

BOARD OF MANAGEMENT

Finance & Property Committee

Tuesday 25 May 2021 at 5.00pm
Microsoft Teams Meeting



AGENDA

1. **WELCOME**
2. **APOLOGIES**
3. **DECLARATIONS OF INTEREST**
4. **MINUTES OF PREVIOUS MEETING** Paper A for approval
5. **MATTERS ARISING** Paper B for approval
6. **FINANCE** BF/JC
 - 6.1 Month 9 – Management Accounts Paper C for information
 - 6.2 2021/22 Draft Budget Paper D for information
7. **ESTATES** BG/JC
 - 7.1 Estates Update Paper E for information
 - 7.2 Estates Annual Report Paper F for information
 - 7.3 Estates Strategy Outline Paper G for information
8. **PROJECTS** SH
 - 8.1 Tay Cities Deal & MSIP Update Paper H for information
9. **COVID-19 UPDATE**
 - 9.1 Estates & Infrastructure Verbal Update BG/AR
 - 9.2 Finance & Governance Verbal Update BF
10. **STRATEGIC RISK & COVID REGISTER** ST
 - 10.1 Strategic Risk Register - FPC Extract only Paper I for discussion
 - 10.2 COVID Risk Register – FPC Extract only Paper J for discussion
11. **VP CORPORATE SERVICES REPORT** Paper K for information & approval JC
12. **DATE OF NEXT MEETING** – Tuesday 7 September 2021

FINANCE & PROPERTY COMMITTEE

Tuesday 25 May 2021



**MINUTE OF PREVIOUS MEETING –
2 March 2021**

PAPER A

BOARD OF MANAGEMENT

Finance and Property Committee Meeting

Tuesday 2 March 2021

Draft confirmed by Chair



Minute of the Finance and Property Committee meeting held on Tuesday 2 March 2021 at 5.00pm via MS Teams

PRESENT:

S Mill (Chair)	D Mackenzie
A McCusker	B Carmichael
D Fordyce	S Hewitt
S Stirling	N Lowden
K Ditcham	

IN ATTENDANCE:

J Carnegie (Vice Principal)	S Taylor (Vice Principal)
B Ferguson (Head of Finance)	J Grace (Vice Principal)
B Grace (Head of Estates)	A Ross (Head of ICT)
T D'All (Principal's/Board Chair PA)	

1. WELCOME

S Mill welcomed members to the meeting and welcomed Kevin Ditcham to his first meeting.

2. APOLOGIES

None

3. DECLARATIONS OF INTEREST

None

4. ELECTION OF VICE CHAIR

Donna Fordyce was confirmed as Vice Chair of the Finance & Property Committee.

5. MINUTES OF FINANCE AND PROPERTY COMMITTEE MEETING 8 DECEMBER 2020

The minute of the Finance and Property Committee meeting held on 8 December 2020 was approved as an accurate record.

6. MATTERS ARISING

Finance Strategy will be brought to the May 2021 meeting along with an update on the OBC for the STEM Centre. **J Carnegie and B Grace to progress.**

A McCusker asked if the move to remote Learning & Teaching moving forward would impact on the ways of working and OBC needs.

J Carnegie noted that there was an expectation that there would be minimal change from the previous version of the OBC due to the flexible nature of the original proposals and the specialist nature of the planned accommodation, but noted that the revisions would take account of opportunities like MSIP and Tay Cities Deal (TCD).

7. FINANCE

7.1 BUDGET MONITORING REPORT

S Mill highlighted the management accounts for Month 6 (August – January) which incorporated the budget that was approved in September 2020 together with the latest forecast for the year. S Mill noted the significant increase in forecast outturn to £469k.

B Ferguson summarised the report and the various changes in forecast.

B Ferguson noted that SFC income, although remaining below budget, had increased by £172K. Whilst there was some additional funding focused upon student welfare, this net increase is largely due to additional confirmed funding of £388K for the Kingsway project.

B Ferguson outlined the Risks and Opportunities noting confidence in the prospect of positive movement and taking advantage of this. However, the risk of achieving core credit target at a national level was a challenge.

B Ferguson stated that there was an indicative allocation to deliver an additional 1,862 Credits, split between Young Persons Guarantee and Transitional Training Funding activity. Aside from the challenges of enrolling sufficient numbers within this academic year, conditions of this provisional allocation stipulates that Credits delivered must be in excess of core target.

B Ferguson also highlighted the theoretical losing of ESF Funding with SFC warning that ESF contribution will be lost if the sector does not achieve its core Credit target.

B Ferguson highlighted that the College had taken advantage of the opportunity afforded by the furlough scheme - £447K has been claimed under the Job Retention Scheme in the period to January and the forecast through to April has been revised to £800K.

J Carnegie noted the possibility of an extension to Job Retention Scheme with an announcement by the UK Government expected.

B Ferguson noted that further additional COVID related funding (of up to £700k) may be allocated to D&A College but noted that this did not yet feature in reporting as an announcement was still awaited.

A McCusker asked about the Flexible Workforce Development Fund (FWDF) and whether it was possible to carry monies forward. B Ferguson confirmed that the College was still working on the 19/20 allocation to be spent by December 2021 with the 20/21 allocation to be spent by March 2022.

S Hewitt highlighted that it was important that the College reinvest any in-year funding to look at new ways of working and to support delivery of the 2025 Strategy – what are the things we need to invest in to be a College we want to be: Estates, Staffing and Long Term Planning. Along with investment in ICT Equipment.

S Hewitt noted that the Senior Leadership Team (SLT) were currently assessing priorities and will bring an update to the May 2021 Committee.

J Carnegie confirmed that looking to make a loan payment (a mortgage holiday had been taken in August 2020) would be an option if there were no other call on the in-year funds but the intention was to think more long term.

S Hewitt noted the strategic opportunities and planning the direction of travel. An ideal time to step back and define the College we want to be – community focused with enhanced partnerships.

The budget report and update was welcomed.

8. ICT

8.1 TELEPHONY SOLUTIONS

A Ross provided the Committee with background information on the 10-year-old system currently in use highlighting concerns that this was no longer supported.

The options appraisal was reviewed, and the different options considered. A Ross stated that having reviewed solutions by multiple vendors who offer a direct routing solution in Teams, the solution delivered by 8x8 was considered to be the most complete solution. This solution balanced costs, resiliency and support and provides the simplest, compliant route for procurement.

D Fordyce noted the opportunity for agile working which is being seen by more organisations and a positive move forward.

A Ross confirmed that the tender process had taken place with 3 different vendors with the cheapest cost procurement from the framework within the budget.

A McCusker noted the cultural shift and the use of Microsoft Teams and asked if there would be any impact on student with this change. A Ross confirmed that this was unlikely and should be relatively straight forward. However, training would be provided.

The Committee approved the proposed Telephony solution.

8.2 VIRTUAL DESKTOP SOLUTIONS

A Ross provided background to the request to the Committee to approve renewal of support and maintenance for the full VM Ware application for one year.

A Ross highlighted the purchase of laptops for use by students due to the COVID-19 pandemic and the discovery of instances where educational software which the College was licensed to use on the corporate network but would either carry an additional charge for students to purchase their own version (e.g. Adobe) or the device they used could not support this software. To resolve this issue the spare capacity of the VDI infrastructure was being used to enable students to access a College workstation from home and therefore the VDI infrastructure was still required.

S Mill enquired about the lifespan of the laptop provision and A Ross confirmed that this was expected to be around 7 years with upgrades. The College has a rolling replacement schedule in place and accommodated within budgets.

The Committee approved the proposed renewing of the support and maintenance of the full VM Ware application for one year.

9. ESTATES

9.1 ESTATES UPDATE

B Grace provided an update on Estates noting plans for the demolition of the old library at Kingsway Campus and the use of a time-lapse video to record the progress from demo to the raising of the new building.

B Grace confirmed that SFC have provided the additional offer of grant for the redevelopment of Kingsway Campus - £591,00 to be spent by 31 March 2021. B Grace noted that this would be achieved with the purchase of the steel structure and design elements of the project. A clear spending strategy had been provided to SFC.

B Grace noted additional funding received from the Scottish Funding Council diminished the requirement to seek additional financial support from the Dundee and Angus Foundation. However, it remained the intention to request access to funding of up to an additional £250k instead of the original £500k.

B Grace intimated that because of COVID-19 pandemic there was an opportunity to bring forward Phase 2 of the Kingsway Campus redevelopment – social space and training restaurant with the plan to have new high quality spaces ready for use for the 2021/22 academic year.

B Grace noted that work was ongoing with the MSIP project with no decision currently being made. A Project proposal would be brought to Finance & Property before making any commitments. B Grace noted the summary provided to the Committee from Grant Ritchie and Jim Brown the Director of Energy Skills Partnership, who will support the College (up to 0.5 FTE per week) to bring the plans, activities and structures required for the Michelin Scotland Innovation Parc (MSIP) and Tay Cities Deal projects into fruition.

A McCusker congratulated the team on a fantastic job.

J Carnegie noted that the new build to house Hair, Beauty & Complimentary Therapies was expected to be completed by December 2021. J Grace confirmed that the completion date of December 2021 worked well for students starting in Semester 2 noting that students and staff could not wait to experience their new environment.

J Carnegie confirmed that there was an opportunity to play around with the 2nd and 6th floors of the Tower at Kingsway Campus to support and encourage new ways of working especially in light of the likelihood that not all staff working from home would return full-time to campus.

10. PROCUREMENT

10.1 PROCUREMENT POLICY

S Mill enquired about the level of significant changes to the Policy.

J Carnegie noted changes to the Procurement Value and how the College made purchases along with section 7.3 Environmental & Sustainability and the Climate Change Emergency and the Scottish Governments setting of net-zero emission by 2045.

J Carnegie noted a major revision on Scotland's Policy of Procurement especially around sustainability and buying local. J Carnegie also noted the hope to develop community payback options at a national level.

D Fordyce suggest that future changes / additions to policies be highlighted for easy identification of the actual change(s). This suggestion was welcomed.

The Procurement Policy was noted.

10.2 PROCUREMENT UPDATE

It was noted that the situation around PPE remained fluid, with very volatile pricing. APUC was issuing weekly updates on the overall state of the market and availability of particular items.

The College had an existing framework for Associate Trainers, which was due to expire in March 2021. There was an option to extend this framework for a further year, but it was considered preferable to retender this year.

S Mill asked if the Timetabling Software renewal was the final extension? A Ross confirmed that the Software was renewed annually on a rolling basis but would seek clarification on this.

The Committee approved the contracts within the update.

11. PROJECTS

11.1 TAY CITIES DEAL

S Hewitt highlighted the key points of the Tay Cities Deal that was quickening pace. Jim Brown (Energy Skills Partnership - ESP) had brought a lot of skills and enthusiasm to the project and was using his connections to support the work needed.

The Tay Cities Deal Outline Business Case for Advanced Engineering had been submitted, subsequent questions had been answered and the bid was now back with the Scottish Government for consideration.

In terms of the Biotech project and SME project, the College was working well with Ekos, the consultancy firm that have been preparing our business cases.

S Hewitt also highlighted the work being undertaken by Caryn Gibson, the new Economic Partnership Manager who was focusing on the SME piece.

S Mill highlighted the need for clarity around any financial exposure (for example any matching funding) and the risks for the College in respect of these projects. This was recognised and would be included as part of the approval's arrangements.

Discussion took place around skills gaps and it was suggested that for the BioMed and MSIP there was a need for Technician level skills to get 'boots on the ground' and D&A College can service this type of demand with current staff and knowledge.

The upskilling and reskilling staff would become a priority, with industry and other partners being partners in this along with the College and universities.

J Grace confirmed that the “offer” was key – what we can deliver with staff’s skill set front and centre. There was also time to adapt mainstream curriculum and requirements, with the curriculum workstream focusing on this.

S Hewitt noted that (in terms of the MSIP arrangements) there were good opportunities for D&A staff to be upskilled with a range of providers on site.

S Taylor also noted that the College (via ESP) had access to high quality training / course and professional development opportunities.

12. COVID-19 UPDATE

12.1 ESATES & INFRASTRUCTURE

B Grace highlighted the work ongoing for a safe return, from 8 March 2021, for small numbers of students and staff on campus with updated mitigations and clear guidance created.

A Ross noted current priorities were for continuing support for remote working and making sure things are up and running for return to campus.

J Carnegie confirmed that the maximum number of students returning on campus was 5%, with this focused on critical and timebound delivery. J Grace noted that these were a small number of students primarily apprentices and/or those in their final year of practical study.

12.2 FINANCE & GOVERNANCE

B Ferguson summarised the priorities around: workstream objectives; Finance Management; cash balance; alternative funding; credit control e.g. bad debt.

13. STRATEGIC RISK REGISTER & COVID REGISTER

S Mill noted the improved position of item 2.2. of the Risk Register (Failure to achieve institutional sustainability) and to seek approval from the Audit & Risk Committee to reduce the “likelihood” to 3 from 4. **S Taylor to progress.**

The Committee agreed this course of action.

14. VP CORPORATE SERVICES REPORT

J Carnegie summarised her report, highlighting the excellent work being undertaken by the Help Points in contacting students and encouraging engagement in their programme of study.

Recruitment continued to be the focus despite not being able to offer a face to face service for our February start programmes, we have successfully recruited 425 learners.

J Carnegie noted that SDA were now in a position for the Business Plan to be reviewed. There was huge demand for service design with the possible need to recruit new consultants to bolster the team.

S Mill stated his praise for the work of the SDA noting the very positive feedback he had received from the ongoing project with his colleagues at Angus Council.

D Fordyce welcomed the news and progress of the SDA around the online / blended learning and the opportunity to reach more people/businesses even the internal market.

A McCusker noted that this was an ideal opportunity to look at the structure of the SDA along with the Business Plan.

15. DATE OF NEXT MEETING

Tuesday 11 May 2021 at 5.00pm via MS Teams

Action Point Summary

Action	Responsibility	Date
Revised Finance Strategy to be developed	J Carnegie / B Ferguson	11 May 2021
Revised STEM Centre OBC to be developed	J Carnegie / B Grace	11 May 2021
2.2. of the Risk Register (Failure to achieve institutional sustainability) - to seek approval from the Audit & Risk Committee to reduce the "likelihood" to 3 from 4.	S Taylor	9 March 2021

FINANCE & PROPERTY COMMITTEE

Tuesday 25 May 2021



MATTERS ARISING

PAPER B

BOARD OF MANAGEMENT
Finance and Property Committee
Tuesday 25 May 2021



Matters Arising

Paper for information

The following actions were noted from the Tuesday 2 March 2021 Finance & Property Committee Meeting.

Agenda Item No	Action	Current status	Open / Closed
6.0	Revised Finance Strategy to be developed J Carnegie / B Ferguson	Whilst it was initially anticipated that a revised financial strategy could be presented to this Committee, much uncertainty continues. The aim will now be to develop this alongside the FFR.	Open
6.0	Revised STEM Centre OBC to be developed J Carnegie / B Grace	Work has continued on revising the OBC and feedback has been sought from SFC. The urgency of this is less pressing if there is no clear capital funding route, however the intention is to continue to work on this ensuring that we consider any implications of any changes in the landscape, in terms of curriculum and ways of working.	Open
13.0	2.2. of the Risk Register (Failure to achieve institutional sustainability) - to seek approval from the Audit & Risk Committee to reduce the "likelihood" to 3 from 4. S Taylor	The Audit & Risk Committee were content to approve this change.	Closed

Author & Executive Sponsor: Jaki Carnegie, Vice Principal – Corporate Services

FINANCE & PROPERTY COMMITTEE

Tuesday 25 May 2021



FINANCE

Month 9 – Management Accounts

PAPER C

Finance & Property Committee

Tuesday 25 May 2021

Management Accounts and Forecast



Paper for information

1. Introduction

This report brings to the Committee's attention the management accounts for Month 9 (August – April) which incorporates the budget that was approved in September 2020 together with management's latest forecast for the year. The final audited Outturn position for the year to July 2020 is also reported.

2. Recommendation

Members are asked to note the Month 9 position.

3. Context

The budget approved last September amidst much Covid-19 induced uncertainty was prudently positioned at a virtual break-even cash operating position. Whilst the first subsequent forecast did not change this position, we were able to present a more positive outlook in our last forecast prepared at Month 6 as risks diminished and outcomes could be predicted with greater certainty. At that time we also suggested that the final outturn would improve further with the prospect of additional funding. We are pleased to report that this has proved to be correct, albeit that substantial portions are being utilised to both improve the outcomes for our students and to invest to improve our financial sustainability. This revised forecast therefore reflects substantial sources and application of substantial additional income.

The Risk Assessment has been removed, as per usual with most adverse risk having either diminished or crystallised, and we change focus towards next academic year. Our assessments at Month 6 was, in any case, mostly low overall and residual risks are generally out with the College's control. Such risks are however noted below along with any contingencies retained within this forecast.

A feature of previous revisions has been considerable reductions in income and cost related to the Kingsway Tower capital redevelopment. This has continued, occasioned by both delays to programme and further switch to capital from revenue. Although introducing unwelcome volatility, this has no net impact on the operating position.

4. Summary of results

The forecast is a **Cash-backed surplus of £967K**, a further considerable improvement upon both the budget of £20K and the previous forecast of £469K. It is due to net increases in funding from SFC supplemented by the extension to the furlough scheme.

Actual cash-backed surplus reported for the period to 30 April of £1.9m is approximately in line with budget but significantly improves upon the last forecast. This is due to a number of factors, largely profiling of income and expenditure, and in itself has no particular significance for forecast beyond due consideration of actual cumulative values for all categories.

Income increases again in this forecast by £778K, to almost £42m, due primarily to SFC funding and Job Retention claims. Total Pay costs increase by £297K and now includes a VS provision. Non-pay costs are almost unchanged, with additional investment off-set by removal of property costs and additional savings.

A summary of the net movements from previous forecast is presented below:

	£000's
Surplus per previous forecast	469
SFC Credit income	288
SFC Child Poverty re-evaluation	(48)
SFC FWDF net movement	(91)
SFC Sustainability funding	898
Investment in ICT	(620)
Investment in equipment	(200)
Additional property allowance for resurfacing	(100)
VS provision	(150)
Additional Covid-19 allowances	(49)
Job Retention Scheme	400
Utility savings	76
Rates revaluation appeal refunds	44
Other net changes	50
Surplus per forecast	967

5. Income

Total cash income for 2020/21 is forecast to be almost £42m, down £2.4m from budget, with ALF funding for Kingsway accounting for £2.6m. The removal of other substantive income streams, such as Erasmus funding, has generally had little net impact and is more than offset by additional sources that have contributed to the improved operating position.

SFC Credit income increases in this forecast for the first time. Current Credit projections suggest that the conditions of drawing down additional funding for delivery of National Training Fund Young Person's Guarantee will be met and it will be possible to claim 1,000 Credits from a potential maximum of 1,862 worth £536K. This clearly attracts a degree of risk that sufficient eligible Credits may not be delivered, however there is also potential that this may yet be improved upon.

SFC European Social Fund (ESF) credit income is unchanged with full funding assumed. This position is more assured given current credit predictions and SFC relaxing their evidence requirements due to Covid-19. There is still some risk that the sector as a whole does not meet target but this also appears to have reduced.

Other SFC grants reduce by £107K in this forecast, masking large movements either way. Reductions are dominated by Capital & Maintenance funding of £867K now allocated to deferred capital grant in line with treatment of expenditure and thus having no effect on operating position. The College has however benefited from the distribution of £15m additional sustainability funding, greater than anticipated, with our share being £898K in line with credit allocation.

Tuition Fees show a net reduction of £47K in this forecast, due to lower part-time HE, but nevertheless remain £274K up on budget.

Non-Core income rises £186K. Additional funding for the Developing Young Workforce(DYW) programme accounts for most of this increase and is matched by additional expenditure, save for a modest increase in contribution to overheads.

This forecast increases by £458K, now £514K from budget, within the category of Catering & other income. The bulk of this, some £400K, comes from furlough and the extension of the job retention scheme beyond April. The governments Kickstart scheme also contributes £22K with five now having been recruited to date.

6. Pay Costs

Although total pay costs increase by £297K since the previous forecast, payroll costs have not moved at all, with modest favourable variance in teaching pay offset by a small negative variance from support. This includes a contingency for additional hours that may be necessary to support the creation of an Administration/Customer Services Pool to increase our capacity to both support continuing students and engage with prospective students. Variable teaching pay retains contingency to provide additional support and tuition to help maximise student achievement this year.

The increase in Invoiced Staff costs is largely due to DYW funded activity noted above.

A Voluntary Severance provision of £150K has been introduced following the launch of a scheme approved previously. Applications are currently being considered and savings will accrue next year.

7. Non Pay Costs

Non pay are, in total, almost unchanged at circa £3m below budget. Property costs continue to dominate reductions with Kingsway development costs removed but matched by funding reductions as described above. Further utility savings also feature however along with a credit of £44K for successful rates revaluation appeals dating from 2017. An additional allocation of £100K has been provided to cover costs of necessary road resurfacing at Kingsway campus.

Elsewhere, sustainability funding has been used to provide additional investment to support both academic and support areas. In particular, a further £620K is provided to accelerate the digital strategy, along with £200K towards the renewal of equipment to enhance curriculum facilities. Worldwide ICT shortages coupled with the impact of Brexit upon imports presents a risk that some of this expenditure may fall into next year.

Project expenditure for Tay Cities Deals or Michelin Scotland Innovation Parc continue to be excluded from this forecast, along with associated funding, pending approval. Impact upon current year will likely be negligible.

8. Subsidiary Company

Whilst it is hoped that some activity can now take place within the year, it is unlikely that the outturn will deviate significantly from the break-even position still forecast.

9. Student Support Funding

The College has worked hard to ensure that additional winter Covid-19 funding made available in February and March was successfully distributed to as many students as possible, aided by some relaxation of initial timelines. The under spend of core funding allocation remains as highlighted previously.

10. Capital Expenditure

Capital expenditure assumed is predominantly Kingsway Development Phase2 funded within this year exclusively by SFC capital grants. It does however also include a small balance of expenditure on the Nursery Extension commenced last year along with equipment purchased and funded by Energy Skills Partnership.

IT devices purchased for students are included in this forecast as revenue expenditure, in accordance with current accounting policy, and the funding from SFC similarly recorded as revenue. It may be necessary to treat these items as capital to fully comply with the extraordinary conditions of grant stipulated by SFC. This issue is being discussed with our auditors and any change will have no net impact upon cash-backed operating surplus.

11. Cash Flow Forecast

Unspent funding of approximately £3.5m, along with restricted cash of £1.4m, supplemented the very high level of cash balances held at 30 April, of £7.3m. This position will reverse but not necessarily wholly by 31 July. Consequently negative working capital movement previously predicted has been reduced and this, along with the stronger operating position, has improved our forecast year-end cash by circa £1m to £4.4m.

Management have explored the possibility of making an additional term-loan repayment before the end of the year, in lieu of the repayment holiday agreed with Santander last year. If agreed, cash would reduce by £457K and charges would be incurred this year, albeit with interest savings next year and beyond.

12. Conclusion

This forecast now presented is broadly in line with expectations, reflecting a high degree of additional funding which has been utilised as much as possible against priority budget items in order to support students, improve facilities, affect change and ultimately strengthen financial sustainability. The late funding announcements and lack of clarity, coupled with the unexpected extension of the furlough scheme, has however inevitably curtailed our ability to fully re-invest in year. This results in a very strong cash generating operating position with risk of material over estimation considered to be low.

13. Link to Strategic Risk Register

This report supports in mitigation the following risk identified within the Strategic Risk Register namely;

2.2 – failure to achieve institutional sustainability

Authors: Brian Ferguson, Head of Finance

Rhonda Bissett, Senior Management Accountant

Executive Sponsor: Jaki Carnegie, Vice Principal – Corporate Services

	2019/20	Month 9, April 2021					Full Year, 2020/21				
				Variance from previous forecast	Variance from budget				Variance from previous forecast	Variance from Budget	
	Actual	Budget	Previous Forecast	Actual			Budget	Previous Forecast	Latest Forecast		
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
SFC Credit income	27,163	21,354	21,354	21,354	0	0	28,471	28,471	28,759	288	288
SFC ESF Credits	1,071	857	857	857	0	0	1,143	1,143	1,143	0	0
Other SFC grants	3,787	3,810	3,251	2,468	(783)	(1,342)	4,558	3,969	3,862	(107)	(696)
SFC Total	32,021	26,021	25,462	24,679	(783)	(1,342)	34,172	33,583	33,764	181	(408)
Tuition Fees	3,480	3,014	3,341	2,924	(417)	(90)	3,121	3,442	3,395	(47)	274
Non-Core income	2,934	2,433	1,815	2,004	189	(429)	3,126	2,925	3,111	186	(15)
Catering & other income	2,115	956	1,154	1,396	242	440	1,173	1,229	1,687	458	514
Foundation donations (revenue)	248	2,610	0	0	0	(2,610)	2,610	0	0	0	(2,610)
Total Income	40,798	35,034	31,772	31,003	(769)	(4,031)	44,202	41,179	41,957	778	(2,245)
Teaching Pay - established	14,444	11,169	11,690	11,651	39	(482)	14,964	15,679	15,673	6	(709)
Teaching Pay - variable	2,988	2,657	1,835	1,855	(20)	802	3,633	2,713	2,674	39	959
Invoiced Staff Costs	210	44	264	218	46	(174)	449	274	421	(147)	28
Teaching Support Pay	2,097	1,449	1,593	1,602	(9)	(153)	2,075	2,149	2,183	(34)	(108)
Support pay	10,613	8,093	8,161	8,110	51	(17)	11,049	10,963	10,972	(9)	77
Apprenticeship Levy	98	75	75	78	(3)	(3)	100	100	102	(2)	(2)
VS Scheme	170	0	0	0	0	0	0	0	150	(150)	(150)
Unfunded pension payments	400	303	303	297	6	6	404	404	404	0	0
Total Pay Costs	31,020	23,790	23,921	23,811	110	(21)	32,674	32,282	32,579	(297)	95
Staff related costs	285	171	165	132	33	39	389	192	188	4	201
Consumables & Equipment	1,115	608	529	538	(9)	70	890	714	966	(252)	(76)
Exam fees	799	749	752	387	365	362	851	829	842	(13)	9
Student related costs	165	137	133	151	(18)	(14)	369	190	197	(7)	172
Property cost	3,297	5,215	2,981	2,198	783	3,017	5,854	3,641	2,862	779	2,992
ICT & Telephony	1,284	829	861	864	(3)	(35)	1,065	1,121	1,650	(529)	(585)
Insurance	116	90	90	87	3	3	120	120	120	0	0
Marketing	42	48	48	24	24	24	65	68	68	0	(3)
Professional fees	185	65	81	70	11	(5)	126	196	190	6	(64)
General Overheads	278	180	207	167	40	13	260	269	249	20	11
Interest & Charges	143	115	113	134	(21)	(19)	153	150	147	3	6
VAT	923	1,014	738	546	192	468	1,366	938	932	6	434
Total non-pay costs	8,632	9,221	6,698	5,298	1,400	3,923	11,508	8,428	8,411	17	3,097
Cash-backed surplus/(deficit)	1,146	2,023	1,153	1,894	741	(129)	20	469	967	498	947
Add: subsidiary profit/(loss)	(1)	0	0	15	15	15	0	0	0	0	0
Consolidated Cash-backed surplus/(deficit)	1,145	2,023	1,153	1,909	756	(114)	20	469	967	498	947

Cash Flow Forecast

	2019/20	2020/21			
	Actual	Actual April	Budget	Previous Forecast	Latest Forecast
	£000's	£000's	£000's	£000's	£000's
Cash backed surplus/(deficit)	1,145	1,909	20	469	967
Loan repayment	(486)	-	-	-	-
Capital Expenditure	169	103	-	1,023	1,208
Capital funding	(169)	(103)	-	(1,023)	(1,208)
Working capital movements	949	1,678	(800)	(800)	(300)
Net Movement in cash balances	1,608	3,587	(780)	(331)	667
Opening cash balances	2,150	3,758	3,758	3,758	3,758
Closing cash balances	3,758	7,345	2,978	3,427	4,425

Restricted funds (exc. SFC) are just over £1.4m at 31 April, in addition to student support funds of £1.2m. SFC funding received in advance amounts to £2.3m at 30 April.

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FINANCE & PROPERTY COMMITTEE

Tuesday 25 May 2021



FINANCE

Draft Budget 2021/22

PAPER D

Finance & Property Committee

Tuesday 25 May 2021

Draft Budget for 2021/22



Paper for information

1. Introduction

This report brings to the Committee's attention a revised draft budget for the year to 31 July 2022.

2. Recommendation

Finance & Property Committee is invited to consider the attached draft budget and confirm any further adjustments required ahead of its submission to the Board of Management meeting on 8 June 2021 for final approval.

3. Context

The budget is influenced by the Indicative grant allocations provided by Scottish Funding Council (SFC) in March, reflecting a strong commitment to financial sustainability welcomed by the sector. It is prepared, at this early stage, using certain high level assumptions which are deemed reasonable and appropriate. In addition, management is necessarily taking a view on the degree to which normal activity will return, guided as much as possible by government expectations. This relaxation of Covid-19 restrictions have a significant impact upon the budget and, in many respects, reflect a position not seen since setting a budget for 2019/20. It does however also continue to feature specific additional sources and application of funding designed to deal with the impact of the pandemic, particularly on student deferrals.

An assessment of the risks from key areas is included within the papers in order to compliment this commentary and, in some cases, to provide more details of mitigation and contingencies. Possible cash deviations are mere estimates, particularly at this time, in an effort to provide some indication of likely impacts, both favourable and adverse. As usual these will be refined in future forecasts as the year progresses.

Although we seek ultimate approval for this budget, we will further refine and update forecasts appropriately as more information becomes available and our student profile can be better determined.

4. Summary of results

A **Cash-backed surplus of £215K** is budgeted. A comparison is presented with the latest forecast for the outgoing year, however there are differences that reflect the very

different environment and level of activity expected during 2021/22. Consequently there are unusually large fluctuations in both income and expenditure.

The budget also benefits from the strong operating performance that we expect to achieve in the current year, and the higher levels of cash generated that far exceed previous expectations. This has enabled continued accelerated investment in our infrastructure and also allowed us to provide for an innovation fund, of £200K, to further develop the curriculum for the future, redesign services and improve efficiency and effectiveness.

5. Income

Total income budgeted is £43.7m, some £1.8m greater than the previous year's forecast due principally to a large increase in Scottish Funding Council (SFC) funding for 2021/22.

SFC Credit income, including ESF, increases by £2.5m, 8.5%. A base line increase of 2.2% has been augmented by supplementary funding of £1.9m. This enables expansion of Digital learning and Mental Health provision. It also provides funds to support Deferred Students and for Foundation Apprenticeships, both attracting additional Credits, with the latter previously having been funded through SDS. Our total Credit target has consequently increased from 107,405 to 111,897.

Detailed guidance on the use of these additional funds is awaited from SFC and it is therefore not yet clear if funds could be withheld or recovered if targets are not achieved, nor is it clear if we require to deploy additional resources beyond those allowed for in this budget. These risks are therefore highlighted for the Committee but cannot be reliably quantified. We do take some comfort from SFC's commitment to providing financial sustainability and stability to colleges.

Our budget for SFC Credit income also includes an allowance of £288K for an additional 1,000 Credits for delivery of the Governments Youth Guarantee Programme and National Transitional Funding (YPG/TTF) employability programmes, raising our combined Credit Target to 112,897. These Credits are the subject of a bid for an additional 2,500.

Other SFC grants are budgeted at £3.5m. The net reduction is due mainly to the absence of sustainability funding of £898K received for the current year, together with a reduction of £400K in Capital & Maintenance funding recognised and applied as revenue in 2021/22. This grant is provided on an FY basis and so assumptions must always be made regarding future years. The total grant for FY2021/22 of £2.4m was only slightly down on the previous year and the bulk of the High Priority allocation of £1.7m will be used for Kingsway development and applied as capital. Certain assumptions have been made regarding the application of the Lifecycle portion of £757K, assuming that flexibility afforded in 2020/21 will be similarly available, although SFC are yet to confirm this.

Aside from minor changes to other miscellaneous funding from SFC, with some yet to be confirmed, the significant other feature is an increase in delivery of Flexible Workforce Development Funds (FWDF) from £0.25m to £1.4m. Although the allocation

for 2021/22 has yet to be announced, a substantial volume is again anticipated. In any event, Covid-19 has resulted in a substantial backlog of delivery from previous year's allocations and this is true throughout the sector. The level of activity planned is consequently substantially more than previously delivered and will be challenging. This is however receiving a strong focus and additional management resources are deployed to ensure we are successful. Additional Associate Trainers are being procured to provide additional capacity and broaden delivery.

Tuition Fees, at £3.7m, represent an increase of some £345K. This is predicated upon a return to near normal levels of part-time and commercial activity, benefiting also from the successful growth in Service Design Academy (SDA). However, full-time recruitment is currently lower than previous year and therefore, recognising also that retention may fall from the very high levels experienced this year, the HE full-time budget is conservatively set at a level 9% down on 2020/21.

Non-Core income is budgeted to reduce by £463K to just over £2.6m. This category suffers from the move to fund new Foundation Apprentices through Credit income as noted above. Remaining apprenticeship funding is prudently predicted at less than full contractual value and so downward risks are considered to be minimal, albeit that in certain cases contracts are not yet agreed. Other elements of this category, totalling some £1.1m, fund specific programmes of activity, such as Developing the Young Workforce (DYW) and Energy Skills Partnership (ESP) and movements will largely be matched with equivalent changes in costs. This includes Erasmus mobility funding of £350K that has been reintroduced on the assumption that a further programme extension will be granted to allow travel later in the year. This is similarly reflected in higher staff and student travel costs.

Catering and other income is budgeted at £1.4m. The net reduction from 2020/21 is due to the end of the furlough scheme in September and an assumed return to full staff deployment. This rationale is used to increase other site based income streams, most notably Catering. At just over £800K this cautiously assumes approximately 80% of pre-Covid-19 service.

No revenue donations are assumed from the Foundation, with the full £3.3m awarded to the College to be treated as capital receipts.

No attempt has been made to incorporate discrete funding or other income expected to accrue from involvement in either the Tay Cities Deal projects or Michelin Innovation Scotland Parc (Msip). At this stage it was felt that this would introduce an unnecessary distortion, particularly whilst details have yet to be finalised and approvals obtained. Furthermore the combined impact is not expected to result in a net cost beyond resources already deployed. Indeed, a contribution to overheads is also expected.

6. Pay Costs

Total Pay Costs are budgeted at £34.4 million, a net increase of almost £1.9m or nearly 6%.

The increase reflects a number of new posts designed to increase capacity to deliver additional income, in particular FWDF, apprenticeships and commercial delivery by

SDA. Also to enhance services and ensure student success, in part attributable to additional funding received and requiring a degree of estimation. Savings, in support areas, have been assumed from leavers via the recent VS scheme but these are off-set by further contingency for an innovation fund split meantime between pay and curriculum costs.

Provision for a pay award of £700K is included, from September. Cognisance is taken of public sector pay policy minimums but with a 2% increase applied to both teaching and support for the sake of prudence only. This is outwith the control of the College and will be negotiated at national level.

No budget provision has been made for costs of a voluntary severance scheme.

7. Non Pay Costs

The budget for Non-pay costs is just over £9m and is £654K more than the latest forecast for 2020/21.

With few exceptions, most notably Property costs, we see increases across most of the major categories due to the anticipated increase in activity. We utilise the 2019/20 budget as a starting benchmark, particularly for academic areas, before applying discreet changes informed both by additional funding or income generation. Inflation would not normally be factored into our budgets, effectively providing an efficiency target, however on this occasion a contingency has been allowed in view of rising prices due to the effects of both Covid-19 and Brexit.

Property costs reduce by a net £349K due to the absence of any revenue expenditure associated with Phase 2 of the Kingsway development, although this may be subject to some revision. The reintroduction of full utility and similar costs do however partially off-set reductions by adding £260K for a full year.

Total ICT costs of £1.6m are almost unchanged from 2020/21. Although budget has been supplemented by additional SFC funding, the previous year similarly benefited from in-year funding. Whilst supply difficulties continue, delivery dates remain unpredictable and as a consequence cost currently forecast within 2020/21 could yet fall into 2021/22. Licencing costs continue to rise as we increasingly move to a hosted subscription service where appropriate in line with strategy.

8. Subsidiary Company

It is still difficult to predict the extent to which Gardyne Theatre performances return to normal, free of restriction, and with pre-Covid-19 demand. The budget prepared necessarily makes many assumptions and generally adopts an activity level of 70% of that originally envisaged for 2019/20. This achieves a break-even position. There are indications that further Creative Scotland funding may become available in the short-term.

9. Student Support Funding

SFC have increased baseline funding and undertaken to provide sufficient funds to meet demand and the needs of deferred students, stating that further allocations would be made available if required.

10. Capital Expenditure

Capital expenditure has been assumed only for Kingsway Development Phase2, with an assumed balance of £4.7m incurred during 2021/22, funded by SFC Capital & Maintenance grant and from ALF donations of £3.3m.

Any other expenditure must either be diverted from revenue grant, reducing revenue costs also, or be funded by third party sources and should have no effect on operating position or cash.

11. Cash Flow Forecast

After accounting for the term loan repayment of £457K and assumed changes to working capital, including movement in restricted funds, cash is expected to reduce to 2020 levels, mainlining a strong position in excess of £3m. No allowance has been made for any additional loan repayment.

12. Conclusion

In addition to the usual inherent uncertainties, our budget prepared at this time contains some inescapable risk from insufficient clarity of funding and the continuing unpredictability of the Covid-19 situation. That said, management take due cognisance of the risks and will manage these to the full extent possible within our control. We believe that, on balance, we have made adequate overall contingency to account for the most likely outcomes. Furthermore, cash generated during the preceding two years provides robust mitigation. We therefore have confidence that the operating position presented is both achievable and appropriate.

13. Link to Strategic Risk Register

This report supports in mitigation the following risk identified within the Strategic Risk Register namely;

2.2 – failure to achieve institutional sustainability

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Income & Expenditure

	2020/21	2021/22	
	Latest Forecast	Draft Budget	Variance from 2020/21 forecast
	£000's	£000's	£000's
SFC Credit income	28,759	31,561	2,802
SFC ESF Credits	1,143	892	(251)
Other SFC grants	3,862	3,492	(370)
SFC Total	33,764	35,945	2,181
Tuition Fees	3,395	3,740	345
Non-Core income	3,111	2,648	(463)
Catering & other income	1,687	1,409	(278)
Foundation donations (revenue)	-	-	-
Total Income	41,957	43,742	1,785
Teaching Pay - established	15,673	16,395	(722)
Teaching Pay - variable	2,674	3,046	(372)
Invoiced Staff Costs	421	656	(235)
Teaching Support Pay	2,183	2,448	(265)
Support pay	10,972	11,415	(443)
Apprenticeship Levy	102	104	(2)
VS Scheme	150	-	150
Unfunded pension payments	404	398	6
Total Pay Costs	32,579	34,462	(1,883)
Staff related costs	188	343	(155)
Consumables & Equipment	966	1,518	(552)
Exam fees	842	898	(56)
Student related costs	197	477	(280)
Property cost	2,862	2,513	349
ICT & Telephony	1,650	1,630	20
Insurance	120	128	(8)
Marketing	68	67	1
Professional fees	190	107	83
General Overheads	249	261	(12)
Interest & Charges	147	130	17
VAT	932	993	(61)
Total non-pay costs	8,411	9,065	(654)
Cash-backed surplus/(deficit)	967	215	(752)
Add: subsidiary profit/(loss)	-	-	-
Consolidated Cash-backed surplus/(deficit)	967	215	(752)

Cash Flow Forecast

	2020/21 Latest Forecast	2021/22 Draft Budget
	£000's	£000's
Cash backed surplus/(deficit)	967	215
Loan repayment	0	(457)
Capital Expenditure	1,208	4,743
Capital funding	(1,208)	(4,743)
Working capital movements	(300)	(800)
Net Movement in cash balances	667	(1,042)
Opening cash balances	3,758	4,425
Closing cash balances	4,425	3,383

Income/Expenditure Category	Draft Budget £000's	Possible Cash Deviations		Controllable?	Adverse Risk Assessment			
		Favourable	Adverse		Likelihood	Impact	Overall	Comments and mitigation
		£000's	£000's		£000's	£000's	£000's	
SFC Credit income	31,561	430	600	Generally yes, in terms of delivery, but subject to conditions that are not yet clear.	Low	Mid	Mid	Funding remains indicative but final allocations due by the end of May are not expected to differ significantly. However, guidance remains to be provided for additional elements included this year, such as Foundation Apprenticeships and Deferred students. Risk of clawback, in the event that credits allocated are not delivered, is unclear. Additionally, the College has bid for 2,500 additional YPG/TTF Credits (reflected as favourable deviation) and has assumed delivery of 1,000, as per 2020/21, in this budget.
SFC ESF Credits	892	-	350	Not beyond our own recruitment and retention.	Low	Low	Low	A lower Credit target, down 24% from 20/21, reduces risk. This arises mainly from potential failure of the sector as a whole to achieve target, however lower HN recruitment reduces pool of potential eligible students. The college will seek to identify a sufficiently large number however, normally exceeding requirements.
Other SFC grants	3,492	200	400	Yes, ordinarily we can manage potential adverse impacts but at this stage grant confirmation is also a feature.	Low	Mid	Low	Certain grants have yet to be confirmed but we have included where we have reasonable expectation and/or indications that they will be forthcoming. This category is dominated by Capital & Maintenance funding and Flexible Workforce Development Fund(FWDF). Any change in the former will be matched with cost. The college has set a challenging target for delivery of FWDF, including a backlog from last year and, although confident of achieving this, there is risk that we fail to build sufficient capacity. This is being addressed partly through a new, enlarged, framework of Associate Trainers to supplement our own staffing.
Tuition Fees	3,740	300	300	Yes, in terms of marketing, recruitment delivery and retention but limited influence over demand.	Low	Mid	Low	Full-time fees have been substantially reduced in this early budget to reflect lower recruitment, currently being tackled by intensive targeted marketing. Risk of further reduction is therefore limited but, in other respects, fees are assumed to increase to pre-Covid-19 levels and supplemented by continued growth in Service Design Academy. The risks are therefore insufficient demand or further disruption to activities from Covid-19.

Income/Expenditure Category	Draft Budget £000's	Possible Cash Deviations		Controllable?	Adverse Risk Assessment			
		Favourable	Adverse		Likelihood	Impact	Overall	Comments and mitigation
		£000's	£000's		£000's	£000's	£000's	
Non-Core income	2,648	200	200	Partly; varies across such a disparate category.	Low	Low	Low	Residual or continuing risk from Covid remains a possibility. Apprenticeship income is always subject to satisfactory achievement but risk is compounded by failure nationally to agree managing agent contracts. Risk is mitigated however by prudent assumptions, presenting potential upside. Reduction in non-commercial elements have limited net impact when matched with direct costs.
Catering & other income	1,409	200	200	Yes, subject to Covid restrictions.	Low	Low	Low	Budget assumes catering returning to approx. 80% of pre-Covid service and therefore risk of further disruption is possible but restricted.
Total Pay (exc. VSS & unfunded pensions)	34,064	400	300	Largely yes, subject to increased teaching demand and national agreements.	Mid	Low	Low	Prudent pay provision, in excess of public pay policy, mitigates risk from pay award but risk of increased pension contribution payable from April 22 remains. Variable teaching contingency addresses additional activity and support for deferred students but risk is presented from Transfer to Permanency arrangements. Failure to achieve VS savings is a managed risk and relatively immaterial. Additional funding may also necessitate further staff investment not currently foreseen.
VSS	-	-	150	Yes	Mid	Low	Low	Any new scheme launched during 2021/22 would incur cost, albeit ordinarily generating future savings. Adverse value is merely indicative based upon 2020/21 forecast.
Property cost	2,513	100	200	Yes, subject to inherent risks of the usual unpredictable factors.	Low	Low	Low	Despite strong facilities management, property carries inherent risks of unscheduled repairs and price rises. Fluctuation in works costs will arise with funding but usually with no net impact on operational performance.
Non-pay costs excluding property	6,552	100	200	Yes, with limited exceptions.	Low	Low	Low	When setting the budget numerous uncertainties exist across the wide spectrum of non-pay costs, exacerbated this year due to the assumptions for a return to near normality. In many respects therefore, certain budgets bear little resemblance to the outgoing year and risk not being so robust. Contingencies are present however to mitigate the possible impact of covid and built related price increases, particularly in areas such as construction.

FINANCE & PROPERTY COMMITTEE

Tuesday 25 May 2021



ESTATES

Estates Update

PAPER E

BOARD OF MANAGEMENT
Finance & Property Committee
Tuesday 25 May 2021



Estates Update

Paper for noting

1. Introduction

This paper provides an update on estates related activity since the last report to the committee.

2. Recommendations

Members are asked to note the report.

3. Capital Backlog Maintenance Projects

The majority of the 2020-21 Capital Backlog Maintenance Grant was allocated to the Kingsway Tower Project for the mechanical and electrical infrastructure and internal and external fabric. There is an underspend from the backlog and lifecycle grant for 2020/21 of approx. £350k and this has been allocated to the Kingsway Redevelopment project as previously detailed in the capital appraisal.

4. Kingsway Tower Project Update

The demolition of the existing library block has been completed albeit slower than originally anticipated. The delay to completion was due mainly to the weight of machinery allowable on the roof which restricted the size and capabilities of the remote controlled 'demolition robot'. The robot also broke down on a number of occasions, however once a sufficient part of the roof had been removed, the heavy artillery moved in and progress was much better.

The new build element of the Hair, Beauty and Complimentary project is due to commence on Monday 31st May with all of the Planning and Building Warrant approvals in place.

The additional funding of £591k secured from the Scottish Funding Council for spend before the 31st March 2021 was successfully achieved.

The creation of the new Social Space and Training Restaurant has started well ahead of the original schedule and the demolition and dountakings of the original structures are now at an advanced stage. A start has also been made on the 'first fix' of the

mechanical and electrical infrastructure for these projects along with some new structural walls already installed.

Phase 1 of the new Learning and Digital Resources facility has been completed with the previous Executive Suite and Quality offices transformed into a new space.

Phase 2 of the LDR project has also commenced and this has involved demolition of the existing room structures to create a single large open plan space. We are awaiting Building Warrant approval for phase 2 before starting the next part of the project. Building Warrant approval is expected shortly.

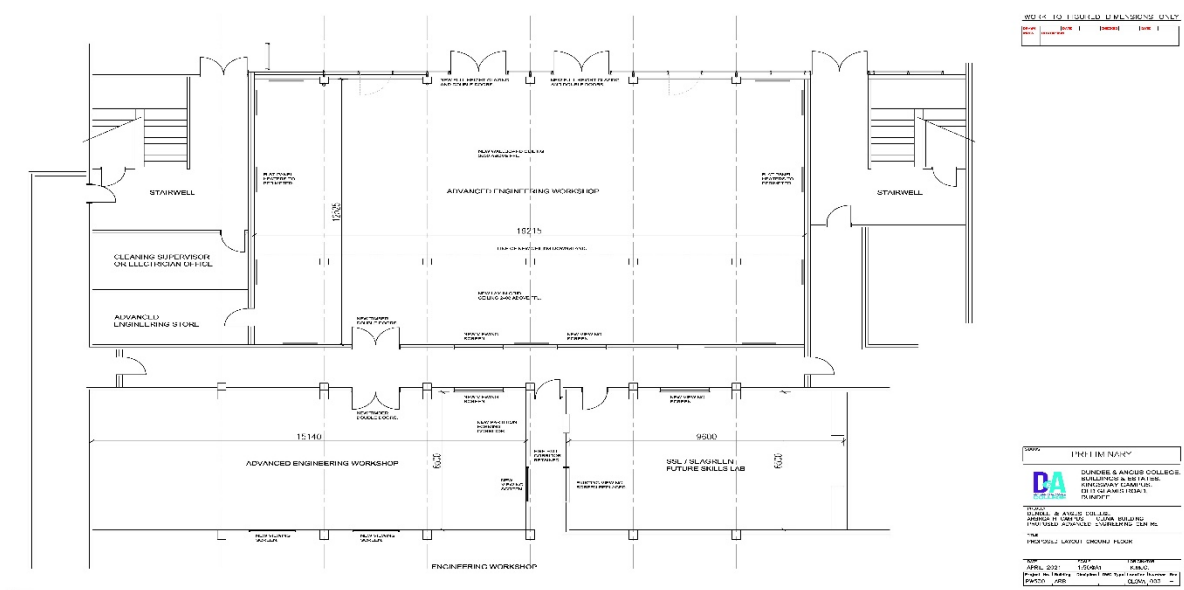
5. Michelin Scotland Innovation Parc

A separate project report is now being provided to report on this project.

6. The Tay Cities Engineering Partnership

A separate project report is now being provided to report on the Tay Cities projects in which Dundee & Angus College have a lead role.

The estates element of the Advanced Engineering Manufacturing, Demonstration and Training Facility in the D&A Arbroath campus is reported here and is now at an advanced stage. This is fully funded from the Tay Cities Deal. Works are being procured through a mini competition process. The Estates project team has worked closely with curriculum colleagues over the last 6 months to develop a design brief for the proposed facility, and with confirmation that funding will be released, work on the project will commence on initially enabling works in early June, with overall completion of the new facility in time for the start of the 2021/22 academic term.



FINANCE & PROPERTY COMMITTEE

Tuesday 25 May 2021



ESTATES

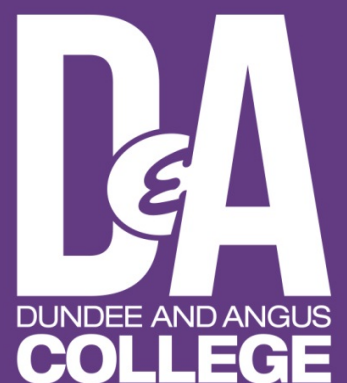
Estates Annual Report

PAPER F



Estates Report

1 April 2020 – 31 March 2021



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Introduction

This report provides a summary of Estates related activities for the period 1 April 2020 – 31 March 2021.

Estates Strategy 2019 – 2024

The main focus over the last year has continued to be the implementation of the Estates Strategy for the five year period 2019-24 which was approved by the Board of Management in March 2019.

The key parameters set out in the Strategy are as follows:

- Confirmation of our vision of “three campuses, one College”.
- An assessment of the Arbroath and Gardyne campuses which confirms that accommodation is generally of a high quality but with some backlog maintenance challenges, particularly at Arbroath.
- Prioritisation of redevelopment of the Kingsway Campus.

A masterplan for the Kingsway Campus was developed and agreed on the basis of-

- Following a hybrid model, with redevelopment of the Tower and a new build STEM centre
- Progressing redevelopment of the Tower through a package of projects
- Building the case for major funding for a new-build STEM centre

Kingsway Tower Redevelopment

The Finance and Property Committee approved the progression of the Kingsway Tower Redevelopment in May 2020.

It was the College’s intention, subject to formal approval from the Board of Management and securing funding via a bid to the Dundee and Angus Foundation, to progress the Kingsway Tower Redevelopment between April 2020 and September 2020. The onset of the COVID-19 pandemic however severely impacted on the planned programme, and the project was split over 2 phases – Phase 1 in 2020 and Phase 2 in 2021.

Phase 1 of the development comprised –

- Creation of the Hair, Beauty and Complementary Therapies Facility
- Creation of part of the new social space and frontline services

Phase 2 of the development would comprise –

- Completion of the new social space and frontline services.
- Creation of the new training restaurant
- Creation of the new Learning and Digital Resources facility

Funding for the project was secured via the 2020/21 Capital Backlog Maintenance Grant and the Dundee and Angus Foundation as detailed below –

	Capital Backlog Maintenance Element	Dundee and Angus Foundation Element	Total Cost of Project
Phase 1 Projects	£1,202,690	£2,174,740	£3,377,430
Phase 2 Projects	£547,570	£574,177	£1,121,747
Complete Project	£1,750,260	£2,748,918	£4,499,178

The work associated with the Kingsway Tower Redevelopment commenced in June 2020 on Phase 1 of the project.

Work on the reception area, frontline services and social space progressed very well and was completed and handed over in advance of the start of the 2020/21 academic term on the 21 September 2020.

The hair, beauty and complementary therapy facility was also progressing well until an issue was identified with the existing roof structure. It had been found that there was deflection of the existing roof slab and following significant investigatory work being carried out on the roof slab by a team of structural engineers, a recommendation for the building to be demolished was the hugely disappointing outcome.

This halted progress of the project and so the College quickly alerted the Scottish Funding Council to inform of the situation, but also establish if there was a possibility of securing additional funding to assist with the demolition of the building and also for a new build on the existing site. SFC very quickly confirmed additional funding to cover the cost of the demolition along with the design fees for the new build would be made available.

A further Capital Appraisal was presented to the Finance and Property Committee in December 2020 to proceed with a new build and to also progress phase 1 and phase 2 of the original project. This was approved by the committee.



Breakdown of the new high-level project costs -

Project Element	Projected Costs (£)
Demolition of existing building	268,000
Design Fees for New Build	211,000
Cost of New Build	1,560,000
Completion of Phase 1	1,991,000
Cost of Phase 2	1,346,096
Project Contingencies	354,000
Project Preliminaries	687,600
SCAPE Fee	225,600
Total	6,642,696

The table below details the funding that had been secured for the new project –

	Funding Source	Amount (£)
Demolition Costs	SFC	268,000
New Build Design Fees	SFC	211,000
Balance of 2020/21 Capital Backlog and Lifecycle Grant Funding	SFC	327,000
Additional Capital Backlog Maintenance Funding (2020/21)	SFC	515,000
Further Capital Backlog Maintenance Funding	SFC	591,000
Foundation Grant	DAF	3,300,000
	Total	5,212,000

In addition to the SFC funding for the demolition and design fees, the College also secured

further funds in the financial year of £515k which was an in-year contribution that all colleges received for backlog maintenance. We also secured a further £591k of funding from SFC in February 2021 with a caveat that it had to be spent by the 31 March 2021. This level of spend was achieved.

The majority of the 2021/22 Capital Backlog Maintenance Grant will be used to fund the remainder of the project cost.

The impact of COVID-19 which resulted in reduced student activity on Kingsway Campus enabled the early start of Phase 2 of the development in March 2021 –

- Completion of the new social space and frontline services.
- Creation of the new training restaurant
- Creation of the new Learning and Digital Resources facility

The demolition of the old library was also progressed during March.

STEM Centre at Kingsway

Progress of the outline business case for a new STEM Centre at Kingsway was delayed over the last year due to the impact of COVID-19 and also due the fact that Scottish Government Funding Model for this type of project was still to be finalised.

The creation of the STEM OBC is back on the College's radar and is due to be finalised by the end of June 2021.

Capital Backlog Maintenance Projects

The majority of the 2020/21 Capital Backlog Maintenance Grant was ringfenced for the Kingsway Tower Redevelopment project.

Michelin Scotland Innovation Parc Project

The College has continued to work closely with the Michelin Scotland Innovation Parc Project (MSIP) team over the last year to develop plans to create a Skills Academy on the existing Michelin site.

A location has been identified for phase 1 of the project and we are progressing plans to be starting on site with learners in August 2021.

Workstreams have been established for Curriculum, Business Planning, Marketing, Comms and Reporting, Space Planning and Equipment.

A timeline has been developed for the physical works to be completed at MSIP's cost during the summer months 2021.

The College is working towards understanding what a form of agreement will be, the use of the site and the overall business arrangement for presenting to the Board.

The College is now reporting monthly to the MSIP Board. An Advisory Board has been established that involves all partners including the Universities involved, SE, SDS, Transport Scotland and employers on the site. SFC are represented on the Advisory Board at Director level.

The Climate Emergency Skills Action Plan has recently been announced as has an updated Transition Training Fund that will allocate more £25m with a focus on the provision of green skills.

Upskilling, new qualifications, preparing for change in engineering, construction and related careers are all part of the government agenda and the Skills Academy gives D&A College the opportunity to be leading in this field.

The Tay Cities Engineering Partnership (TCEP)

The plan to create an Advanced Engineering Manufacturing, Demonstration and Training Facility in the D&A Arbroath campus is now at an advanced stage. The Estates project team has worked closely with curriculum colleagues over the last 6 months to develop a design brief for the proposed facility, and with confirmation that funding will be released, work on the project will commence with enabling works in early June.

The facility will be located within the existing engineering area in the Clova Building. The space will be transformed and equipped with state-of-the-art industry production machine tools to trial, test and demonstrate new processes using Smart Technology and Virtual Learning to support increased product innovation, productivity, R&D and skills needs of the sector across the east of Scotland.

This £4.2m innovative project will bring together the resources of training organisations, public sector bodies and engineering employers across the Tay Cities Region to establish the Engineering and Advanced Manufacturing (EAM) network.

TCEP will drive the transformation of manufacturing processes required to meet the ambitions of The Fourth Industrial Revolution - from implementation of robotics and artificial intelligence and the digital skills to operate those new engineering methods.

It will also offer secondary school and college students real work experience as an active manufacturing centre. This will also provide an introduction to modern **engineering and contribute to STEM targets showcasing engineering as an exciting**, stimulating and modern career. This new centre will become a regional partner for the National Manufacturing Institute for Scotland (NMIS) being created at Strathclyde University to support the development of innovation in engineering practices.

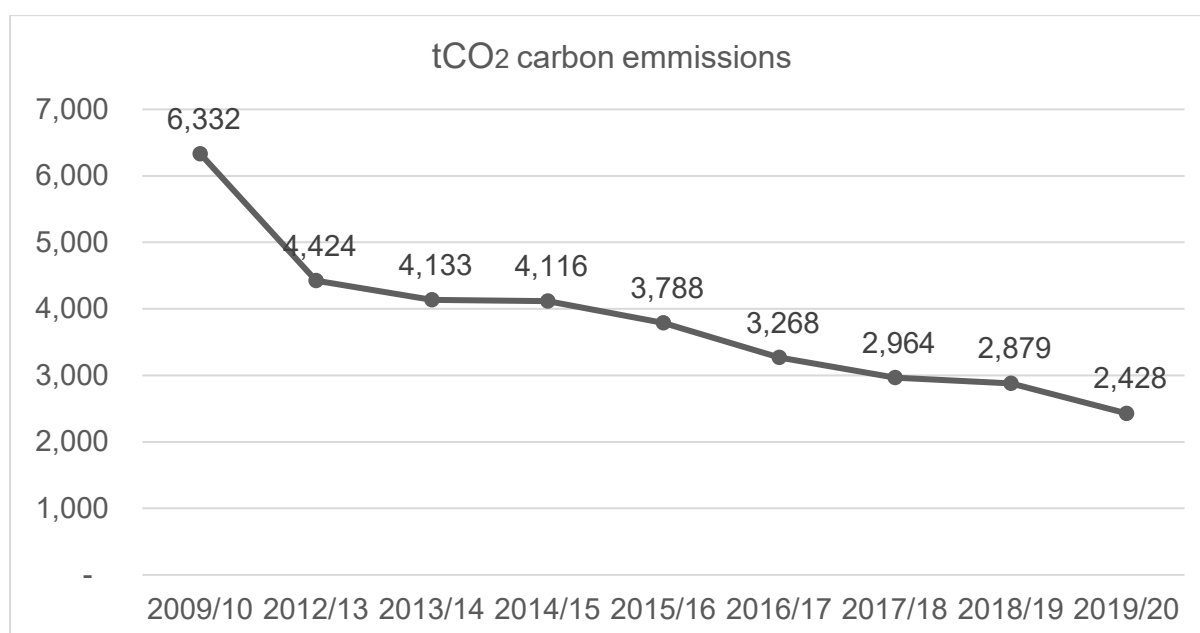
Sustainability and Environment

It has been another successful year for the Environment team in terms of meeting carbon reduction targets, however the reductions achieved would be aligned to a significant reduction in on campus student and staff activity due to the impact of COVID-19.

The College submitted its 2019/20 Mandatory Climate Change Reporting documentation in November 2020 and it is pleasing to report the carbon footprint associated with the College's operations has fallen for the 11th consecutive year. The College has now reduced its carbon footprint by an outstanding 60% since signing up to the Universities and Colleges Climate Commitment for Scotland in 2009. The College has reduced its carbon footprint from 6,332 tCO₂/year in 2010 down 2,428 tCO₂ in 2020.

This reduction in carbon footprint is a fantastic achievement and as a College, we continue to lead the FE sector on so many sustainability initiatives and practices and we continue to invest in sustainable technologies when developing the College estate.

The table below highlights the fall in carbon footprint for the period 2010 -2020.



Electric Vehicle Grant Funding

The Environment team have continued to take advantage of the funding of £250k which was secured in April 2019 for the outright purchase of 10 electric vehicles or vans via the Switched on Towns and Cities Grant.

Following a delay due to the onset of COVID-19, we took delivery of 6 electric vehicles – Nissan Leafs in September 2020.



COVID-19 Pandemic

It has been a hugely challenging year for the Estates team, who all rose to the challenge to help create a safe learning and working environment for our learners and staff following the COVID-19 pandemic.

From the first lockdown at the end of March 2020, estates staff worked tirelessly to maintain the health of our buildings ensuring that our statutory and planned maintenance regimes continued to be implemented. One of the biggest risks to the College while our learners and staff were off campus was maintaining the health of our domestic water systems and so estates staff assisted with ensuring every single hot and cold water outlet was turned over every week to mitigate the risk of Legionella.

There was a huge amount of work involved in planning the return to campus to include a range of controls designed to mitigate the risks of COVID-19

- Creation of a range health and safety guidance documents to facilitate a safe return to campus
- Adaptation of the College estate to assist with the safe return to campus

- Partnership working with departmental managers and union health and safety reps to develop COVID-19 friendly learning and working environments
- Installing 200+ wall mounted hand sanitisers across our 3 campuses
- Creation of one-way systems
- Reviewing all room capacities to ensure 2m physical distancing could be maintained
- Creation and installation of signage to inform our learners and staff of the mitigations



The health and safety team also developed a risk assessment template to assist all academic and support teams with updating their departmental risk assessment to include the COVID19 mitigations. This ensured a consistency for all departmental risk assessments which were then posted centrally on the staff portal for everyone to access.

One of the key COVID19 mitigations was the introduction of an enhanced cleaning regime which was a huge undertaking –

- Cleaning staff on duty throughout the day
- Touchpoints – balustrades, door handle, push plates, lifts and toilets cleaned constantly throughout the day
- Fogging machines were purchased to assist with quick classroom, gym and dance studio turnarounds

More planning was required following the second lockdown at the start of 2021 to facilitate the return to campus for initially a smaller number of learners and staff prioritised to enable them to catch-up on the practical elements of their course.

The everchanging guidance coming out of Scottish Government presented more challenges for the estates team, but once again they rose to the challenge.

Ventilation was highlighted as key mitigation for the return in March and a review of every single classroom, workshop, office and workroom was carried out to identify the type of ventilation that was available in the room. Information posters were then placed on the entrance door of every room informing the users of the type of ventilation available and how it operated.



Learners returning in March were restricted to stay within the areas they were learning in and so during the period up to the Easter break, the College provided free breakfasts and lunches every day for every learner and member of staff working on campus. The catering team did an incredible job, taking orders in every class each day and delivering the breakfasts and lunches personally. This gesture by the College was really appreciated by the learners and staff, and it was great to see one group of plumbing students show their appreciation by presenting the catering team with a box of chocolates.....obviously in a physically distance fashion!!



FINANCE & PROPERTY COMMITTEE

Tuesday 25 May 2021



ESTATES

Estates Strategy Outline

PAPER G

BOARD OF MANAGEMENT
Finance & Property Committee
Tuesday 25 May 2021



Estates Strategy 2021-26 Outline

Paper for noting

1. Introduction

This paper provides an outline for the planned revision of the existing Estates Strategy 2019-24.

2. Recommendations

Members are asked to note the report.

3. Estates Strategy 2021-2026

The impact of COVID-19 has had a profound effect on how the College has operated over the last year and this has prompted a review of the existing Estates Strategy 2019-24. This was also recommended by Audit Scotland as part of the review of the statutory accounts.

As a result of COVID-19, the College has had to adapt to different ways of delivering the curriculum to our students and this has also led to a whole new different ways of working for our staff.

Blended or fully online learning has become the 'new norm' for the majority of our **students** during the current academic session and while this way of learning is not necessarily fit for purpose for all course levels or groups of learners, a recent student survey has indicated that a significant number of students have responded very positively to being taught in this way. This will influence how our curriculum will be taught and our services will be delivered in the future.

Ensuring that our students voices are at the heart of the future curriculum and service delivery could potentially result in a more permanent shift from the traditional FE approach of 'face to face' to a blended approach of online teaching combined with on campus teaching. Courses with significant practical elements are likely to continue to be taught on campus. This more blended approach is likely to offer greater flexibility to our students.

We have purposely avoided a "one size fits all" approach to curriculum delivery and have asked teaching teams to consider the best approach to learning and teaching for each course, level and group of learners to support their skills development, knowledge and understanding and to maximise engagement and attainment. Teaching teams are

currently planning for academic session 2021-22 and are evaluating the learning experience using a range of data including course and unit performance information, staff feedback, learner survey information and class representation feedback. The [D&A prospectus](#) indicates to applicants our commitment to the most appropriate blend of learning.

A college though, as we know, is far more than just a place of learning. For many, college is a place of sanctuary, a place to build friendships and self-esteem, amongst many other things. Over the last year we have all experienced how challenging it is when those social norms and day to day interactions disappear. So, whilst many will continue to embrace online studying, it is important that we offer students the opportunity to engage and learn on campus. The Autumn and Spring Learner Surveys indicated that many learners miss the connection to college and engaging with their peers socially and as part of their learning experience.

Similarly, our staff have had to adapt to new ways of working during the COVID-19 pandemic, working mainly from home over the last 15 months. Not all work roles nor all tasks within a role can be fulfilled or fulfilling working from home, however a significant number can accommodate and so once again the College are looking to adopting these new ways of working moving forward.

Three D&A work types have been identified – **Remote Work, Blended Work and Campus Work**

Whole teams can be allocated a work type, or to individuals.

The **descriptions** below of the work types support the **staff** arrangements made in teams / by individuals with their managers so consistency comes from type, not a percentage of time on / off campus.

Remote Work	Blended Work	Campus Work
<p>Can work almost entirely remotely</p> <p>Able to engage remotely with D&A with no barriers to quality of experience, therefore engagement can continue.</p> <p>There are no special requirements i.e. all relevant resources / hardware / software are as effective remotely as they would be on campus.</p>	<p>Can sometimes work remotely</p> <p>Required on campus at certain / specific times due to delivery of frontline services or practical learning and / or Access to stakeholders, resources / hardware / software only available on campus (i.e. barriers would exist for stakeholders were campus presence not available).</p>	<p>Can never work remotely</p> <p>Nature of work is entirely on campus (i.e. Dine@ staff, cleaners, caretakers, Estates) and cannot be completed remotely.</p>

Adopting a more blended learning approach for our students and introducing new ways of working for our staff will have a significant impact on the demands of our estate. Less pressure and demand on general teaching rooms and the opportunity to create far more flexible and inspiring workspace, moving away from working in departmental silos to workspaces that promote cross-college and inter-departmental collaboration and creative ways of working.

The new blended learning approach and new ways of working and the impact they both have on our learning and working facilities will be captured in the updated Estates Strategy for the period 2021-26.

The key parameters set out in the 2019-24 Estates Strategy will be carried forward to the 2021-26 update:

- Confirmation of our vision of “three campuses, one College”.
- An assessment of the Arbroath and Gardyne campuses which confirms that accommodation is generally of a high quality but with some backlog maintenance challenges, particularly at Arbroath.
- Prioritisation of redevelopment of the Kingsway Campus.

The prioritisation of the redevelopment of Kingsway Campus has made excellent progress over the last 2 years with the redevelopment of the ground floor of the Kingsway Tower which will be completed by early 2022.

The creation of a STEM Centre on the Kingsway Campus is also still a key priority and work on the Outline Business Case for submission to the Scottish Funding Council will be completed shortly. It should be noted though that there is no clear indication coming out of the Scottish Government how projects of this size will be funded at this stage. As the vision for the STEM Centre is to replace the engineering, construction and science blocks; the curriculum that requires on-campus learning, state of the art physical infrastructure remains a requirement.

4. Other Projects that Impact on Our Estate

The College is currently involved in a number of exciting projects with external partners, which will see the creation of learning facilities away from our 3 main campuses:

- Michelin Scotland Innovation Parc (MSIP)
- E- Sports
- Tay Cities Engineering Partnership
- Eden Project

The above projects are at varying stages in terms of development, but they will be a key element of the updated Estates Strategy for the period 2021-26.

5. Climate Emergency

The College over the last 10 years has made huge strides in mitigating the impact its operations have on the environment and Climate Change. A 60% reduction in carbon emissions during that time is an achievement that the College should be very proud of.

The Scottish Government has once again raised the bar and a Climate Emergency has been declared along with ambitions which commits Scotland to net-zero emissions by 2045. The College is also committed to achieving net-zero and we are confident that this can be achieved in advance of the Scottish Government's 2045 target date. We have made an excellent start over the first 10 years.

Our net zero ambitions will be a key parameter of our Estates Strategy 2021-26 as we continue to install sustainable technologies while developing our estate and not reconnecting to natural resources like gas.

6. Consultation & Service Design

It is our intention to develop the Estates Strategy 2021-26 over the next few months and a further iteration, following consultation with our students and staff and using service design principles, will be presented to the Finance and Property Committee at the meeting in September.

7. Link to Strategic Risk Register

Progressing these Estates projects and initiatives will support the mitigation of a range of risks identified within the Strategic Risk Register namely;

- 1.1 – Failure of College strategy to meet the needs of the D&A Region and/or national priorities
- 2.6 – Demands of capital developments / maintenance impacts on financial sustainability or delivery of learning and/or services
- 3.1 – Failure to reach aspirational standards in learning, teaching and service delivery

Author: Billy Grace, Head of Estates
Executive Sponsor: Jaki Carnegie, Vice Principal – Corporate Services

FINANCE & PROPERTY COMMITTEE

Tuesday 25 May 2021



PROJECTS

Tay Cities Deal & MSIP Update

PAPER H

BOARD OF MANAGEMENT

Finance & Property Committee

Tuesday 25 May 2021

STRATEGIC PROJECT UPDATE



Paper for Information and Approval

1. Introduction

This paper summarises the work being undertaken on a range of key strategic projects across the region where the College is leading or heavily involved. This paper will be presented at the Board meeting, following discussion by the Finance & Property Committee.

This paper will cover D&A involvement in the:

- Michelin Scotland Innovation Parc (MSIP)
- Tay Cities Deal

and outlines key decisions required over the coming weeks.

2. Recommendation

Members are asked to:

- a) Note the update on the progress of the MSIP project
- b) Approve that the Principal can sign the MSIP Partnership Agreement under normal delegated authority
- c) Approve that the financial details and terms of the MSIP arrangement are agreed by Board Chair and Finance and Property Chair when complete
- d) Note the progress of the Tay Cities projects, with a view to the Board being asked to approve the project outlines

3. Michelin Scotland Innovation Parc

Background

The Michelin Scotland Innovation Parc (MSIP) aim is to create a sustainable mobility & low carbon energy parc on the previous Michelin site.



An Advanced Skills Academy, led by D&A, will be created to develop the skills of future needed to train the workforce in low carbon, green energy, hydrogen, battery storage, offshore wind, remote control systems, and advanced manufacturing. An Innovation Centre is also planned to allow research, prototyping and development with the College, Universities, and Industry partners.

The full detail is included in the MSIP paper.

4. Tay Cities

Overview



The Tay Cities Deal was finally signed in December 2020 and work has been progressing to complete bids and to engage with the Programme Management Office and the Scottish Government on the system of approvals and submission.

D&A Bids

The College is now active in four bids:

3.1. Tay Cities Engineering Partnership (TCEP)

This £4.3m innovative project will bring together the resources of training organisations, public sector bodies and engineering employers across the Tay Cities Region to establish the Engineering and Advanced Manufacturing (EAM) network.

TCEP will drive the transformation of manufacturing processes required to meet the ambitions of The Fourth Industrial Revolution - from implementation of robotics and artificial intelligence and the digital skills to operate those new engineering methods.

3.2. Supporting the development of our business-base (SMEs)

This project will support SMEs (particularly micro businesses) and focus on tackling barriers to accessing training and addressing identified gaps in training provision. A specific focus will be on helping rural businesses, which can encounter additional barriers to accessing the training they require.

3.3. Growing the Tayside BioMedical Cluster (GTBC) – Skills and Training

The GTBC project is being developed to establish a training package that will support the Biotechnology and Medical Technology sector. The focus is to develop a technical training facility and a suite of life science workforce development programmes at Dundee & Angus College to increase the supply of skilled laboratory staff. This project will target gaps in training, enhance training prospects for individuals from disadvantaged groups or communities, and help to address inequalities in the workforce. The project will support the wider £25m Growing the Tayside BioMedical Cluster project being led by the University of Dundee.

3.4. Shared Apprenticeship Scheme

This bid in partnership with Angus Council will see the existing Shared Apprenticeship scheme extended beyond the boundaries of Angus and rolled out across the full Tay Cities Region. Presently the scheme relates mainly to apprenticeships in construction, but this will be trialled in other occupational areas such as agriculture and hospitality.

The full details of these projects are included in the Tay Cities Paper

5. Approvals

Significant work has been progressed for these projects and they offer a major opportunity for the College to be involved directly with employers and key stakeholders to respond to sector and regional developments that form part of new economic growth initiatives.

The Board will be asked to note and/or approve the progress of the various projects, with each paper summarising the specific requests for Board approvals and action at this time.

The Board will also be asked to note the Strategic Projects Update paper and consider their preferences in respect of future updates/reporting.

6. Link to Strategic Risk Register

Information in this report is intended to provide Board members with reassurance that actions and activities are being progressed and addressed that support the mitigation of a range of risks identified within the Strategic Risk Register with a particular focus on the following.

- 1.1 Failure of College strategy to meet the needs of the D&A Region and/or national priorities (eg Employability, DYW, attainment, articulation)
- 1.4 Difficulties or over commitment arising within large scale/national College led initiatives or projects impact negatively on:
 - Ability of the College to meet key regional strategies/objectives
 - Financial loss or unmanageable financial risk
 - Reputational loss
- 2.2 Failure to achieve institutional sustainability
- 2.6 Demands of capital developments / maintenance impacts on financial sustainability or delivery of learning and/or services
- 3.5 Reputational Risk – Loss of reputation with key stakeholders

Author Grant Ritchie, Consultant & Jim Brown, Project Director
Executive Sponsor: Simon Hewitt, Principal

BOARD OF MANAGEMENT

Finance & Property Committee

Tuesday 25 May 2021



MICHELIN SCOTLAND INNOVATION PARC

Paper for Approval

1. Introduction and Summary

MISP, The Michelin Scotland Innovation Parc, was born out of the investment planned by Michelin to leave a legacy for the site, and the city, that had served the company so well during all the years of tyre production. MSIP is a company formed by Michelin, Dundee City Council and Scottish Enterprise.

The aim of the company is to rejuvenate the Michelin site and attract companies to locate on the Parc. The aim is to stimulate the employment of 850 people to match the 850 jobs delivered by the site at its peak.

The site is being refurbished and reimagined, including demolitions, to prepare to deliver, in the first phase:

- 600 Manufacturing Jobs
- 16 Jobs in a Business Accelerator
- 70 Jobs in Research and Innovation

At present four significant companies have agreed leases to come on site with many more in the pipeline.

MSIP are attracting 6 to 7 notes of interest every month at present.

The site offers many benefits, apart from the proximity of 'like-minded' companies, the energy generated by the wind turbines and the heat exchange from the neighbouring incinerator plants provide a cheap and green alternative to mainstream power supplies.

2. Opportunities and Benefits

For the College the opportunity to be partnering with MSIP on this project places us at the heart of new developments and in the forefront of developing training for the greening of the economy.

We will be working directly with companies and with equipment at the leading edge of new industries.

Our access to technology and commercial opportunities will be far greater than anything we could achieve at the Kingsway campus.

3. Companies on Site

At the moment four companies have signed leases to be on site, they are:

- Arcola Energy – 135 jobs, MISP will be the main manufacturing base for this company who specialize in heavy vehicles powered by hydrogen technologies.

- Swarco – 40 jobs, supporting the growth and development of electric vehicle charging networks
- MEP Technologies – 20 jobs providing high technology battery solutions
- Solariskit – 5 jobs providing flat pack solar thermal collectors for hot water and clean energy

There are a number of active potential investors and more tenants will be announced this year.

4. The Skills Academy

Planning is also well underway to develop the Skills Academy on site.

The idea is that the Skills Academy will work with the companies locating on the site to train young people from the Dundee and Angus area to have the skills required to become employees and become the future workforce for the new tenants now beginning to move in.

The focus of the site is on low carbon transport and on 'green' jobs. The Skills Academy will be training the young engineers of the future in managing hydrogen energy, wind power, advanced manufacturing techniques, robotics, and artificial intelligence.

We are targeting a launch on the 13 September 2021.

5. Non-Core/Commercial Offer

We know from meeting with the companies interested in the site that having a skills academy on site to help train and recruit their workforce is a major element in their investment decision to locate in Dundee. One company alone has a requirement for 200 staff and is looking to the skills academy to produce the right kind of people to fill the posts. It is difficult at this stage to gauge the full commercial potential as the number of tenants in year 1 will still be limited. We also have interest from companies outside of the site who want to make use of the Academy for training and development. The commercial 'deal' we are working towards with MSIP recognises the evolving nature of the business model. See section below.

6. Curriculum Offer

The Skills Academy will be delivered in partnership with University of Dundee, Abertay University and St Andrews University and will also act as a showcase for engineering and STEM careers more generally.

Showing young people and their parents, teachers and carers, the possibilities opening up for careers in engineering in its widest sense as well as focusing on digital and green energy

It is planned in that the Academy will be open to school pupils, foundation and graduate apprentices, mainstream students, and the employees of the companies on site.

Below is an outline for the areas of activity for the Skills Academy

- Green Energy zone – incorporating hydrogen, battery storage & development, clean growth, bio economy, low carbon,
- Skills zone – practical engineering workshops, machine workshop, hybrid/ MV
- Technology & Innovation zone – focussing and highlighting the skills required for Industry 4.0, meta skills, AR/VR and AI. Incorporating cobalt robotics etc. Creating the digital engineer of the future.
- Wind Turbine zone – practical area for working at height, rope access, H&S, confined space training etc

- Data Zone – data centre using smart technology and digital sensors to create digital twins, remote control room for simulation of remote wind turbine technology.

7. Costs and Business Model

MSIP, the Michelin Scotland Innovation Parc company, are developing the physical space for the skills academy and a 3000m² facility is being prepared at an estimated cost to MSIP of c£1M.

Capital costs will lie with MSIP and revenue costs with D&A at this stage.

Dundee and Angus College have been leading the planning for the academy. Whilst MSIP will prepare the physical space for the academy, the College are providing the equipment, IT, all teaching and learning materials and are working with partners to ensure that we can provide access to the latest technology and advanced engineering techniques.

A business case is being prepared and we are in detailed discussions with MSIP over the exact arrangements. The model will be a charge and charge back arrangement with MSIP charging the college for rental and service whilst we charge back for staffing and equipment costs incurred in running the Skills Academy on MSIP's behalf. The aim is to be cost neutral in the first two years.

Once we have a better understanding of the commercial potential of the site and as more companies come on to the site in the next couple of years we will revise the business model and will do due diligence on a possible joint venture with MSIP.

Our initial outgoings will be in the region of £100K mainly on ICT provision. We have a bid for support to cover a substantial part of the whole amount with Mathew Trust. £40K was received from SDS that can be attributed to this spend and budget available from the ICT or innovation fund from next year that can be allocated to this spend if Mathew Trust are unable to support. Staffing will be within existing resources in the first instance as activity is likely to be serviced from Kingsway in the early stages. The IT kit purchased will also be portable and can be relocated if required.

We have been working on an 'open book' basis with MSIP and we are very close to having a fully developed financial model, and a partnership agreement, in place to capture the detail of this working arrangement.

8. Risks

The cautious, partnership approach to the development of this project is aimed at minimising risk to the college. The commitment of staffing and resources is largely displacement rather than additional. Significant resources have been sourced from the Energy Skills Partnership and from others such as local trusts and SDS to minimise financial risk to the college. This will be reviewed again as activity on the site ramps up and the college has an opportunity to revise arrangements accordingly. As a result, the overall financial risk is considered minimal.

There are reputational risks if we fail to deliver on the type and/or level of training and company support in our offer but our national expertise through running the ESP project will assist us greatly in ensuring we can deliver as promised. The greater risks lie in not taking advantage of the open partnership approach from MSIP and not engaging with the innovative companies on site.

9. Approvals

Members are requested to note the operational detail of the report.

Approval is sought for the following two actions.

- a)** A Partnership Agreement is being developed between the College and MSIP. This will frame the broad terms of reference and working approaches between both parties. It is planned that the Principal be the signatory to this agreement on behalf of the College under normal delegated authority.
- b)** The financial details of the final arrangements remain under discussion, but it is anticipated that these will be broadly cost neutral in the initial stages (with further review prior to any additional commitment being made). As exact timescales for completion of this are not fully known it is planned that the financial arrangements will be discussed in principle with the final terms to be agreed by Board Chair and Finance and Property Chair when complete. Approval is sought for this course of action.

BOARD OF MANAGEMENT

Finance & Property Committee

Tuesday 25 May 2021

TAY CITIES DEAL



Paper for Approval

1. Overview

The four bids listed in the cover paper are at various stages of the approvals process and the following papers will summarise the progress of the individual projects.

D&A has leadership of all four projects. The Tay Cities Engineering Partnership (TCEP) project and the Shared Apprenticeship are in partnership with Angus Council and the Bio Tech and SME projects are under the auspices of an overall £20m Skills Thematic Board led by a partnership board of which a D&A representative is Vice chair.

The TCEP project has the development of a Community Interest Company as part of its sustainability strategy, this is similar the arrangement we have with Angus Council in relation to the existing Shared Apprenticeship scheme.

2. Timelines

The TCEP project has a reduced timeline of 5 years. The other projects all cover the full ten-year span of the Tay City Deal.

The funding is due to become available across the financial year 2021/2022 which effectively means that projects will be undergoing approvals processes but are expected to meet 'spend' profiles that may not fit exactly together. On the major capital projects that the Universities are engaged in, for example, spend was committed well before full approval was obtained.

We may need to consider the risks of this with specific projects that we are managing. Once we have projects submitted and have engaged with the Tay Cities Deal Project Management Office and the Government on the detail of the bid then the risk becomes very small that no funding will follow. The Board may need to support spending prior to full approval but supported by the fact that bids are submitted and are in the system. Each individual bid will follow its own approvals timeline.

The TCEP Outline Business Case (version 5) has been submitted and is expected to be submitted for Full Business Case consideration in August 2021.

The Bio Tech and SME bids are complete and are ready for submission in June 2021 once the overall Skills Thematic project is approved.

The Shared Apprentice Bid will be ready by late June 2021.

3. Overall value of bids and staffing

The bids we are submitting have an overall value of £9.5m to the College over the ten-year period.

The new posts listed are within the bid funding, the exact salary levels remain to be agreed and staff costs are likely to be c £3m. A management fee is applied in projects where possible to cover finance and HR costs.

Total number of new posts

Project	FTE
Advanced Engineering	1
Bio tech	1.5
SME	2
Shared Apprenticeships	1.5

4. Risk

Involvement in the TCD brings some risks in terms of the financial arrangements and the completion of overall targets within projects but the project design has been carefully considered to minimise risk and to ensure maximum benefit to the college.

The projects are designed to target industry sectors and employers identified as crucial to the development of the regional economy and to build sustainable partnerships. These will help to position the College at the forefront of innovation and economic recovery.

The projects are all targeted at increasing non-core income and providing innovative training to an expanded company base as well as inspiring the future workforce.

The projects are all designed on doing what we would aspire to do under normal circumstances but enhanced by the availability of additional funding and ability to develop wide, effective partnerships.

Additional staffing and other operational costs associated with projects will be covered by the available project funds, minimising the financial risk to the college.

There are reputational risks if we fail to deliver on the project outcomes, but these are considered to be minimal. In almost all cases, the project activities fall within the normal range of college operations and the college has extensive skills and experience available to assist in ensuring we deliver as promised. The greater risks lie in not taking advantage of the funding and partnership opportunities available through the cities deal.

5. Approvals

The Board has previously provided approval to progress the various projects back at the start of the Tay Cities projects. As arrangements and developments have progressed, the range and nature of the projects have developed, although these remain in line with previous updates provided.

As projects are finalised and submitted the Board will be asked to formally approve each of the projects outlined in this paper for full submission and note the detail of the arrangements.

As part of the establishment of the Tay Cities Engineering Partnership project, a Community Interest Company will be established in partnership with Angus Council. A separate paper for this submitted for consideration and approval in due course.

The following papers describe in more detail the activities, outputs and partnerships involved in progressing each project.

Project 1 -Tay Cities Engineering Partnership (TCEP)

A full OBC has been submitted for TCEP, subsequent questions have been answered and the bid is now back in with the Scottish Government for approval before progressing to FBC.

D&A College as the lead partner has a number of responsibilities including:

1. Recruit and employ the Projects Manager who will monitor and review all partner activity under the auspices of a new Community Interest Company (CIC)
2. Sign up to the CIC – Angus Council leading on the CIC submission
3. Administer project finances
4. Establishing an Advanced Manufacture Centre at the Arbroath Campus
5. Purchase and run the Mobile Engagement Unit to engage with schools and communities with an initial proposal to purchase a bus for this purpose.

Project Name	Tay Cities Engineering Partnership (TCEP)	
Project Lead	D&A College	Jim Brown
Staffing Implications	1 Project Manager	
OBC/FBC Status	Submitted OBC - then FBC (likely August)	
Funding Committed by TCD	Yes	
Project Timeline (5 years)	Start Date: April 2021	End Date: March 2026
Project Partners	D&A College Angus Council Angus Training Group Perth College UHI	
Project Funding	£4.3m - £2m TCD + £2.3 partners contributions/matched funding	
Funding Status / Approved?	Confirmed, awaiting final OBC approval before going to FBC	
VAT Inclusive	Yes - not if claimable from HMRC	
Spend Profile Flexibility	Yes	
Flexibility to reallocate across deliverables.	Across sub projects but not across years Future years across revenue and capital	
Reporting	Monthly & Quarterly	
Claims	Quarterly, first claim likely September for November payment	
Spend Profile	See table below	
Deal signed / Funding Committed	Not signed but funding committed - very low risk	

	2021-22	2022-23	2023-24	2024-25	2025-26	Total
	£000	£000	£000	£000	£000	£000
Revenue	61	76	91	198.2	173	599.2
Capital	496	334	345	225.8	0	1400.8
Total	557	410	436	424	173	2,000

Project Deliverables	Project Leads	Project Timeline
Project Manager recruitment	Jim Brown, DAC	Year 1-5
Community Interest Company	Kirsty Scott, Angus Council	Establish year 1
EAM Centre	Jim Brown, DAC	Build – year 1 Capital equipment years 1 and 2
Mobile Engagement Unit	Jim Brown DAC	Year 3
Angus Training Group – Cobot Demonstration Centre	David Baker Garry Talbot	
Product Innovation Lab - Aviation Academy	Jennifer Brickwood PCUHI	
Product Innovation Lab - Creative Exchange	Mike Figures PKC	

The establishment of the Advanced Manufacture Centre at the Arbroath Campus is currently being progressed. An update on the design of this facility is included within the Estates update and an update on the procurement approach is included within the VP report.

Project 2 - Tay Cities BioTech Project – Business case ready for submission.

D&A College are committed to establishing pathways into careers in technician roles to support the projected growth in the bio tech industry. The University are modelling around 280 jobs to 2033 (800 jobs over 30 years). We are working in a timeline of a third of that time.

We anticipate total demand over 10 years of between 80 and 160 jobs, which is modest. In the OBC we have broadened out the project scope to include other TCD projects, for example the James Hutton Institute AgriTech project. Both the University and the James Hutton Institute are clear about the skills requirements of technicians moving forward and our project will both train existing students to fill those jobs and attract new entrants to the industry.

The project will focus on curriculum improvements, working with bio tech firms to ensure the correct skills are in place, developing placements and apprenticeship opportunities for learners across the region and on increasing the numbers of people attracted to careers in science, with an emphasis on inclusive growth,

We are assuming a target of 220 jobs filled over the ten years of the project.

Project Name	Tay Cities BioTech Project	
Project Lead	D&A College	Grant Ritchie/Jim Brown
Staffing implications	1.5 FTE	
OBC/FBC Status	BJC to be submitted April/May 2021. One stage process.	Ronnie Palin Advisory and Management Group
Funding Committed by TCD	Yes	
Project Timeline (10 years)	Start Date: May 2021	End Date: April 2031
Project Partners	D&A College University of Dundee James Hutton Institute Perth College UHI Fife College	
Project Funding	£2m TCD	
Funding Status / Approved?	Business Justification Case submitted in May	
VAT Inclusive	Yes - not if claimable from HMRC	
Spend Profile Flexibility	Yes	
Flexibility to reallocate across deliverables.	Across sub projects but not across years	
Reporting	Monthly & Quarterly	
Claims	Quarterly, first claim likely December for January payment	
Deal signed / Funding Committed	Not signed but funding committed - very low risk	
Spend Profile/Targets	See table below	

Total	21/22	22/23	23/24	24/25	25/16	26/27	27/28	28/29	29/30
£2m	75	300	300	500	300	211	202	112	-

Project Deliverables and timelines	Project Leads	Project Timeline
Recruitment of staff asap	Grant Ritchie, DAC	Year 1
Delivery of work package approach to outcomes	Project manager once in place	Year 1 to 10
<u>Comments</u> <ol style="list-style-type: none"> 1. Links to Dundee Universities £25m Biotech growth project and the James Hutton Institute's £60m Barley growth centre 2. Strong support from both University institutions in terms of establishing relations with new companies and with access to state-of-the-art technology and techniques. 		

Project 3 - SME Project

Business Case ready for submission. The SME project is predicated on a college led partnership of all the region's colleges, universities and economic development agencies pooling resources to target business support and improvement for SME's in the region. The existing business support is dominated by high worth companies and limited resource for many of the very small micro businesses. The aim of the project is to form a partnership that will link a business need to an expert adviser in any of the local institutions whether that is Business Gateway, FSB, the colleges, or the universities. The expert will then support the SME to overcome an identified weakness and help them grow.

Engagements mean successful upskilling projects with individual SME's.

Project Name	Tay Cities SME Project	
Project Lead	D&A College	Grant Ritchie
Staffing Implications	2 FTE	
OBC/FBC Status	OBC to be submitted April/May 2021 before progressing to FBC	Ronnie Palin Advisory and Management Group
Funding Committed by TCD	Yes	
Project Timeline (5 years)	Start Date: April 2021	End Date: March 2031
Project Partners	D&A College Chamber of Commerce Business Gateway University of Dundee University of Abertay Perth College UHI Fife College	
Project Funding	£2.5m TCD	
Funding Status / Approved?	Confirmed, awaiting OBC approval before going to FBC	
VAT Inclusive	Yes - not if claimable from HMRC	
Spend Profile Flexibility	Yes	
Flexibility to reallocate across deliverables.	Across sub projects but not across years	
Reporting	Monthly & Quarterly	
Claims	Quarterly, first claim likely December for January payment	
Deal signed / Funding Committed	Not signed but funding committed - very low risk	
Spend Profile/Targets	See table below	

Year	1	2	3	4	5	6	7	8	9	10
Number of Successful engagements	50	75	100	100	100	100	100	100	100	100
Cumulative total	50	125	225	325	425	525	625	725	825	925
% of Co's engaged as % of total business base	0.2	0.5	1.0	1.4	1.8	2.3	2.7	3.1	3.5	4.0

We will be looking to get that overall cumulative total to 1,000.

Funding Schedule

Total	21/22	22/23	23/24	24/25	25/16	26/27	27/28	28/29	29/30
£2.5m	100	300	436	449	316	310	290	249	50

Project Deliverables and timelines	Project Leads	Project Timeline
Recruitment of new staff	Grant Ritchie, Caryn Gibson DAC	Year 1
Delivery of partnership agreements, management structure and work processes		Year 1
<u>Comments</u> <ol style="list-style-type: none"> 1. Links to existing work of partners 2. Agreements are in place with existing providers 3. Strong support for the breadth of this initiative from all partners 		

Project 4 - Shared Apprenticeship Project

We have recently been asked to resubmit an OBC to expand the Shared Apprenticeship Project across the region. This bid was originally turned down two years ago but has now been resurrected.

The original bid was for £6.5m and had 6 full time posts but the resubmission will be closer to £2.5/3m and will be stripped back significantly.

Angus Council has part prepared an OBC from the original bid and are funding a revision to scale it back. They are keen that D&A College front up the bid therefore it is likely to go in under our name. However, the posts will sit with the Community Interest Company that runs the current Shared Apprentice Ltd supported by Angus Council.

Effectively the bid will fund a new post to work alongside the existing staff and to help expand the opportunities for apprenticeships on the shared model across the wider Tay Cities Region.

The existing business model that has operated for 5 years will be extended.

Project Name	Tay Cities Shared Apprenticeship Project	
Project Lead	D&A College	Grant Ritchie/Jim Brown
Staffing Implications	1.5 FTE	
OBC/FBC Status	OBC to be submitted being developed	Ronnie Palin Advisory and Management Group
Funding Committed by TCD	No	
Project Timeline (5 years)	Start Date: April 21	End Date: March 2031
Project Partners	D&A College Angus Council	
Project Funding	£2.5 - £3m proposed	
Funding Status / Approved?	At initial OBC development phase	
Spend Profile Flexibility	Yes	
Flexibility to reallocate across deliverables.	Across sub projects but not across years	
Reporting	Monthly & Quarterly	
Claims	Quarterly, first claim likely December for January payment	
Deal signed / Funding Committed	Not signed but funding committed - very low risk	
Spend Profile/Targets	Still under development	

Project Deliverables and timelines	Project Leads	Project Timeline
Recruitment of staff	Jim Brown/Angus Council	Year 1
Delivery of extended offering across region		Year 1 - 10
Comments <ol style="list-style-type: none"> 1. Links to existing Shared Apprenticeship Scheme 2. Links to Community benefits TCD project run by Dundee City Council 3. Strong support from other local authorities to roll out the model 4. Strong support from Scot Gov and SDS to expand model 		

FINANCE & PROPERTY COMMITTEE

Tuesday 25 May 2021



STRATEGIC RISK & COVID REGISTER

**10.1 Strategic Risk Register -
FPC Extract Only**

PAPER I

**10.2 COVID Risk Register –
FPC Extract Only**

PAPER J

BOARD OF MANAGEMENT

Finance & Property Committee

Tuesday 25 May 2021

Strategic Risk Register Update



Paper for discussion

1. Introduction

This paper presents the Finance & Property related Strategic Risks for review and consideration, with any proposed changes being presented to the Audit & Risk Committee for approval.

This meeting will consider the particular risk “

2. Recommendations

Members are asked to review the risks and ratings and identify if there are changes that would be proposed, including identifying if there are emerging risks that should be considered.

3. Consideration of Risks to Board Committees

In making these changes, each Committee has also been asked to consider how it is informed around the areas of key risk and assure itself that the regular reporting and information, updates and opportunities for scrutiny within the operation of the Committee are reasonable and sufficient in respect of this.

4. Review of Risks Allocated to the Committee within the Strategic Risk Register

Given the current COVID-19 pandemic, an additional temporary COVID-19 Strategic Risk Register has been developed to record any additional risks associated with identified areas of College operation at the current time.

This attached Risk Register highlights the one risk within the remit of the Finance and Property Committee, “2.2 - Failure to achieve institutional sustainability”, no changes have been made to this risk since the previous meeting.



STRATEGIC RISK REGISTER

2020 – 2021

Extract for Finance & Property Committee

As at May 2021

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	Chair	Chair of the Board of Management	4	Major	Probable
	VPCA	Vice Principal Curriculum & Attainment			5	Critical	Very Likely

Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT		POST MITIGATION EVALUATION				
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Responsibility
2 Financial										
2.1 F&P	Change in SFC Funding Methodology and Allocation – Reduction in Funding	3	3	9	<ul style="list-style-type: none"> Negotiation/influence at national level Contingency plans for reduced funding 	2	3	6	<ul style="list-style-type: none"> Advance modelling of new funding methodologies and allocations Monitoring impact of changes Amendment of strategic or operational direction/plans Financial strategy sensitivities 	VPCS
2.2 F&P	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 	VPCS
2.3 F&P	National outcomes on salaries and conditions of service 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 Workforce planning 	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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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT		POST MITIGATION EVALUATION				
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
2	Financial (cont)									

2.5 F&P	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 	Prin & VPCS
2.6 F&P	Demands of capital developments / maintenance impacts on financial sustainability or delivery of learning and/or services	3	2	6	<ul style="list-style-type: none"> Multi-year estates strategy and capital planning Lobbying of SFC on capital and backlog maintenance funding Planning for D&A Foundation bids 	2	2	4	<ul style="list-style-type: none"> Monitoring of capital plans and expenditures Regular review of capital plans/timescales relative to funds 	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

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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT		POST MITIGATION EVALUATION				
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Responsibility
4	Infrastructure									
4.2 F&P	Failure to achieve ambitions of ICT strategy; strategy and development is ineffective	4	3	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 	VPC&A, 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



STRATEGIC RISK REGISTER COVID 19 SPECIFIC MITIGATIONS

2020 – 2021

Extract for Finance & Property Committee

As at May 2021

Post Holders	ELT	Executive Leadership Team	Prin	Principal	Score	Impact	Likelihood
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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT		POST MITIGATION EVALUATION				
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Responsibility
2 Financial										
2.2 F&P	Failure to achieve institutional sustainability	5	4	20	<ul style="list-style-type: none"> Protection of funding through dialogue with government, SFC and other funders Robust and effective budgetary control Where required, swift action to implement savings Increased focus on cash position 	4	2	8	<ul style="list-style-type: none"> Monthly monitoring of budgets Engagement with government and other partners Detailed monitoring of income optimisation and savings programmes 	VPCS

FINANCE & PROPERTY COMMITTEE

Tuesday 25 May 2021



**VICE PRINCIPAL –
CORPORATE SERVICES REPORT**

PAPER K

BOARD OF MANAGEMENT
Finance and Property Committee
Tuesday 25 May 2021



Vice Principal Corporate Services Report

Paper for information & approval (procurement)

1. Introduction

This report brings to the Committee's attention matters, which are not covered by other agenda items.

2. Recommendation

Members are asked to:

- a) note the contents of this paper
- b) approve the Planned Contracting at paragraph 8. of this report (Procurement)

3. Business Continuity – COVID-19

As will be shared in the verbal update, there continues to be significant effort across Corporate Services and other services to support the Business Continuity activities in response to the COVID-19 pandemic.

A significant addition to our mitigations, introduced in May, was the introduction of Lateral Flow Device testing availability for staff and students returning to campus. This has been headed up by Jackie Beresford (Environmental Officer) and Lisa Kelbie (Help Point Team Leader), who have done a magnificent job within a very short timescale. Uptake of testing has not been high so different engagement approaches are being trialled.

We also continue to report Covid-19 positive cases and self-isolation data to Scottish Government on a weekly basis; however, the numbers have been very small since the start of this calendar year.

	New Covid-19 Positive		New Self-Isolating	
7 Days Ending	Students	Staff	Students	Staff
26-Feb-21	2	0	5	0
5-Mar-21	1	1	5	0
12-Mar-21	1	0	2	2
19-Mar-21	1	0	2	0
26-Mar-21	1	0	2	0
2-April-21	0	0	3	1
23-Apr-21	0	0	1	0

	New Covid-19 Positive		New Self-Isolating	
7 Days Ending	Students	Staff	Students	Staff
30-Apr-21	0	0	1	1
7-May-21	0	1	3	0
14-May-21	1	0	5	0

4. Scottish Funding Council Update

The SFC identified the following additional resources:

Publication	Topic	Allocation
SFC/AN/05/2021	Additional student support discretionary funding to support Winter payments for FE students in hardship due to COVID-19.	£177,452
SFC/AN/07/2021	Allocation of the National Transition Training Fund (NTTF) and Young Person's Guarantee (YPG) Training Student Support Funds	£539,270 £279,300
SFC/AN/09/2021	Allocation of additional funding to "help colleges ... protect jobs and help students"	£897,597
SFC/AN/11/2021	Indicative Funding Allocation	£32,165,782

5. Supporting Our Learners

2021/22 Recruitment continues to be a high priority for the team. Full-time applications continue to decline, we are approximately 2,500 applications down on the same time last year. Resources are being deployed into making personal phone calls to those candidates with partially completed applications to offer support to submit their applications and ensure they make the correct course choices. We are also working closely with the Marketing team to offer Virtual Open Events and planning various methods and tools to get the message out that we are actively recruiting, and campuses are open.

Feedback received from students and staff on how the remote packages offered to our February start programmes ensured they were confident in the systems and how to access learning materials before they started their course has aided the high student engagement on these programmes. We have now worked with the LDR team to develop more of these packages for our 21/22 students, tailored to the level of their study, supporting them with study skills, digital confidence and ensure they are ready to take on the challenge of their learning with us.

The Student Funding team have continued to work closely with our Student Services team to support our current learners in financial hardship, from our allocation of the Winter Covid funds. This has allowed us to support a significant number of students to ensure they can continue with their course:

FE – 211 students supported = £177,443

HE – 163 students supported = £167,335

The funding and data management team have been heavily involved in updating all course, unit and student data relating to the programmes we have had to extend to ensure students can successfully achieve their course this session. This has required a significant effort from both teams to update all data with Awarding Bodies, liaising with SAAS to extend payments and re-assessing and issuing new student funding awards to those students.

The funding team are also in full preparation mode for applications opening at end of May 2021. Due to Brexit residency changes this has required system developments, change of all guidance and communication as well as ensuring all staff have completed the residency assessment training.

The Operations Team have fully supported the administration requirements to launch our free remote programmes (National Transition Training Fund and Young Persons Guarantee) as part of our immediate response to economic recovery. This has required a review of our current onboarding and communications issued to students which has resulted in several tasks now being able to be automated and ensure that these candidates can access the learning material as quickly as possible. It is hoped that we will see an increase in engagement for our May programmes on offer. The team also are working with learners that have returned to on campus delivery to complete any outstanding paperwork required for Foundation Apprenticeships and ESF funding requirements. Good news is that SFC will not seek to recover funding from any institution due to their inability to collect wet signatures.

6. Service Design Academy Update

The Service Design Academy sales pipeline has been steadily growing since the beginning of the year bolstered by the Flexible Workforce Development Fund, marketing, and its growing reputation. Enquiries, new client discovery meetings, repeat business and the growing awareness of service design locally, nationally, and internationally are informing growth projections.

On the **Team** front, Jo McNicoll returned on a part-time basis following maternity leave and Katrina Vektere is joining the team on a student placement over the summer. Katrina is a Design for Business Masters student at DJCAD. Rory Mertes has taken up the post of Marketing & Media Assistant on the Kickstart scheme. He is proving to be a real superstar, check out our [YouTube Channel](#) where Rory has customised the banners. This month Kim Anderson will join an expert panel on accessible & inclusive design hosted by Vanquis Bank. The SDA team are finalising a recruitment campaign for Service Design Consultants, following the submission of a business case presented to and approved by Executive last month.

The new **SDA Insights** newsletter is proving popular, the first 3 editions are on the SDA [website](#). The team are also working to promote our good news stories internally and a series of posts are planned for the Staff Portal in co-ordination with Business Development & Marketing.

In April the second cohort of **PDA in Service Design** got underway, and it is a truly international group with students joining us from Sweden, Canada and Spain.

Continuing the international theme, work with **HUED in Saudi Arabia** has been on the table for almost 2 years now and is slowly bearing fruit. An Non-Disclosure Agreement has been signed and the team are working together on a new initiative with them called HUED SHOTS. SDA will deliver an interactive session to build awareness of the value of service design to the Middle East business community. The message will be around Service Design's critical role in successful digital transformation and creating great customer experiences. The objective: HUED and SDA will use this event to promote their respective courses. They will evaluate this session based on leads/sales, learning/skills, and the collaborative relationship. The session is a prototype for future paid for introductory sessions. The business model for these sessions is still to be determined but could have profit share or a lead/sales generation model.

Introductory meetings are taking place with **Barclays Bank's Eagle Labs** and **SDS's Head of Skills Advisors** to introduce service design training as part of their offering. The **Tay Cities Deal** offers opportunities which are being pursued, and **V&A Dundee** have been awarded £6 million over the next 3 years to deliver Scotland's National Centre for Design. V&A Dundee's newly announced strategic direction, coupled with SDA's respective programme's maturities, at last pose real collaborative potential.

Following our award as Sole Supplier for Service Design training to **Glasgow City Council** SDA have worked closely with the **Centre for Civic Innovation** and are a named partner on several funding bids with them. Resources have been diverted during COVID-19 but at a meeting last month they intimated they are looking to scope work from June 2020. This includes a Design District Training Academy, Service Design Apprenticeships and a Bloomberg Cities Bid valued at £1 million. £1.7 million has been allocated for the redesign of parks and leisure spaces which will use a design led approach with citizens. G53 Together was formed for the COVID response and brings together 3rd Sector organisations. The next step is to refine the services the Council and these organisations offer city wide using a service design approach.

The **Scottish Digital Academy** (Scot Gov) have been delivering 3-Day Service Design Champion programmes to third sector and local authority staff. A recent evaluation has shown that the training has had impact in raising awareness of service design but little impact in terms of the implementation of service design at organisational level. The SDA are meeting with them in May to explore options for SDA to deliver alternative programmes.

Since the last update (February) 21, SDA have secured **new contracts** with:

City Pubs	Gillies
The Wood Foundation	Scottish Spina Bifida Association
Angus Cycle Hub	Journeycall
SQA	Angus Council Employability Services
Young Scot	M&G (Prudential)

The M&G contract is a customised programme, SDA's first with a **global brand** and everyone is excited to be working with them. He SDA have issued a proposal for work with ALDI and are awaiting the outcome of negotiations with them to deliver a 6-Day customised course.

The team are currently preparing 2 Tenders for high value contracts

- Angus Council, a continuation of our work with the Council and Community Planning Partnership where we delivered 6 introduction to service design workshops for 175 council leads and key partners.
- Business Gateway

Discovery Meetings are scheduled with Digital Office Scotland, Argyll & Bute Council, Swan Housing Association and Sistema. Two of the SDA's short business courses will run in May and June and SDA continue to support the College's Flexible Workforce Development Fund.

7. Economic Recovery

As part of our economic recovery we have had a clear focus on raising the profile of the college within the business community and reviewing our current offering to ensure that it is aligned with market needs. Below is a breakdown of position within key focus areas.

Raising Profile

We have spent time with the marketing team and created a business marketing strategy which includes professional branding and clear communication out to industry which talks about solutions and partnership working. We have re-instated the 'Business' social media channels on LinkedIn and Twitter and aim to have daily content published.

We have centralised our contacts and created mailing lists that we communicate with bi-weekly to keep a drumbeat of information going their way and we are currently working on ways in which we can better communicate internally to keep everyone up to date with initiatives and projects.

Flexible workforce Development Fund

Current position:

	Completed	In progress	Not Started	To be allocated
19/20	£253,318	£165,584	£55,165	£0
20/21 Levy	£15,000	£2,065	£101,633	£488,614
20/21 SME	£0	£18,986	£46,553	£91,596

19/20 Allocation

The £55,165 not started equates to 25 courses that are yet to commence, these are a mixture of longer running courses such as SVQs that are still ongoing and courses that require practical delivery. We also have a number of Scottish Mental Health First Aid Courses that are run by NHS Scotland. Unfortunately NHS Scotland did not apply for a digital license for delivery and stopped all face to face delivery which has meant we couldn't progress with these. We have now raised this with the policy team within Colleges Scotland and hope that if we cannot start the training because NHS Scotland can't deliver that the deadlines can be extended. We are currently working on solutions to get other practical courses commenced by the SFC deadline of July 31st.

20/21 Allocation

We have recently introduced a new streamlined process that should allow for easier completion of the application forms as well as increasing the promotion and marketing of the fund to attract more businesses. We have a strong pipeline of business interest and the Sector Development Leads (SDL) are working to a deadline of end of May to have application forms in and complete so that all training can be arranged for the SFC deadline of July 31st.

We have introduced an interim Training Co-ordinator Role into the team to support with the co-ordination of all courses delivered by internal and external trainers which should give SDLs more time to engage with businesses.

Free Courses – NTTF and YPG Funding

We launched our offering with 9 courses all focused around reskilling and upskilling and targeted both individuals who were looking to learn new skills to find new employment or enhance their careers and also targeted businesses who wished to offer CPD opportunities to staff.

Enquiries Received	W/Ds	Current	Not Started Course Material	In Progress	Completed Successfully
458	145	268	124	44	46

We had 458 people register interest in the courses however less than 50% converted through to starting and 145 withdrew. We wanted to better understand the barriers and so we contacted a selection of candidates and it was clear that our registration process and onboarding process were causing problems and confusion. We therefore made the decision to pause the courses for 4 weeks to allow the LDR and Operations team to design an automated registration process and strip away non essential information from the onboarding system to allow for a much sleeker customer journey.

This has now been complete and we have relaunched our free course offering on 3rd May with the addition of Online Marketing and courses designed to give individuals seeking employment skills to apply for jobs. We will continue to monitor the sign up numbers and conversion numbers.

Associate Trainers

We have been working with the procurement team to publish our tender for Associate Trainers.

With increased funding and a change in the type of skills and training required from the market place we have added to the list of specialism areas within our tender ITT and asked for a variety of key skills such as digital, strategy, human leadership, change management as well as more care and first aid to allow us to shorten wait times for delivery.

Kickstart

We have teamed with DACC to offer Kickstart your employment training to all the young

people within the kickstart initiative. This is a credit bearing course designed to give young people the skills, knowledge and confidence to create and complete CV's and application forms as well as give them confidence in their interview techniques.

This is being rolled out this month.

8. Procurement Update

Since the previous report was issued in February 2021 there has been significant change within the College Procurement team. Annemarie Hannaway took over as Procurement Manager through the Shared Service Agreement with APUC, following the retirement of Peter Tysoe.

Annemarie has come from Inverclyde Council and previously within River Clyde Homes, a Social Housing Provider in Inverclyde, as Procurement Officer. Annemarie is experienced at introducing tendering and contract management processes that ensure compliance and best value whilst providing assistance and guidance to all Services and helping to shape our collaborative purchasing partnerships in the local Tayside Region.

Local sustainability and economic revival will be a key feature emerging from the pandemic alongside inclusive and engaging participation of local supply chains and improving local skills and employment opportunities through community and social benefits.

For the purposes of this report, there are three sections; contracts awarded and contracts that are currently in progress for information and planned contracting that requires approval.

The list below includes planned call-off contracts under framework agreements let by other authorities and collaborative agreements that have been established with local Tayside Partnerships such as Dundee City Council, where the aggregated spend under our call-off contract over the contract term is likely to exceed £50K. It also includes planned extensions of existing contracts, where an option to extend was included in the contract and we intend to exercise the option to extend.

Planned procurement activity remains dependent on appropriate budget allocation as part of the annual budget approval process.

Contract Awards

- **Timetabling Software** - contract extended under existing provision to supplier – Celcat
- **Mobile phones** - contract extended under existing provision to supplier – EE

In Progress

- **Timber Products Provision** - Evaluation Completed – Award Stage in Progress
- **Associate Trainers** – ITT Published via PCS-Tender – Tender Submission, Deadline - 12noon Monday 14th June 2021

Planned Contracting (May 2021 – Sept 2021)

All values are exclusive of VAT.

Contract name	Gardyne Print Centre – 1 Year Extension
Incumbent Supplier	Xerox
Estimated Total Contract Value	£Varies
Estimated Contract Extension Value	£70k
Budget Owner	Andy Ross – Head of ICT
Start Date	1 st June, 2021
Route to Market	Extension Provision within current contracted framework
Rationale	The College has an existing call off modification from collaborative framework with Dundee City Council on behalf of Tayside procurement consortium. There is an option to extend this framework for a further year which is the preferred route. This will enable the continuation of the current Service while curriculum requirements for next session are finalised and allow time to determine any savings and reductions in any underutilised devices before committing to a longer-term agreement.
Risks	No significant risks.

Contract name	Data Link Connections – 1) Forfar to Arbroath (1G) 2) Saltire to Arbroath (1G)
Budget Owner	Andy Ross – Head of ICT
Route to Market	Mini competition under JISC framework
Successful Bidder	TNP (The Network People)
Estimated Annual Contract Value	£24k
Estimated Total Contract Value (4yrs Max)	£96k
Start Date	June 2021
Contract Period	1-year initial contract term, with 3 optional extensions, each of 12 months, to a maximum of 4 years
Risks	No significant risks.

Contract name	Campus Furniture – Various
Estimated Contract Value	£100k
Budget Owner	Billy Grace – Head of Estates
Route to Market	Direct Award – APUC Framework Catalogue Process
Contract Start Date	Ongoing Spend to end of July
Rationale	Following Upgrade Projects and in Preparation for Student return to campus there are various sites that require new and upgrade of existing furniture, it is recommended this is done through the direct award catalogue call off process

	available in the compliant APUC Collaborative Framework that is currently in place.
Risks	No significant risks.

Contract name	Hair and Beauty Furniture and Equipment
Estimated Contract Value	£100k
Budget Owner	Billy Grace – Head of Estates
Route to Market	Direct Award – APUC Framework Catalogue Process
Contract Start Date	Ongoing Spend to end of July
Rationale	The Hair and Beauty Department is part of the ongoing major refurbishment project however the spend for the Furniture and Equipment does not fall under the scope of the redevelopment contract and needs to be procured separately by the College. It is recommended this is done through the direct award catalogue call off process available in the compliant APUC Collaborative Framework that is currently in place. (The budget for the furniture and equipment is included within the overall spend profile for the Kingsway Development Project as previously approved by the Board.)
Risks	No significant risks.

Contract name	Road Resurfacing
Estimated Contract Value	£100k
Budget Owner	Billy Grace – Head of Estates
Route to Market	Direct Award – APUC Framework
Contract Start Date	Ongoing Spend to end of July
Rationale	The previous award using the ranked process of the APUC framework resulted in an award using an environmentally sustainable plastic material which is being used as a positive case study for other users of the framework. The same route to market is recommended for this project i.e. direct award catalogue call off process available in the compliant APUC Collaborative Framework that is currently in place.
Risks	No significant risks.

Contract name	Waste Management - General
Estimated Contract Value	£100k (Annual Spend £50k) over 4 years
Budget Owner	Billy Grace – Head of Estates
Route to Market	Direct Award or Mini Competition– APUC Framework Catalogue Process
Contract Start Date	1 st August 2021
Rationale	The College currently have an “informal” arrangement to use the current Dundee City Council contract which has been in place for some time. However, the College budget owner for this service is keen to have our own contract put in place in order to understand and formalise spend this could be achieved with improved Data Collection information which is

	not available with the current contract. The College Service user is keen to have this facility available and have our own contract put in place. This will be done through the compliant APUC framework provision either via direct award or further competition once a desktop evaluation of the framework has taken place by the Procurement Manager.
Risks	No significant risks.

The plan to create an Advanced Engineering Manufacturing, Demonstration and Training Facility in the D&A Arbroath campus is now at an advanced stage. This project is fully funded from the Tay Cities Deal. The Estates project team has worked closely with curriculum colleagues over the last 6 months to develop a design brief for the proposed facility, and with confirmation that funding will be released, work on the project will commence on initially enabling works in early June, with overall completion of the new facility in time for the start of the 2021/22 academic term.

The management of this project will be provided by the D&A estates project management team. There are a number of different construction trade elements required for this project – construction, mechanical and electrical, painting and decoration and flooring - and these services will be procured on an individual basis via the Public Contracts Scotland mini tender process.

The funding available for this project via Tay Cities is circa £285k inclusive of VAT.

9. Regular Updates

The following have previously been agreed as a feature of the regular reporting to the Finance & Property Committees.

Subject	Comment
Bad Debt Reporting and Write-Off	There were no individual bad debt write offs over £3K during the period between December to April 2020.

10. Link to Strategic Risk Register

Consideration of the topics included in this Vice Principal – Corporate Services report will support the mitigation of a range of risks identified within the Strategic Risk Register namely;

2.2 – failure to achieve institutional sustainability

2.4 – financial fraud

3.2 – failure to achieve/maintain compliance arrangements

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