection of the 2017-18 Education Allowance Maintenance return.</p>
<p><u>Credit Guidance - Student Activity Data 2018-19</u> Ref: SFC/GD/10/2018 Date: 02.07.18</p>	<p>This guidance sets out our core principles for eligibility for credit funding and the programmes and students eligible for credit funding.</p>
<p><u>Financial Forecast Return for colleges 2017-18 to 2022-23</u> Ref: SFC/CI/03/2018 Date: 15.06.18</p>	<p>This Call for Information requests colleges to complete a financial forecast return for the period 2017-18 to 2022-23. It also includes information on assumptions that will assist colleges in their financial planning.</p>
<p><u>Education Maintenance Allowance AY 2018-19</u> Ref: SFC/GD/09/2018 Date: 14.06.18</p>	<p>This guidance sets out the Education Maintenance Allowance (EMA) programme for AY 2018-19.</p>
<p><u>College Overview Report [PDF] - 0.31 MB</u> Date: 05/06/2018</p>	<p>Overview Report: 2016-17 Technical report</p>

Further details on the above Communications can be accessed via:

<http://www.sfc.ac.uk/publications-statistics/sector-communications.aspx>