

BOARD OF MANAGEMENT

Tuesday 21 June 2022 **at 5.00pm**,
KC Café Bar, Kingsway Campus



Tea and coffee will be available from 4.30pm and an opportunity to visit the new Hair & Beauty, Learning & Digital, Hospitality and Social Spaces is available from 3.00pm

AGENDA

1. **WELCOME**
2. **APOLOGIES**
3. **DECLARATIONS OF INTEREST OR CONNECTION** Paper A for information ST
4. **MINUTE OF LAST MEETING – 15 March 2022** Paper B for approval AMc
5. **MATTERS ARISING** Paper C for approval AMc
6. **STRATEGIC ITEMS**
 - 6.1 Strategic Projects Update Paper D for Information SH
 - 6.2 Board Development Session Paper E for information SH
 - 6.3 Climate Emergency Action Plan Update Paper F For Information JC
7. **STUDENTS' ASSOCIATION REPORT** Presentation AM/ND
8. **NATIONAL BARGAINING UPDATE** Verbal update ST
9. **PRINCIPAL'S REPORT** Paper G for information SH
10. **FINANCE & ESTATES ITEMS**
 - 10.1 Financial Sustainability Plans Paper H for discussion SH
 - 10.2 2022/23 Interim Budget Paper I for information JC
 - 10.3 Financial Forecast Return Additional Paper JC
 - 10.4 Finance & Property Committee Update - Management Accounts Month 9 Paper J for information JC
11. **GOVERNANCE ITEMS**
 - 11.1 Chair Recruitment & Interim Chair Arrangements Verbal update ST
 - 11.2 Board Self-Evaluation Paper K for approval ST
 - 11.3 Membership Update Paper L for approval ST
 - 11.4 Board Metrics Paper M for information ST
 - 11.5 Gardyne Theatre Limited Paper N for approval JC
12. **COVID 19 UPDATE** Verbal update Exec
13. **MINUTES OF COMMITTEE MEETINGS** Paper O for information AMc
 - 13.1 Learning, Teaching & Quality – 27 April 2022
 - 13.2 Human Resource & Development – 5 May 2022
 - 13.3 Finance & Property – 31 May 2022
 - 13.4 Audit & Risk – 7 June 2022
14. **CORRESPONDENCE** Paper P for information
15. **DATE OF NEXT MEETING**

Tuesday 27 September 2022 at 5.00pm, on campus meeting

BOARD OF MANAGEMENT

Tuesday 21 June 2022



DECLARATION OF INTEREST OR CONNECTION

PAPER A

BOARD OF MANAGEMENT

Interests and Connections Guidance



Paper for information

1. Introduction

This paper summarises recent changes made within the model code of conduct for board members on public boards in Scotland in terms of the declaration of a 'connection' as an addition and clarification to the longstanding need to declare any interests.

This new designation was introduced within the most recent model code developed by the Standard Commission for Scotland and adopted by the D&A Board at its March 2022 meeting. As a result, these requirements apply to all current and future board members.

2 Understanding and Declaring Connections

The Standards Commission for Scotland has provided [the following guidance](#) in terms of what may constitute a connection. This is noted as follows:

Paragraph 5.1

133 In your work as a member, you will have connections with a great number of people and organisations. In the same way, your financial affairs, employment and property holdings - or those of individuals close to you or bodies you are involved with - will sometimes mean that you have a connection to a matter that your public body is considering, in some way.

134 Such connections will not always amount to an interest that you are required to declare. However, you should always consider whether this is a possibility, in the context of your role as a member and in respect of any specific matter you are being asked to consider. You should always err on the side of caution, and if you are in any doubt you should consult your public body's Standards Officer.

Paragraph 5.2

135 The Code cannot provide for every type of relationship that could result in a connection, as this will depend on the facts and circumstances; for example, how close you are to the individual in question and how often you see them. It should be noted, however, that certain relationships such as spouse, partner, cohabitee, close friend, parent or child are likely to result in a connection.

136 It is impossible to list every type of connection you could possibly have with a matter involving or to be considered by your public body. However, some common examples would include:

- your public body considering some form of financial assistance or decision that could have a direct effect on an organisation you, your partner, or someone close to you works for;
- your membership of another body or organisation that is seeking to agree a contract with your public body;
- some form of personal connection with a person making an application, or a complaint, to public body.

137 The Code does not restrict the ability of a public body to benefit from the knowledge and experience of its members. Having knowledge or experience of a matter that is to be considered by your public body is not necessarily a connection. For example, if your public body is considering tenders received for the provision of a new IT system, your knowledge and experience as an IT specialist would not be considered a connection.

In essence, a connection is outlined as the stage before a formal interest would need to be declared, but is something that other board members, or the public in general, may feel is important to have highlighted and recorded in advance of a discussion taking place or decisions being made.

As noted above, a connection may arise due to a close relationship or friendship with an individual, not just because of a financial or organisational link.

It is important to set the declaration of interests or connections within the context of what is being discussed, and what decisions are being made by board members. Given the high level and strategic role played by board members, it is anticipated that the need to declare connections is likely to be relatively minimal.

Recent examples of what may be considered a connection or interest include:

- A board members role as Chair of Gardyne Theatre Limited.

This would become an interest if there was a specific item or element of board discussion and decision making that had a substantive impact on the organisation or operation of GTL

- A board members employment with Angus Council where approval was being sought for a lease agreement between the College and the Council.

This would become an interest if the board member had direct involvement in the lease arrangements, pricing or negotiation as part of their Council role.

- A board member who has a partner/spouse that works for the College.

This would become an interest if there was a specific item or element of board discussion and decision making that had a substantive impact on the partner/spouse's work or employment

- It is also noted that a connection will not exist in a situation where a board member has been nominated or appointed into a role by the board of management (for example as the board trustee on the D&A Foundation).

Based on a review of declarations of interest made over recent years, it is noted that most (if not all) of these would fall into the connections, rather than interest, category. This is summarised in the guidance as follows.

146 The **objective test** outlined in paragraph 5.5 of the Code assumes that a member of the public has knowledge of the relevant facts. The question you need to consider is whether a member of the public, with this knowledge, would reasonably regard the connection as so significant that it would be likely to prejudice your discussion or decision-making in your role as a member. If the answer is yes, the connection is an interest which you should declare.

The agenda for each meeting has been updated to incorporate the need to declare both interests and connections at the start of each meeting and board members should declare either for recording under this item.

3 Declarations of Interest

Alongside the creation of the connections category for declarations, the Standards Commission has also strengthened guidance in respect of declarations of interest.

As a result, it is expected that any board member that has an interest in a matter being discussed or decided upon would fully leave the meeting for this item. This is summarised as noted below and is a departure from past board practice where the member would remain in attendance but not take part in the discussion/decision making.

153 If you decide that you should declare an interest, you should do so at the earliest opportunity. If you only realise a declaration is necessary when the discussion in respect of a matter is underway, you may wish to consider whether you should provide a brief explanation as to why you had not realised you had an interest at the outset of the meeting.

154 Thereafter, when the item is being considered, you should leave the room. It is not sufficient for you to retire to the back of the room or the public gallery. If the meeting is being held online, you should retire to a separate breakout room or leave and re-join after the discussion on the matter has concluded. It is not sufficient for you to turn off your camera and / or microphone for the duration of the matter.

155 You should not give anyone reason to doubt that you are no longer in any position to influence the outcome of deliberations on the relevant item either directly or indirectly. This means that you should refrain from contacting your member colleagues remotely (for example by email or text) while they are considering the item.

As noted above, it is anticipated that the need to declare an interest is likely to be limited.

4 Information/Guidance

If any member of the board is unsure of the need to declare a connection or an interest, information and guidance on the appropriate approach can be sought from the Secretary to the Board.

As a new provision, examples of what does or doesn't constitute a connection are not readily available, but the Standards Commission will update guidance as issues are considered and decisions made.

5 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 the following risk within the Strategic Risk Register.

- 3.2 Failure to achieve/maintain compliance arrangements, e.g., contracts; awarding bodies; audit.

Author and Executive Sponsor: Steve Taylor, Vice Principal People and Performance

BOARD OF MANAGEMENT

Tuesday 21 June 2022



MINUTE OF LAST MEETING – 15 March 2022

PAPER B

BOARD OF MANAGEMENT



**Tuesday 15 March 2022 at 5.00pm in
KC Café Bar, Kingsway Campus**

Draft confirmed by Chair

Minute of the meeting of the Board of Management of Dundee and Angus College held on Tuesday 15 March 2022.

PRESENT:

A McCusker (Chair)	G Robertson
S Hewitt	M Williamson
K Ditcham	S Middleton
H Honeyman	S Mill
N Lowden	N Dowie
K Keay	A Monks

IN ATTENDANCE:

J Carnegie (Vice Principal)	J Grace (Vice Principal)
S Taylor (Vice Principal/Secretary to the Board)	
T D'All (Principal's/Board Chair PA)	

1. WELCOME

A McCusker welcomed everyone to the first in person Board Meeting since December 2019.

2. APOLOGIES

Apologies were noted from S Stirling, D Mackenzie, D Fordyce, and B Carmichael

3. DECLARATIONS OF INTEREST

G Robertson noted his role as Chair of the of the Board for Gardyne Theatre Limited. K Keay noted her role with the Dundee & Angus Foundation.

4. MINUTE OF LAST MEETING – 14 DECEMBER 2021

4.1 Adoption

The Minute of the Board of Management meeting held on 14 December 2021 was signed and approved as an accurate record.

4.2 Matters Arising

All matters arising had been closed out.

5. STRATEGIC ITEMS

5.1. Strategic Projects Update

S Hewitt noted the new appointments of Steph Toms, Director of Curriculum & Attainment and Caroline Hyland-Crichton, Senior Project Manager, were starting to put structure around the MSIP and Tay Cities Deals Projects, with G Ritchie & J Brown still supporting for a few weeks.

As previously noted, the MSIP Launch had been pushed back to August 2022.

S Hewitt noted that SFC has announced £2.6M for the Skills Academy and that Kate Forbes will be visiting Kingsway Campus to make the formal announcement and hear about the College role with MSIP.

S Hewitt noted that a Commercial Model was being worked up and the Board were asked to give approval for sign-off on this to be undertaken by the Board Chair, Chair of Finance and Property and Principal. This was approved.

S Hewitt confirmed there was no impact on young students / school pupils with the delayed access to the MSIP site as they had access to equipment and learning opportunities at the Kingsway Campus.

S Hewitt was delighted to report that the TCEP project has gone through the final approval processes and had been approved first time around. This would allow funding to be released to support some management activities and capital works at the Arbroath campus.

S Hewitt also noted £300k funding has been secured from the Seagreen offshore Windfarm to support STEM activities in line with both TCEP and MSIP Skills Academy activities.

S Hewitt highlighted the £20M skills pot had been approved, with the green light to move to the next stage for the BioTech and SME projects.

The update and progress being made was welcomed.

5.2. Financial Strategy

S Hewitt confirmed that the paper was confidential and not for publication at this point.

S Hewitt stated that the financial picture going forward was looking very challenging, and that the Financial Strategy and action plan were important steps for the College to support future financial sustainability. It was noted that the past two years had been difficult, and S Hewitt stated that he was proud of how the College had navigated all of the challenges and kept students and staff safe. It was noted that the next two years were going to be difficult with a reduction in real terms in funding likely, alongside the removal of a range of recent additional funding for digital poverty, wellbeing, mental health etc.

S Hewitt stated that the strategy presented was designed to create a clear structured approach to inform future planning and financial prioritisation to make best use of funding.

It was noted that A McCusker and S Hewitt along with the D&A Students' Association had undertaken some lobbying with recent correspondence to various stakeholders.

S Hewitt noted that it was expected that Indicative Funding Allocations would be made known on 24 March 2022, with the College preparing future plans based on the announcement.

J Carnegie summarised the Financial Strategy, highlighting that this had been discussed in detail at the Finance and Property Committee.

J Carnegie confirmed that the strategy tried to reflect a balance of what we want to achieve – long term stability. As well as the need to take advantages of the many opportunities available.

J Carnegie noted that the College had had 3 good years of surplus and noted that these cash backed balances would help D&A make good decision and give time to achieve better long-term sustainability.

Group Discussions took place around Financial Planning – Appendix 1 & 2 noting actions to be taken in each category for example clarity on Credits and the potential for lobbying.

The Board of Management members, in groups, considered 3 questions posed confirming:

Q1 – Are Board members content with the Financial Strategy and proposed way forward in respect of the future financial challenges facing the College?

A: Yes

Q2 – How can Board members best support the D&A and sector ask around future funding through influencing, lobbying or other inputs?

A: This to be supported by key asks and relevant information being provided to board members. **S Hewitt to progress.**

Q3 – Should the financial security risk within the Strategic Risk Register be updated further based on current assumptions?

A: Yes. **S Taylor to progress.**

5.3. Strategic & COVID Risk Register

S Taylor noted the Financial Security Risk update requested and summarised the recent changes approved by the Audit & risk Committee.

S Taylor noted that the Executive would keep under consideration any Risk in respect of the current conflict in Ukraine.

5.4. Board Development Sessions

A McCusker noted the Board Development Session scheduled for 23 May and noted that the programme would incorporate a “Deep Dive” into the thriving communities pledge within the 2025 Strategy.

6. STUDENTS’ ASSOCIATION PRESENTATION

A Monks and N Dowie summarised the presentation provided, highlighting:

- Monthly meetings with C Meldrum feeding back to Head of Sector and the & Heads of Curriculum Quality
- Three live Q&A Session have taken place with the Executive Team
- Cash Phrase
- Student Learner Experience Wheel
- Apprenticeship Representations session with great feedback from Arbroath & Kingsway Campus students.
- Retention Calls are still ongoing with over 3,000 calls made. Subjects coming through from the Retention Calls are passed on to the appropriate people within the College.
- Attend to Spend initiative (100% attending incentive) continues, with various vouchers offered previously, and now offering meals in the College Training Restaurants (lunch, suppers, dinner).
- Wellbeing Services Design Event with Academic / Student & Support Staff working in groups. Report from the event is being produced.
- Your Year to be... allows an informal way to keep in touch with students through various groups including: LGBTQIA+ Catch Ups, Game Shows, Cuppy & It’s all about our students... events – 86 sessions over 300 hours. Continue to grow the online community, creating bonds and friends
- Collaboration with the College Sustainability Group including SDA Workshop
- Continue to Celebrate Success with the recent Education Scotland visit acknowledging Retention Calls as a highly effective practice; Winner of the SPARQS Student Led

Initiative – Discover DASA; and a Commendation at the CDN Awards for Marketing & Communication.

Board members thanked A Minks and N Dowie for their contribution and for the amazing range of innovative activities being supported.

7. NATIONAL BARGAINING UPDATE

S Taylor highlighted challenges with National Bargaining for Academic and Support Staff. Noting the current offer was above Public Sector Pay Policy. It was noted that a national ballot on industrial action was underway for academic staff and that a similar step was anticipated from support unions.

S Taylor noted that the National Job Evaluation project continued to progress slowly.

8. PRINCIPAL'S REPORT

S Hewitt highlighted the Principal's Report was a snapshot of a broad range of amazing things happening across the College. The update was noted.

A McCusker highlighted the Student Survey results, which were noted as very positive given the circumstances and impact of the pandemic.

9. FINANCE ITEMS

9.1 Finance & Property Committee Cover

J Carnegie noted that the Management Accounts would be included for information in the Board meeting papers. This was welcomed.

9.2 Non-Competitive Awards Approval

J Carnegie stated that Finance & Property Committee members had considered and approved the proposed Non-Competitive Awards. In each case these related to single source suppliers providing specialist equipment not available elsewhere.

The Board of Management were happy to sign-off on the 2 Non-Competitive Awards: Virtual Reality – Wind Turbine Software/Technology and EV Automotive Training Kit

9.3 Financial Regulations Update

J Carnegie advised that the Finance & Property Committee meeting in March had agreed to seek approval to the Board for a minor change to the regulations, in respect of non-competitive actions.

It was proposed that the College's Financial regulations be updated to enable the Finance & Property Committee to approve any Non-Competitive Action over £25,000 and less than £100,000, without the additional requirement for Board approval.

The requirement to seek SFC's approval for any Non-Competitive Action over £25,000 would remain as part of the process.

The Board approved this change in delegated authority. **J Carnegie to progress.**

10. GOVERNANCE ITEMS

10.1 Board Membership

S Taylor noted approval was being sought for appointments from start of April 2022 of D Fordyce as the Chair of Finance & Property Committee, G Robertson moving from Audit & Risk to Finance & Property Committee, H Honeyman will become the Chair of Audit & Risk, K Keay has been appointed to the Dundee and Angus Foundation.

The appointments were approved.

10.2 Revised Code of Conduct

S Taylor provide background to the Revised Code of Conduct and Scottish Governments requirements for the Board to adopt the Model Code of Conduct. S Taylor noted there was minor changes to the code around areas such as use of social media.

The Board Approved the Revised Code of Conduct noting that it may be useful to consider the detail covered in the guidance notes at a future strategic event.

10.3 Board Self-Evaluation

S Taylor summarised the proposed approach to board self-evaluation through the Chairs Committee. Board members approved the proposal. **S Taylor to progress.**

10.4 Board Metrics

The information within the Board Metrics documents was noted.

10.5 2022/23 Board Meeting Dates

S Taylor noted discussions had taken place with the Board Chair and proposed that in 2022/23 both Committee and Board meetings would be split between in person (with a hybrid option) and virtual meetings. After discussion it was agreed that all winter meeting should take place virtually and that the schedule be updated to reflect this. **T D'All to progress.**

Board Members are asked to report any issues around the proposed meeting dates by 31 March 2022

11. COVID 19 UPDATE

S Hewitt noted the transition taking place in line with the new Scottish Government Strategic Framework and summarised changes taking place.

S Hewitt noted this would give the reassurance for students to get back to normal however, there remained several steps and challenges through the transition process.

S Taylor summarised the transition approach being adopted, with this developing on a phased basis to meet the needs of students, staff, and service users with the timeline April – Summer holidays.

The update, and flexible approach being adopted, was welcomed.

12. MINUTES OF COMMITTEE MEETINGS

Updates from the Committees were noted.

13. CORRESPONDENCE

The list of recent correspondence was noted.

14. ANY OTHER BUSINESS

S Taylor noted that the process to recruit a new D&A College & Regional Chair was being progressed by the Scottish Government and the hope that the appointment would be in place by the start of the new Academic Year.

A McCusker noted that interviews were to take place for new BOM members next week.

15. DATE OF NEXT MEETING

Tuesday 21 June 2022 **at 5.00pm** – Virtual / MS Teams Meeting

Action Point Summary

Action	Responsibility	Date
Key asks, messages and information to be shared with board members to assist with influencing / lobbying / ambassador role.	S Hewitt	21 June 2022
Financial Sustainability Risk to be reviewed and updated	S Taylor	30 April 2022
Financial Regulations update to reflect revised delegated authority thresholds	J Carnegie	30 April 2022
Progress Board Self Evaluation Exercise	S Taylor	21 June 2022
Updates to the Board Meeting Calendar 2022/23	T D'All	30 April 2022

BOARD OF MANAGEMENT

Tuesday 21 June 2022



MATTERS ARISING

PAPER C

BOARD OF MANAGEMENT

Tuesday 21 June 2022

Matters Arising



Paper for information

The following actions were noted from the Tuesday 14 December 2021 Board of Management Meeting

Agenda Item No	Action	Current status	Open / Closed
5.3	Climate Emergency Action Plan Update to be included under Strategic Projects as a standing BOM Agenda item. S Taylor / J Carnegie	Will be incorporated within future agendas from June 2022 onwards	Closed

The following actions were noted from the Tuesday 15 March 2022 Board of Management Meeting

Agenda Item No	Action	Current status	Open / Closed
5.2	Key asks, messages and information to be shared with board members to assist with influencing / lobbying / ambassador role. S Hewitt	Financial Savings & Opportunities have been shared with Board Members, with key messages outlined within these.	Closed
5.2	Financial Sustainability Risk to be reviewed and updated. S Taylor	Risk updated and approved by A&R Committee	Closed
9.3	Financial Regulations updated to reflect revised delegated authority thresholds. J Carnegie	The regulations have been updated.	Closed
10.3	Progress Board Self Evaluation Exercise. S Taylor	Self-Evaluation completed for approval	Closed
10.5	Updates to the Board Meeting Calendar 2022/23. T D'All	Board calendar updated	Closed

Author & Executive Sponsor: Steve Taylor,
Vice Principal – People & Performance

BOARD OF MANAGEMENT

Tuesday 21 June 2022



STRATEGIC ITEM

STRATEGIC PROJECTS UPDATE

PAPER D

BOARD OF MANAGEMENT

Tuesday 21 June 2022

STRATEGIC PROJECTS UPDATE



Paper for Information

1. Introduction

The handover of leadership of the College's strategic projects from Grant Ritchie and Jim Brown to the Director of Curriculum for Projects and Partnerships and the new Senior Project Manager will be completed by the end of June 2022.

2. Michelin Skills Innovation Parc (MSIP) Skills Academy

Transition of project governance and planning to a formal College Project Board is underway, with the inaugural meeting of that Board taking place in June 2022. Work is also ongoing to finalise a partnership agreement between MSIP and the College, including legal advice from the college's solicitors. It is proposed that this be considered by members of the Finance and Property Committee for approval (given timescales this may be by e-mail over the summer period) prior to being signed off by the Principal.

Physical works on site are on track to be completed on the revised schedule with the College gaining access in early August.

Further to two recent site visits by the curriculum teams, significant progress has also been made in developing the curriculum delivery plan. This plan is in turn informing how the space will be used and equipped.

Marketing activity continues including the design of signage, a refresh of the communications plan and plans for a launch event.

Discussion is ongoing with MSIP and the college's Senior Leadership Team to finalise the details around day-to-day operation of the site and to clarify a number of the operational responsibilities that have emerged as we plan for launch. Some of this detail will inform the final partnership agreement and College input and activities within the site.

Once the partnership agreement and operational arrangements are in place it is proposed that a presentation be given to board members of the development and activity planned.

3. Tay City Deal Projects

3.1. Tay Cities Engineering Partnership (TCEP)

The Full Business Case for the TCEP project was accepted and the formal offer of grant made and accepted in April 2022.

Further to legal advice against creating a Community Interest Company, the TCEP partners have agreed that a partnership arrangement is the preferred vehicle for delivering the project and the College is submitting a change request for formal approval of this by the Tay Cities Deal. The partnership agreement document is being drafted to set out the aims of the project, the roles and responsibilities of each of the partners, and record the governance structure through which decisions will be made and the project managed. Once the change request has been approved the job description for the TCEP Partnership Manager can be finalised and the role advertised.

The building works on the Engineering Partnership Innovation Centre (EPIC) are now complete. In terms of equipping EPIC, a PIN/Capability Assessment for the supply, installation and maintenance of advanced manufacturing equipment was undertaken in April/May. Based on the information collected in response to that PIN, requirement details are being identified for a competitive procurement document, which will be published in June 2022.

3.2. Bio Tech and SME Skills Projects

Both bids were submitted to Scottish Government in April. There have been significant delays to the review process beyond our control, but feedback is expected imminently. This feedback will be used to further update the bids as they progress to the next stage of their separate review processes.

3.3 Shared Apprenticeship Scheme

The Tay Cities Skills Advisory Board, consulting with all partners, agreed that the Shared Apprenticeship Scheme bid which was being considered under Phase 2 of the Tay Cities Deal Skills and Employability Development Programme, would not now be taken forward. It was felt that other bids in development better matched the key themes and objectives of the Programme. The College is happy to support this position.

4. E Sports

Significant progress has been made with a range of cross-college staff contributing to the development of the curriculum framework as well as ESports Scotland Director, James Hood, bringing an industry perspective.

The curriculum framework has been agreed with the awarding body (University of West London) and aligned to the planned degree programme at Abertay. Curriculum development will continue with a validation event anticipated in Nov/Dec 2022 and the first delivery commencing in August 2023. A £30,000 investment has been approved for curriculum development, approval and validation arrangements and investment in professional development.

A wide range of inspirational and awareness raising activity has taken place including the delivery of webinars about ESports, planning for a summer camp for primary pupils, initial work towards a D&A regional tournament and scoping for commercial hire of the college ESports classroom. Alongside this, the College is working with schools in the region (including Angus primary schools) to develop ESports provision and working with a Pro ESports player to create specialist coaching and workshops.

5. Approvals

The Board is asked to:

- (i) Note progress being made in respect of strategic projects.
- (ii) Delegate approval of the MSIP partnership agreement to the Principal following consideration by members of the Finance and Property Committee.

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.

- 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
- 3.5 Reputational Risk – Loss of reputation with key stakeholders

Author Steph Toms, Director of Curriculum – Projects and Partnerships
Executive Sponsor: Julie Grace, Vice Principal

BOARD OF MANAGEMENT

Tuesday 21 June 2022



STRATEGIC ITEM

BOARD DEVELOPMENT SESSION

PAPER E

BOARD OF MANAGEMENT

Tuesday 21 June 2022



Board Development Event Update

Paper for information

1. Introduction

This paper summarises the main discussion points and agreed next steps from the Board of Management Strategic Planning event held on 23 May 2022. The main objective of the event was to reflect on our [2025 'More Successful Students' Strategy](#) and provide the Board with an update on how the College is progressing in respect of the key strategic themes, as well as what future activity, progress and outcomes will look like.

2 Board Development Event Objectives

The Board Development Event had two main objectives:

1. Reflect on progress, successes, and further development in respect of the 2025 strategy
2. Focus on our commitments and activities towards creating Thriving Communities

As part of objective two, *Thriving Communities*, the Executive Team invited representatives from Dundee City Council and Angus Council to give the Board an overview of both the community work being undertaken by each local authority, as well as where the College could have the greatest impact in helping deliver their objectives.

3 2025 Strategy Progress

The following high-level updates on progress were provided:

Effective Partnerships - Progress	
Strategy Objectives	Progress
<ul style="list-style-type: none">• Maximising opportunities for our learners and clients• Prioritising sustainability & income generation• Playing our part in raising the productivity of the region• Being responsive & agile	<ul style="list-style-type: none">• Key sectoral role in the response to COVID, inc. economic recovery• Lead partner in MSIP Skills Academy & Esports curriculum• TCD Projects & Senior PM role (add. Funding)• Implementation of the new Business

<ul style="list-style-type: none"> • Raising the profile D&A and college learning both locally & nationally • Being a partner of choice • Influencing key stakeholders partners both locally & nationally 	<ul style="list-style-type: none"> • Partnerships Team & new approaches to marketing • Launch of the EV Training School in partnership with Robert Lawson & Sons • Partnership Agreement signed with Crown Estates Scotland • New regional partnerships established with Bitwise, Greystone Energy, Tronius, DFC, DUFC, TSG Solutions, Zaptec, Imperium Experts, Transport Scotland, Women's Business Station, JHI, V&A etc
--	---

Effective Partnerships - Progress	
Strategy Objectives	Progress
<ul style="list-style-type: none"> • Co-designing sector-leading, modern courses & services • Being inspirational & inclusive • Ensuring we are digitally enabled & developed • Using data to better inform our decision making • Providing modern & flexible learning space 	<ul style="list-style-type: none"> • <i>Skills Boost</i> online courses launched (41 across 10 sectors) • Enhanced systems, processes & reporting/dashboards • New curriculum developed in Green Skills & Esports • Launched our new Climate Action Plan • New Centre of Excellence for Hair & Beauty (Kingsway) & Advanced Manufacturing (Arbroath) • Facilities enhanced across all 3 campuses, including Digital Infrastructure • Won the Inclusive Workplace Award - Scottish Union of Supported Employment Conference 2022 • Sector leading results for 2020/21

4 Key 2020/21 Statistics & Metric Update

A series of key stats were presented to the Board which included sector leading results for both student performance and satisfaction. These included top performing results for all full-time learners, learners with care experienced backgrounds and learners with a disability.

Updates also included progress on the 17 metrics outlined within the 2025 Strategy:

- **5 targets met**
- **8 targets in progress or improved**
- **4 targets not in progress or declined since baseline**

Further information is included within Appendix A.

5 Board Feedback

As part of the wider discussions, the Board were asked 2 questions:

- Are Board members happy with current progress? Any particular highlights/gaps?
- Given the challenging financial climate, which metrics should be revised/prioritised?

The following feedback was received:

Happy with progress?	Particular highlights /gaps?	Metrics to be revised/prioritised?
<p>All groups fed back that they were happy with the current progress on both the objectives & broader metrics within the 2025 Strategy and noted the challenging circumstance the College had been operating in.</p>	<p><u>Highlights:</u></p> <ul style="list-style-type: none"> • Student success & satisfaction under challenging circumstances • Enhanced use of partnerships to position the College well for the future • Enhanced Profile & enhanced opportunities for students • Shift to digital learning & services • Key role in regional economic growth <p><u>Gaps/Challenges:</u></p> <ul style="list-style-type: none"> • Student retention & broader health issues due to COVID • Commercial Income/activity • Health & Wellbeing of Staff given the challenges of the past few years – allow recognising string staff satisfaction • Potential threats to core funding • Credits per FTE due to recruitment challenges/College wide efficiencies 	<ul style="list-style-type: none"> • Non-Core/Commercial Income generation to be increased by 5% per annum • Increase the number of on-line courses by a minimum of 3 per annum • Learner Retention • Credits Per FTE (and broader efficiencies)

5 Thriving Communities

Peter Allan, Community Planning Manager at Dundee City Council, presented elements from the Council's revised City Plan relating to Community Engagement and highlighted areas in which the College is already contributing to significantly.

Following a broader discussion, it was agreed that a key action for all partners within the region was to better join the dots on activity and agreed outcomes.

The main action from the discussions was for the Executive Team to follow up conversations with both Angus Council and Dundee City Council to undertake a mapping exercise and identify a clear gap analysis of where the College can maximise its resource within the Community engagement space.

6 Next Steps

The Executive Team notes the Board's position and welcomes the positive feedback on progress. The Team also recognise some of the broader challenges and will now review the feedback from the session and return to the Board of Management with a set of revised metrics for approval early within the 22/23 Academic Year.

Follow up discussions to also be arranged with Dundee City Council, Angus Council and wider community planning partners.

Author and Executive Sponsor: Simon Hewitt, Principal



MORE STUDENTS SUCCEED @ D&A

BOARD OF MANAGEMENT

Tuesday 21 June 2022



STRATEGIC ITEM

CLIMATE EMERGENCY ACTION PLAN UPDATE

PAPER F

BOARD OF MANAGEMENT

Tuesday 21 June 2022

Climate Emergency Action Plan Update



Paper for noting

1. Introduction

This paper provides the first formal update to the Board of Management on progress towards the Climate Emergency Action Plan (CEAP).

2. Recommendations

Members are asked to note the report.

3. Progress Update

Following on from the launch of the action plan in November 2021, we have finalised membership of our Climate Emergency Action Group (CEAG) who have been tasked with assisting with the implementation of the plan.

You will recall that the college has aligned its plan to the [The Climate Action for UK FE Colleges Roadmap](#) which provides clear actions and guidance on how colleges can respond to the climate emergency and advance sustainability. Dundee & Angus College has used this Roadmap to initially assess our current standing and to assist us in developing our strategy to developing our PATH TO NET ZERO.

There are 5 Roadmap elements –

1. Leadership and Governance
2. Teaching and Learning
3. Estates and Operations
4. Partnerships and Engagement
5. Data Collection.

An operational plan has been developed for each of the Roadmap themes and senior managers from the CEAG have been appointed to lead on the theme most relevant to their role in the College. The team leads for each Roadmap theme will be supported by other members of the CEAG and other staff members will also be co-opted on to assist as required. Students will also be invited to join these Roadmap teams and they will play a vital role in assisting with the College achieving their objectives.

Although the action plan was only launched in November 2021, it is pleasing to report that we are already meeting and achieving some of the targets and objectives we had set, and these are detailed below –

Leadership and Governance

- (Re)Established Sustainability Committee (Climate Emergency Action Group)
- Signed up to the [Sustainable Development Goals Accord](#)
- College Principal and Head of Estates are now members of the FE sector Climate Emergency Expert Group
- Members of the Executive and Senior Leadership are now mapping their activities, documents and practices against the Sustainable Development Goals (SDGs)
- Head of Estates is exploring a range of Scottish Government funding opportunities that will enable further decarbonisation of the College estate

Teaching and Learning

- Members of Climate Emergency Action Group have successfully completed carbon literacy training
- Cross-college participation in Global Goals Teach-In
- Sustainable Development Goals (SDGs) will be a fundamental element in all professional learning sessions moving forward.
- Sustainability and the climate emergency will be embedded in all Teach@D&A courses moving forward

Estates and Operations

- Recycling/signage is available in every building
- Electricity is now supplied from a renewable Scottish source from 1st April 2022 in all campuses
- Installed waterless urinals on all 3 campuses
- Introduced Cup Cycle scheme
- Draft sustainable travel plan has been developed
- New Hair and Beauty facility is heated via a sustainable technology source (air source heat pumps) as opposed to gas fired boilers

Partnerships and Engagement

- Signed the Global Climate Letter
- Launched the Green Living site and engage staff (academic and support) with regular interactions
- Continued to promote the Period Poverty Project partnership with Angus Community Planning project Free Period Angus, encompassing our college, local schools and community
- Built on our commitment to tackle food poverty building partnerships with local foodbanks and supermarkets for food donations for our students to assist them in achieving their academic goals

- The College has launched Scotland's first Electrical Vehicle Training School in industry in partnership with Robert Lawson and Sons
- Involvement in a range external partnerships where the college will develop the relevant curriculum and provide the training to support the future 'green jobs' market – MSIP, Tay Cities, Montrose Ports, Eden Project

Data Collection

- System in place for data collection for Scope 1,2 and some Scope 3 (waste and business travel) emissions
- Electricity, gas, biomass, fuel and water usage information is collected and recorded directly from monthly bills.
- The college has a real-time energy monitoring system (Eniscope) system in place to allow analysis of building electricity use across all campuses. This also allows us to monitor departmental consumption.
- The college has invested in a net-zero platform which allows us to monitor our carbon emissions on an ongoing basis
- Business mileage claims are recorded monthly and any travel booked via the CPD or international team is recorded with a full report sent the Environmental Officer at the end of the academic year. Each journey is recorded by vehicle type and distance traveled.
- A more robust system of data collection is being developed for travel claims through the Employee Self-service system. At present this system does not allow the separation of modes of transport or departure/destination locations, which would allow for accurate carbon calculations.

4. Education Scotland

Education Scotland commented positively in their feedback following their visit about the work taking place and the engagement of students and staff in relation to the Climate Emergency Action Plan.

They highlighted the Environmental Officer role and links into the CEAP were positive and encouraged staff and student engagement in sustainability and the College's net zero ambitions.

It was pleasing to get external validation particularly from Education Scotland for the work the college is doing to tackle the Climate Emergency.

5. Operational Targets

Appendix 1 below provides a status update for each of the operational targets for the 5 Roadmap elements.

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 Strategic Risk, namely;

- 1.6 Failure of D&A plans and activities to deliver on required carbon reductions and sustainability actions necessary to meet national targets and achieve College climate emergency ambitions.

Author: Billy Grace, Head of Estates

Executive Sponsor: Jaki Carnegie, Vice Principal – Corporate Services

	Complete or on target to complete
	Behind schedule by < 3 months from original deadline
	Behind schedule by > 3 months, or in danger of not being delivered

Leadership and Governance Roadmap Targets

Operational Target	Complete By	Progress RAG
Embed the UN Sustainable Development Goals in College activities, documents and practices	December 2023	
Build sustainable thinking and practice into the D&A Way of leading and operating	December 2023	
Gather College Views on Sustainability	Annually	
(Re)Establish Sustainability Committee	November 2021	Complete
Establish a Student Sustainability Committee	April 2022 October 2022 (new Academic Session)	
Meet with Leaders (SLT/ Board) to agree Net Zero Targets	October 2021 June 2022	Complete
Incorporate net zero ambitions in 2025 strategy and annual Outcome Agreements	January 2022	Complete
Develop climate adaptation/ climate risk management approach	July 2022	
Incorporate sustainability into governance arrangements	December 2023	
Embed climate responsibility into staff development	June 2023	
Secure climate action resource plan/budget (annually)	June 2022	No specific budget required at this time
Achieve Carbon Literate Organisation Standard (or equivalent)	June 2023	
Sign up to the Sustainable Development Goals Accord	November 2021	Complete
Embed SDGs into governance arrangements	December 2023	
Use the Community Wealth Building agenda to support College activities and policy developments	December 2022	

Teaching and Learning Roadmap Targets

Operational Target	Complete By	Progress RAG
Customise Carbon Literacy programme for D&A	June 2022 November 2022	
Deliver carbon literacy training to staff and students	June 2023	
Participate in Global Goals Teach In	Feb/March annually	2022 ✓
Train teaching staff to incorporate sustainability into curriculum for all courses The next stages include:	Ongoing - Inclusion in the Lecturing Professional Pathway and it's	

Operational Target	Complete By	Progress RAG
<ul style="list-style-type: none"> Work with D&G College to create training for all college staff Contextualise the above training for D&A Staff 	associated qualifications.	
Progress the Sustainability Champions programme to become a bespoke D&A Model for lecturers to learn about sustainability and embedding it in their teaching.	December 2022	
Signpost and highlight the SDGs in all D&A professional learning sessions	September 2022	
Undertake a mapping exercise in each department that articulates how the SDGs are embedded into courses and student learning	June 2023	
Review and expand provision of sustainability within Teach@D&A	Annually	
Showcase good practice in embedding Education for Sustainable Development	Annually	

Estates and Operations Roadmap targets

Operational Target	Complete By	Progress RAG
Ensure recycling/signage is available in every building	Achieved	Complete
Implement strategies to reduce energy use	March 2022	
Modify estates strategy in line with net zero target	May 2022 September 2022	Outline ✓
Apply for grant funding to improve energy efficiency/reduce emissions	Ongoing (as funding becomes available)	
Set and implement targets to reduce waste on campus by 50-75%	August 2022	
Implement renewable energy on a part of/all of the estate	Ongoing	
Create fully green energy campuses	2030	
<ul style="list-style-type: none"> Expand travel policy to reduce emissions from commuting to/from campus Implement a sustainable travel policy 	November 2021 April 2022 November 2022	
Replace all petrol/diesel cars and vans from the College fleet with electric alternatives	April 2022 (2 diesel vans left to replace) October 2022	
Create e-cycling hubs on each campus	May 2023	
Create (compliant) sustainable procurement policy	May 2023	
Install waterless urinals on all 3 campuses	March 2022	Complete
Implement Cup Cycle scheme	December 2021	Complete
Remove all single use plastics from sale	June 2022	No plastics available from start of new session
Engage with every operational department to establish sustainability targets	Session 2022/2023	
Develop a carbon offsetting plan	2024	

Partnerships and Engagement Roadmap Targets

Operational Target	Complete By	Progress RAG
Sign the Global Climate Letter	November 2021	Complete
Establish climate action network with local council	July 2022 October 2022	
Work with local community/ council/ businesses to improve local biodiversity	July 2022	Ongoing
Apply for Green Gown or AoC Beacon Award	Annually	2022 *
Launch the Green Living site and engage staff (academic and support) with regular interactions.	June 2022	Complete
Establish Part of a Climate Emergency Partnership Forum (Colleges Climate Emergency Expert Group)	March 2022	Complete
Develop formal partnership agreements with existing and new partners to include carbon commitments	March 2022-2023 then ongoing	
Complete an environment scan to identify complementary partners	December 2024 April 2022	Complete
Continue to promote the Period Poverty Project partnership with Angus Community Planning project Free Period Angus, encompassing our college, local schools and community	Funding Reliant	2022 ✓
Build on our commitment to tackle food poverty building partnerships with local foodbanks and supermarkets for food donations for our students to assist them in achieving their academic goals	Ongoing	2022 ✓
Promote the 17 Sustainable Development Goals with a graffiti festival where students and college partners will create large scale murals on vacant walls with the aim of evoking thoughts and feelings on our own behaviours and values in relation to the Climate Emergency	March 2022 Session 2022/23	Event was postponed

Data Collection Roadmap Targets

Operational Target	Complete By	Progress RAG
Develop and implement plan to measure Scope 3 emissions	December 2022	
Create a system to collect all business travel information	July 2022	
Collection of student and staff commuting data	July 2022 Session 2023/24	
Collection of purchased goods and services, transportation and distribution (up- and downstream)	December 2022	

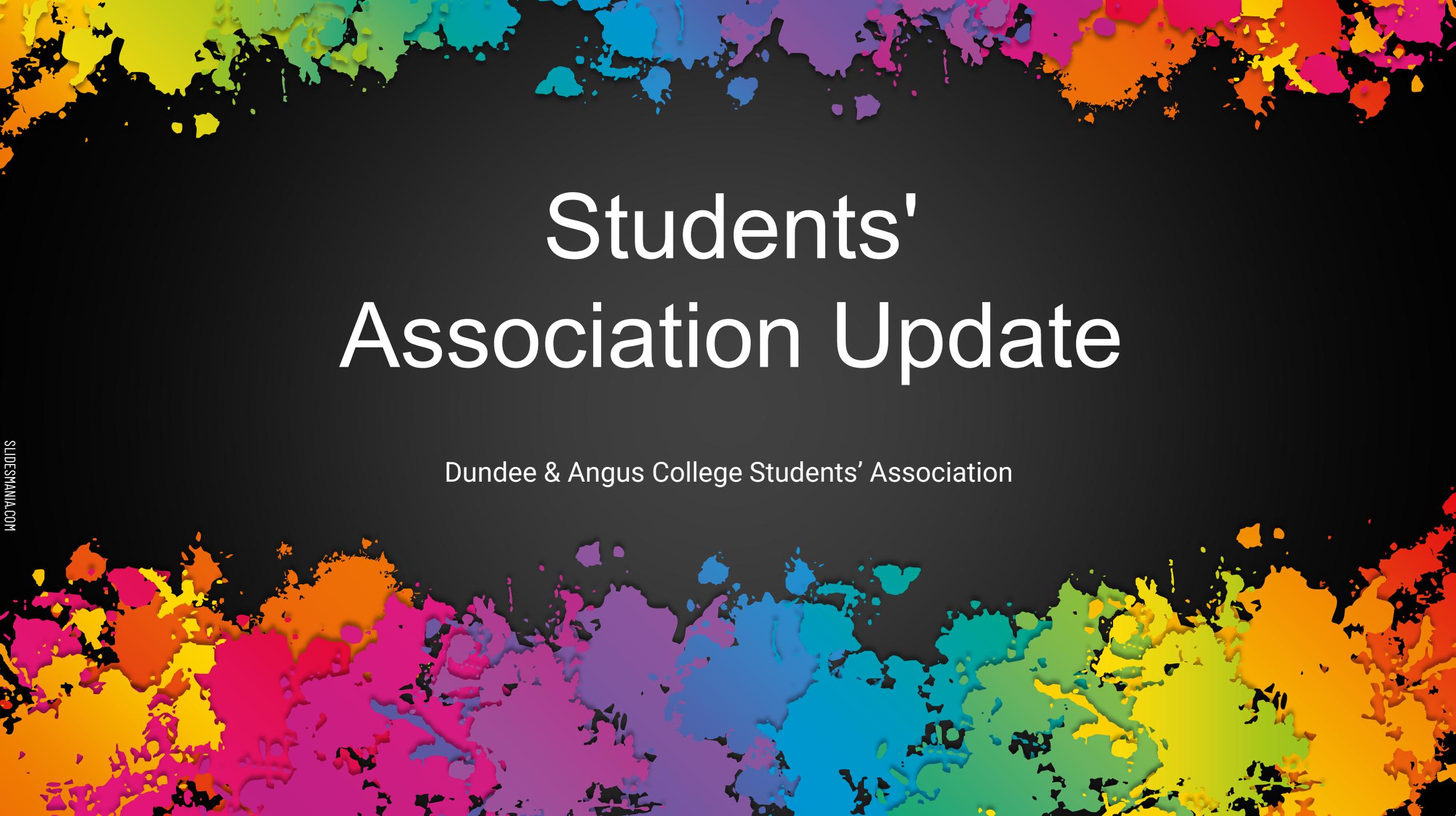
BOARD OF MANAGEMENT

Tuesday 21 June 2022



STUDENT ASSOCIATION UPDATE - JUNE 2022

Presentation



Students' Association Update

Dundee & Angus College Students' Association

REPRESENTATION

STUDENT VOICE.

This year we decided to really make a push on the positive and promote the student voice across the College.

The appointment of the new Student Representation Assistant has provided us with the opportunity to really focus on increasing the voice of our students in a positive way!

Class Reps - **338 Student Representatives**

Department Reps - **16 Student Representatives**

STUDENT MEGAPHONE WHAT HAVE WE DONE



REP TASKS

- Gather feedback
- Collect Good News Stories
- Staff awards
- Share events



- 4 LIVE Q&A'S WITH EXEC
- MONTHLY MEETINGS
- CASH PHRASE
- TWO STARS, ONE WISH

Elections

Voting opened
Monday 18th April at
9am

Interest in
roles from
Supported
Education
Students

Representation
Days to campaign

57
registered
interests!

VOTE



JOSHUA MAYALL

DA STUDENTS' ASSOCIATION
VICE PRESIDENT

VOTE



CHARMAINE DOCHERTY

DA STUDENTS' ASSOCIATION
VICE PRESIDENT

VOTE



LENA STRUKANOVA

DA STUDENTS' ASSOCIATION
VICE PRESIDENT

VOTE



AMY MONKS

DA STUDENTS' ASSOCIATION
PRESIDENT

VOTE



GUNITA SZYMANSKA

DA STUDENTS' ASSOCIATION
VICE PRESIDENT

Voting Closes
on Friday 29th
April at 4pm

Live Q&A's

Engagement with
engineering and
construction
students!

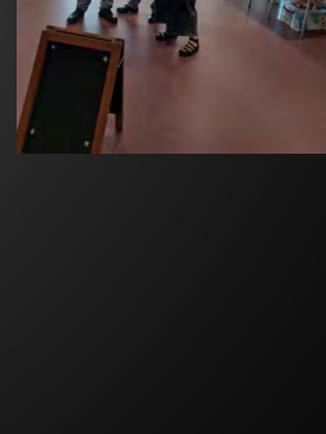
Apprentice Representation

To help the apprentices feel more welcomed as part of the College we are hosting Apprentice feedback sessions to gather their feedback as its so important to hear their voices. Even they may not be a full time student we want to make sure they feel like the are included in wider College events. We have met with 15 groups so far between Arbroath and Kingsway campuses.



Representation Days

- 6 days
- 3 campuses
- Music
- Free Breakfast
- Polling station
- Staff awards voting table
- Different Support services
- What does representation mean?



Student Future #WOW

After the success of the all Staff Future #WOW event in Quality week, it was time for the students turn. We gathered some of our Class and Department Reps together on Campus alongside Katie and Robbie from the Service Design Academy to hold a fantastic session where we heard the student voices and all about their experiences.



Retention Calls...

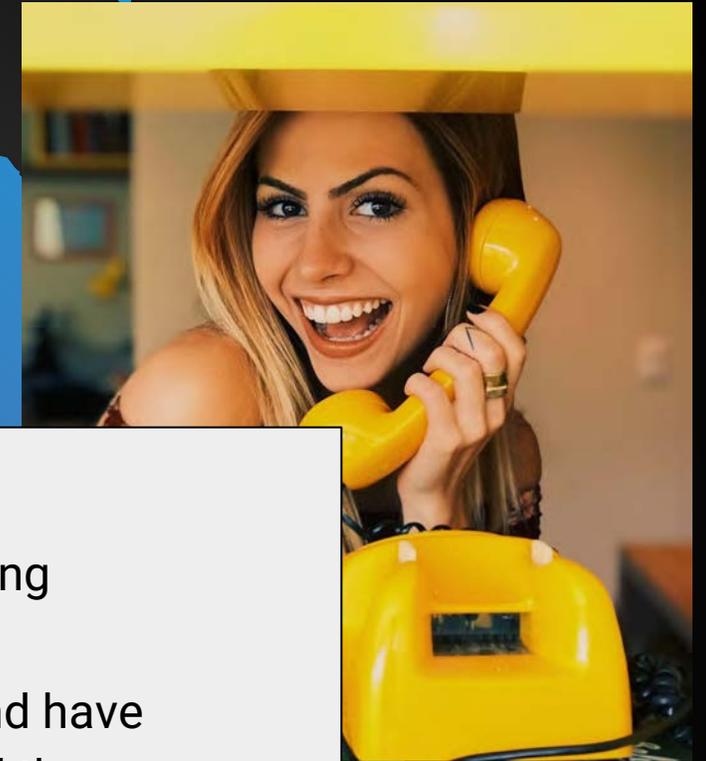
Retention calls are still being carried out almost daily by Sarah and our three SA Assistants Colin, Crianne and Caitlin. These calls were identified as 'Highly Effective Practice' by Education Scotland.

Over 3600 calls have been made since that start of the academic term 2021/2022 until April 2022 .



Retention Calls...

Retention Calls - YouTube



Students not following the correct absence procedures or knowing what they are.

Some students have been struggling with their mental health and have been referred to Student Services. Other students have not liked the course that they are on and have been referred to guidance to see what is available.

Some students still do not have their funding in place or have needed financial help in certain aspects.

Students did not have adequate digital devices to interact with their online classes and were not attending - referred to Connecting Scotland Applications!

Attend to Spend...

For the first 6 weeks of 2022 we have collaborated with the Hair, Beauty and Complementary Therapies department to offer a FREE treatment to the winner.

We are now working in partnership with Hospitality and Professional Cookery to offer out meal vouchers for our Taste Bars and Restaurants as prizes. Highlighting more great work from our students across the College.



Wellbeing Service Design Event

Session 1.

We had a small but mighty group of 15 for our initial session. Working in small groups of 3 with a mix of academic staff, support staff and students so we had fair representation of all our D&A Family. In this session we worked in the first of the Service Design Double Diamond's "Discover & Define". Discussing what we already know about our Wellbeing and Activity offer at the College. The teams worked together to consider everything that encompasses their theme, thinking of college life through the eyes of students and staff with Empathy Maps. They also considered all the stakeholders they would need to involve in bringing any ideas to life in the second session.



Session 2.

With an additional 10 people joining the event for the second session, the groups delved into their User Research and took some time to reflect on their feedback and how it affected their theme. For a couple of groups there were a few surprises to their feedback and for some it really cemented their initial thoughts. They then worked through ideation tools to co-design potential solutions. A critical friend went to visit each team to provide a fresh pair of eyes on the different themes and ask questions. Each team then presented their ideas to the whole group. There were some fantastic prototypes created. Feedback from both sessions was very positive.

It is all about our students.....

Online activities

Our online activities have continued with great popularity which now sees us up to 147k+ hours of online students engagement.

On campus activities

Since lockdown we have taken a very safe opportunity to host on campus events to bring our students together. And we are delighted to Bring a new weekly on campus event back on Campus called Yap and Yarn at Gardyne.

Celebrating Success!

Education Scotland Visit

Our Team is delighted that our Retention Calls are going to be showcased as Highly Effective Practice by Education Scotland

NUS SCOTLAND AWARDS

We were nominated in two categories:

College Students' Association of the Year. And Staff Member of the Year for our amazing Team Leader Sarah Rennie

Thank you!

Do you have any questions?



BOARD OF MANAGEMENT

Tuesday 21 June 2022



PRINCIPAL'S REPORT

PAPER G

BOARD OF MANAGEMENT



Tuesday 21 June 2022

Principal's Report

Paper for information

1. Introduction

The following paper summarises key projects and recent activities currently being progressed and have been aligned to the three core pillars of the new 2025 More Successful Students strategy (*Effective Partnerships, Future Focused & Thriving Community*).

2. Recommendation

Members are asked to note the contents of this paper.

3. Effective Partnerships

- 3.1. Discover Work Service Employability Strategy – The new Discover Work Strategy was launched on 25th April 2022 and can be [viewed here](#). The new strategy sets out the strategic vision, goals and context relating to the ambitious transformation of employability services within Dundee. The College has played a key role in the development of this strategy and will also play a key role in supporting the achievement of the goals and ambitions by 2027.
- 3.2. Esports Scotland – The College continue to build on the partnership with Esports Scotland and have supported the hosting of a number of key Esports events over the past few months, specifically focusing on their Community Cups. Esports Scotland continue to work closely with staff at the College to develop the curriculum for next academic year and beyond, with progress being made in the development of pathways into Abertay University. They have also co-hosted an information session in partnership with the College to highlight the types of careers and pathways into the Esports industry.
- 3.3. Dundee Football Club – The College has [entered into a formal partnership](#) with Dundee Football Club which will see them move their operations to the Gardyne Road campus. This partnership will see significant investment in the Gardyne Sports facilities and will also have a number of broader benefits to a number of students and teams right across the College. This is a fantastic opportunity for both parties and will be a 'first of its kind' in Scotland. The DFC club and Community Trust will make an investment in the College's outdoor facilities, upgrading the pitches into elite level facilities that can be used year-round.
- 3.4. Electric Vehicle Training School Launch – The College, in partnership with Robert Lawson & Sons, launched Scotland's first [Electric Vehicle Training School](#) on 12th May 2022. Based out in industry, the EV Training School will offer courses in Hybrid & Electric Awareness and Maintenance at 3 different levels, with the Level 2 and 3 recognised by the Institute of Motor Industry (IMI). As more and more people transition to these vehicles, the need for repairs and servicing is also on the rise. Due to the expertise required to work on these vehicles is limited, many people are

taking them to main dealerships for simple repairs and general maintenance for peace of mind, cutting out local garages. It is vital that the College plays a key role in supporting the upskilling and reskilling of local garages.

- 3.5. Future Technology Partnership – D&A has played a leading role in the creation of the new Future Technology Partnership. This partnership will see colleges, industry and broader education come together to provide more pathways and opportunities into the tech sector. A business case was submitted as part of the spending review to secure funds in order to support colleges grow the partnership, it has also received broader support from Kate Forbes, who supported the first meeting of the partnership.
- 3.6. Check Point Software Technologies Ltd – The College has launched a partnership with one of the world’s leading computer security companies, Check Point Software Technologies Ltd. As part of the collaboration, the college will host a brand-new cyber lab creating a more immersive learning environment, the biggest partnership of its kind in the UK. The partnership will also see the incorporation of professionally led, interactive activities such as hackathons.
- 3.7. Intelligent Growth Solutions / James Hutton Institute – Representatives from D&A have been in discussions with both organisations regarding the colleges’ role in supporting training and skills needs for the future. Further discussions are planned after the summer break.

4. Future Focused

- 4.1. 20/21 Retention – As we now move into the final stages of the 21/22 academic year, we are now seeing the full extent of the challenges this year in terms of retention. Despite all of the hard work, by all areas of the college, we have seen an increase in withdrawal rates for the current academic year:

2020/21		2021/22	
Early (all)	2.3%	Early (all)	3.6%
Early (FT)	5%	Early (FT)	7.8%
Further (all)	10.3%	Further (all)	10.7%
Further (FT)	22%	Further (FT)	24.2%

- 4.2. 22/23 Recruitment – Recruitment for the 22/23 academic year continues to be a challenge, as witnessed within other colleges throughout the sector. Despite an investment in marketing locally, we continue to observe slow recruitment in a number of courses throughout the college, and we currently do not see a return to pre-covid recruitment levels. We will continue to monitor and take action, with a number of activities planned throughout the summer:

Status	2019	2020	2021	2022*
Full-time Applications	11569	10141	9040	8913
F/T HE Applications	3628	3101	2899	2548
F/T FE Applications	7941	7040	6141	6365
School Leaver Applications	3289	2907	2614	3078
Arbroath Campus Applications	2766	2381	2162	2337
Gardyne Campus Applications	5403	4980	4443	4110
Kingsway Campus Applications	3330	2725	2369	2445

* As of 2nd June 2022

- 4.3. Scottish AI Conference – The inaugural Scottish AI Summit was held on 20th March 2022 with the College represented on a panel regarding education and skills in AI. The panel discussion raised the important role that colleges can play in developing the future of AI in Scotland.
- 4.4. Regional Skills for Growth Summit – As part of the ongoing work with the Economic Recovery Group (ERG) with Ross Martin, Paul Smart and Willie Mackie, the College hosted the first ever Regional Skills for Growth Summit on 26th April 2022. The Summit included representatives from Dundee, Angus, Fife and Perth & Kinross Economic Development departments, SDS, Business Gateway and Abertay & Dundee Universities. The Summit focused in on key areas of collaboration in the development of regional skills and a follow up session is arranged for August.
- 4.5. Ministerial Visit – Kate Forbes, Cabinet Secretary for Finance and the Economy, visited the College on 24th March 2022 to announce Scottish Government funding support for the MSIP Skills Academy. Ms Forbes announced capital support of £2.1m which would see significant capital investment on the transformation of the Skills Academy. Ms Forbes spent over an hour speaking with staff and students and was extremely supportive of the work being undertake at D&A.
- 4.6. College Leadership and Governance Summit: Colleges as Key Drivers of Inclusive Economic Renewal – The College was represented at the above summit on the 28th April 2022, again as part of the ongoing work with ERG. This summit was aimed at sharing best practice on regional models for economic growth and renewal with the rest of the College sector, with D&A hailed as best practice.

5. Thriving Community

- 5.1. Student Satisfaction Survey – The Spring Learner Survey closed on 29th April and had 2200 responses. The overall average score out of five matched the survey carried out in autumn 2020 at 4.3. An excellent performance given the challenging situation we have been working in. Alongside the College's survey, we also carried out the annual Scottish Funding Council (SFC) Student Satisfaction and Engagement Survey (SSES). Almost all respondents to our Learner Survey completed the SFC survey and the responses received were again very positive. 92.3% of students agree or strongly agree that they are satisfied with their college experience. Across all questions the rate of agree/strongly agree is 88%.
- 5.2. Length of Service Event – The College undertook its first length of service celebration event since pre-covid on 10th May. It was amazing to sit down to afternoon tea with a number of staff celebrating both 10 and 25 year service and to hear their stories of what the college means to them.
- 5.3. College Fashion Show – The College Fashion Show returned after a two year gap on Friday 6th May 2022 at the Kingsway Campus. Previously an annual fixture in the college calendar, the event was organised by HND Fashion Business students with cross-college support from learners studying subjects such as Events, Hair and Beauty, Hospitality, Performing Arts, Photography and Textiles. Participating retailers included Next, H&M, New Look, Arkive, Primark, River Island, Sports Direct, DV8, Smith and Sonders, Off the Hook, Trutti, Envy the Label, 25 Twelve, Klash, Made you Look and Noughties Baby. The event also raised money for Alzheimer Scotland.
- 5.4. DFN Project Search Graduation – The first group of interns from Dundee and Angus College's DFN Project SEARCH programme proudly celebrated their achievements yesterday, alongside family and friends, at their graduation ceremony. DFN Project

SEARCH is year-long transition to work programme that provides high-quality work-related learning and purposeful employment opportunities for young people with learning disabilities and autistic spectrum conditions. A partnership with Dundee City Council, Dundee Health and Social Care Partnership and NHS Tayside aims to realign occupational injustice by tackling the complex and widespread barriers that prevent these individuals from successfully gaining long-term and meaningful employment.

- 5.5. D&A Staff Awards – The annual college staff awards will be held on 16th June 2022 and will be a hybrid event. The staff awards recognises the amazing work undertaken by staff right across the college.

Author & Executive Sponsor: Simon Hewitt,
Principal

BOARD OF MANAGEMENT

Tuesday 21 June 2022



FINANCE & ESTATES ITEMS

FINANCIAL SUSTAINABILITY PLANS

PAPER H

BOARD OF MANAGEMENT

Tuesday 21 June 2022

Financial Strategy: Sustainability Planning



Paper for approval

1. Introduction

The Board approved the Financial Strategy in March 2022. Alongside the strategy there were planning assumptions based on the expectation of a flat cash grant funded settlement. As is reported in the interim budget, although the indicative SFC funding settlement is better than previously forecast, there are number of additional factors that are also adding to the significant challenge of achieving short and long term financial sustainability. The interim budget highlights a number of these; reduced tuition fees, increase in pay costs and indicative salary awards, inflationary increases in supplies in general and in utilities, in particular.

Also highlighted in the Financial Strategy paper presented to the Board in March 2022, to achieve a balanced budget in 2022/23 will be exceptionally challenging and it is unlikely that we can return to a financially sustainable position in the immediate budgetary period.

The SFC confirmed the final budget on 26 May. This was exactly as presented in the indicative budget, which has been used as part of the planning assumptions for the interim budget and consultation exercise.

A version of this paper was presented to the Finance & Property Committee on 31 May 2022. Where changes have been made since the paper was presented to the Committee these have been highlighted.

2. Recommendations

Members are asked to:

- note the progress being made to return a budget closer to a £500k deficit and ongoing modelling of feedback from the consultation process
- note a draft budget will be presented to the September 2022 Finance & Property Committee and subsequently to the Board for approval
- approve that the Board be approached to approve a funding bid to the Foundation.

3. Current Position

Savings and opportunities for additional income continue to be explored, both as part of presenting a 2022/23 draft budget in September 2022 and as part of the Future Opportunities and Financial Challenges Consultation process.

Starting with the current interim budget deficit, the following provides an indicative update:

Interim Budget Deficit			£2,878k
<u>Changes from Interim Budget</u>			
• Additional income (tuition fees, commercial work-based training, other income)		£250k	
• Staff cost savings (PTV and natural turnover)		£150k	
• Non-pay cost savings		£100k	£500k
<u>Future Opportunities and Financial Challenges Savings</u>			
a) Staff reduction savings ¹ (as part of consultation process)	£1,193k	£894k	
b) Other (net) staff savings (resignations/retirements/reduced hours/end of contract/VSS impact)	£187k	£194k	
c) Non-pay (net) other cost savings	£127k	£79k	
d) Contribution from Projects	£66k	£81k	£1,248k
Revised Interim Deficit	£805k		£1,130k

4. Investments

Members will be aware that as part of securing the College's financial sustainability it is important to remain relevant and continue to develop our services and curriculum to respond to the future skills demands of our Region. The consultation included reference to investments necessary. These include:

- Green Skills, Esports, Schools/College Partnerships, HN Next Gen £490k
- Network Replacement (Phased over 3 years Vs 1 year) £358k²/£760k

It is proposed that we separate out the investments required and seek approval to approach Dundee & Angus Foundation to fund these.

5. Sale of Assets

We own vacant buildings in Montrose and Kirriemuir. Part of Fairlie House, Kirriemuir is also owned by Angus Council. We have requested up to date valuations with the proposal being that we sell these properties. We require SFC approval to retain any proceeds from sale of assets unless gross proceeds are less than £500k. We expect these properties to be individually valued at less than £500k.

6. Credit Target

College core funding is directly linked to the delivery of student credits. A welcome flexibility has been introduced into the current year funding allocation. *"To provide a degree of consistency between the college and university sectors ..., SFC has re-introduced a tolerance threshold from AY 2022-23 that will provide colleges some*

¹ This level of savings requires ~~£1m~~ **£700k** of VSS cost, which is forecast to be incurred in the current academic year.

² Currently included within interim budget deficit.

leeway with their core credit targets. Specifically, this will mean that SFC will not seek to recover funding from colleges if they fall short of their core target within the tolerance threshold. We have set this tolerance at 2.0% for AY 2022-23... SFC will consider revising future credit allocations if any college under-delivers for two years out of any three-year period.” Our core credit target for 2022/23 is 105,330 and our Foundation Apprentice target 3,900. It is our expectation that it will be necessary to take advantage of this 2% tolerance.

There is still uncertainty around whether the other pots of funding such as Young Persons Guarantee can be claimed if the core credit target is not achieved.

7. Funding Council

The SFC will continue to be lobbied for financial support. This will include support for VSS, further credit flexibilities and capital funding for the Gardyne Loan.

Initial feedback is that there is no financial support for VS nor additional capital funding to support repayment of the loan. No update on whether additional flexibilities will be available has been provided.

8. Voluntary Severance

The College is fortunate to have sufficient cash reserves to afford voluntary severance and equally to enable a voluntary severance package of up to 8 months salary to be offered. The current exercise is unlikely to return us to a balanced budget for 2022/23, and based on future settlements being unlikely to increase to account for inflationary increases, there is the likelihood of a similar exercise being necessary in 2022/23 to enable savings in 2023/24.

As our ability to fund future VS options decreases we will require to review the terms of the scheme in consultation with our unions and Scottish Funding Council.

9. Next Steps

Three planning phases were presented as part of the Financial Strategy. We are in Phase 2.

Phase 2 – April – July 2022

- Income & savings plan engagement and consultation.
- Completion of 2022/23 budget based on agreed strategy, known funding / activity levels and savings plan targets.
- Clear alignment of core strategies to inform future planning/direction.
- Commence implementation of income & savings plans.
- VS Scheme open.

The final consultation closes on 20 June. The financial impact of changes will continue to be modelled. At the same time, we will continue to review and refine the budgets submitted as part of the formal budget process.

Based on the savings and proposals identified so far, this would result in a cash balance at 31 July 2023 being c£1.8m (includes restricted funds) and a budget deficit of c£450k.

The outcome from Phase 2 will be presented to the Finance & Property Committee in September 2022.

Phase 3 – August 2022 – February 2023

- Delivery of income and savings plans.
- Review of Financial Strategy and planning budget based on revised forecasting and anticipated funding / activity levels and income and savings plan target realisation.
- Clear alignment of core strategies to inform next steps of future planning / direction.
- VS Scheme open.

10. Scottish Funding Council Financial Memorandum

The [Financial Memorandum](#) with colleges (para 17) requires that “*the institution plans and manages its activities to remain sustainable and financially viable.*”

The recently received SFC Financial Forecast Return guidance advises that “*Colleges must prepare a balanced budget for 2022-23 or work towards bringing income and expenditure back into balance at the earliest opportunity.*”

11. Conclusion

Progress is being made to significantly reduce the interim budget deficit. Uncertainties and risk remain and will remain for a number of months based on the responses to the various proposals, outcome of national bargaining, inflation and student recruitment. As was presented to the Board previously, we are fortunate to have cash balances to enable us to afford a deficit budget in 2022/23.

Author: Jaki Carnegie, VP Corporate Services
Sponsor: Executive Team

BOARD OF MANAGEMENT

Tuesday 21 June 2022



FINANCE & ESTATES ITEMS

2022/23 INTERIM BUDGET

PAPER I

BOARD OF MANAGEMENT

Tuesday 21 June 2022

Interim Budget for 2022/23



Paper for information/approval

1. Introduction

At this time a draft Budget would ordinarily be presented to the Board for formal approval. However, work is required to produce an acceptable budget and consequently this report brings to the Board's attention an interim budget for the year to 31 July 2023 with the intention of presenting a draft budget to the September 2022 Finance & Property Committee and thereafter to the Board.

The Finance & Property Committee considered the Interim Budget and proposals at their meeting at the end of May 2022

2. Recommendation

The interim budget reflects the current financial status and members are asked to note:

a) the content whilst recognising the ongoing consultation and efforts to improve the position.

Members are asked to approve:

b) the necessary delay to presenting a draft budget to enable the current consultation to conclude and to identify other income / efficiencies to enable a palatable budget to be presented.

c) that a draft 2022/23 Budget will be presented to the September Board, having been considered by the Finance & Property Committee that targets a cash balance at the end of 2022/23 of a minimum of £1m.

3. Context

The final grant allocation from Scottish Funding Council was published on 26th May and confirmed the indicative allocation on which the interim budget has been based.

The challenge to achieve a sustainable budget for 2022/23 was anticipated when updating the Financial Strategy earlier this year, due to a large degree on the expectation that the COVID-19 consequential funding was non-recurrent. The indicative grant allocations subsequently announced were however more favourable than the working assumptions that had been provided by SFC, with a reduction in credit targets along with additional flexibility providing scope for potential savings.

Unfortunately, it is apparent that our starting position remains similar to the deficit position outlined in the strategy due to a combination of factors that have contributed to the large cash-backed deficit currently predicted if no mitigation actions were taken. The

deterioration is due primarily to loss of revenue from a reduction in predicted student recruitment coupled with lack of demand for commercial programmes. We are also witnessing an increase in pay costs and are having to absorb significant increases in both direct consumables and overheads, most notably from very much higher utility costs despite assuming a lower consumption than pre-COVID-19.

A major exercise to secure savings, both to achieve a more sustainable financial position for 2022/23 and beyond, but also to fund necessary investment in emerging markets to boost student numbers and increase future income streams and exploit the many opportunities becoming available in the region is underway. A third Future Opportunities and Financial Challenges paper has now been published which confirms the proposed savings. This Consultation on Change Proposals provides detail of the areas affected in order to make immediate savings, targeted to be a minimum of £1.5m, and provides arrangements for consultation which will end on 20 June. Applications for voluntary severance are encouraged. At this time it is not appropriate to reflect many of these proposals in this budget pending the completion of the consultation. This budget paper should therefore be considered alongside the Sustainability Planning paper.

No income or expenditure has been included from the College's involvement as lead partner in either the Life Sciences or SME Skills Tay City Projects pending approval of the Business Justification Cases.

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 early stage, in an effort to provide some indication of likely impacts, both favourable and adverse. These will be refined for a draft budget and future forecasts.

4. Summary of results

A **Cash-backed deficit of -£2,878K** is currently budgeted. Variances from current year's forecast are summarised in the table below and further details are provided under the main category headings below.

Deficit per forecast 2021/22	(740)
SFC loss of Deferred students and Mental Health	(822)
SFC net reduction in Digital funding	(128)
SFC absence of YPG/NTTF revenue	(288)
SFC net reduction in FWDF delivered in 2022/23	(187)
SFC removal of child poverty net of trust funding	(170)
SFC net increase in Foundation Apprentices	335
SDS removal of Foundation Apprentice funding	(482)
SFC Estates C&M grant contribution to ICT and loan	601
Tuition Fees - reduction in full-time HE students	(222)
Net increase in commercial provision	81
Net increase in Apprentice funding (exc.FA)	142
Loss of final European project income	(42)
Catering increased contribution	95
Provision for pay award and increased NIC	(728)

VSS savings and costs	554
Other pay movements - academic	(324)
Other pay movements - support	(348)
Increased staffing costs	(71)
Decrease in (net) consumables	157
Increased utility costs	(400)
Increased insurance premiums	(47)
Other miscellaneous movements	156
Deficit per Budget 2022/23	(2,878)

5. Income

The interim budget shows total cash income of £42.8m, some £1.5m lower than the current forecast for 2021/22.

SFC Teaching grant income is down by just over £1m, assuming that we can fully retain the current year's projections. Our credit target for 2022/23 is 109,230 against a combined forecast for 2021/22 of 112,897. ESF support ends in the current year. A permissible threshold of 2% has been introduced for 2022/23 which will afford a degree of flexibility which we are likely to require. We hope that further clarity around this, along with Foundation Apprenticeship credits, will be provided with the final allocations. Currently we are prudently assuming that we will be unable to access funding for any Young Persons Guarantee (YPG) programmes which could be worth an additional £230K.

Other SFC grants are currently budgeted at some £532K more than the current year. This is due higher levels of Estates Capital & Maintenance grant, all currently treated as revenue, and an additional Digital Poverty Grant of £182K to support IT provision. This is offset by a likely reduction in completed delivery of Flexible Workforce Development Funding (FWDF) and the cessation of the Child Poverty Grant that has been worth £221K in the current year. It also includes a sizeable, although unconfirmed, funding increase for ESP but this has no net impact upon College profitability. In respect of FWDF, it is planned to modify our offering to broaden the appeal and accelerate both delivery and drawdown of funds.

Tuition fees fall £71K to just under £3.2m. Projections will be reviewed and every effort made to improve upon this however there is a clear rationale for reduction in full-time HE of £222K given current student recruitment, albeit there may yet be scope to increase Associate Student numbers. Whilst international numbers are also down, Commercial increases by 50% to £0.5m. There will be risk associated with this increase, however the investment in Business Partnerships has resulted in improved engagement and fostered a clearer focus.

Non-core income is showing a budgeted reduction of just over £1m from the current year's forecast, with the final movement of funding for Foundation Apprentices from SDS to SFC in 2022/23 accounting for half of this. Construction trade apprentice funding from the three managing agents reflects significant recovery from the COVID-19 induced backlog within the rise of £188K over the current year. The relocation of DYW administration to the Chamber of Commerce during 2021/22 accounts for £350K and other adverse movements totalling circa £300K, with offsetting movements either

within income or expenditure, explain a large proportion of the overall downward variance. We expect that these variances will continue to move but again with little or no net effect upon cash generation.

Non-core income continues to include discrete funding to equip the Skills Academy at MSIP. Together with the Advanced Manufacturing & Engineering facility at Arbroath, funded by both Tay Cities and others, this amounts to some £740K and is reflected in both additional pay and equipment costs meantime. This interim budget includes no operational expenditure or revenue from the new Skills Academy pending agreement with MSIP, although the net impact is not expected to be significant in 2022/23.

Catering & other income improves for the budget, increasing by £123K, with the chief contributor being catering provision rising by £174K, off-set by net reduction in payroll subsidies due to the end of the Kickstart scheme. Although catering income is budgeted to increase it remains significantly below pre-pandemic levels by c£300k.

6. Pay Costs

Total Pay Costs are budgeted at £35.3 million. The net increase when excluding both VS costs in 2021/22 and movement in invoiced costs is £840K, equating to 2.5%, with approximately 2% adding to teaching pay and 3% on support pay. The increase before existing VS savings would have been over £1.1m. A full year's cost of appointments made in 2021/22 contributes to this increase. Areas affected include Academic Management, Strategic Projects, Construction & Engineering, Supported Education, Sports, Marketing, and Administration, some with offsetting savings. Certain posts are also fully funded. The total increase can be explained when adding a full year's cost of higher national insurance contributions of approx. £150K together with a provision for both academic and support pay awards.

This budget assumes pay award increases, totalling almost £600K, from September 2022 in line with Scottish Government Pay Policy, in line with what we understand to be SFC's guidance for the Financial Forecast Return (FFR). This provides tiered lump sum increases amounting to between 2% and 3% for the lower paid but only 1.2% for most lecturers, and less still for those earning more.

The reduction in invoiced staff cost does not represent a saving and is primarily due to the elimination of DYW costs incurred during 2021/22.

Whilst additional VS costs to be incurred from the current round of applications will likely be charged to 2021/22 it is possible that some cost may land in 2022/23. Only approved VS savings from the December 2021 round have been assumed in this interim budget.

7. Non Pay Costs

Non-pay costs, at just over £10.3m, are £242K higher than forecast for 2021/22.

Certain increases are inevitable in this first year of activity assumed to be free of COVID-19 restrictions since 2018/19 and most areas are having to deal with exceptional inflationary pressures. The most profound price increases are, predictably,

being felt in utility costs, rising by £420K (54%) and insurances. The latter is budgeted to increase by £47K (36%) but we may have to increase this again once the results of the tender exercise are known. Whilst budget holders will continue to minimise discretionary spend, it remains to be seen if non-discretionary budgets are adequate to absorb increases beyond our control and thereby presenting additional budgeting risk.

Consumables and equipment includes numerous and varied accounts spread across many departments and so it can be difficult to summarise the net movement, in this case an increase of £95K on the current year. We are however allowing for additional funded equipment spend as noted above which is partially offset by the absence of additional expenditure allowed in the current year along with the cessation of activities such as DYW.

Property costs of £3.5m reflect an increase upon the current year of £218K but would have otherwise reduced had we not applied the increase to utilities.

Budgeted ICT costs of £1,654K are down £103K from the current year, which saw an increase in hardware spend from late delivery of the previous year's orders. The most significant difference however is a large reduction in annual maintenance & licencing costs as a consequence of the decision not to renew VDI. The interim budget for ICT is predicated upon the general assumption that short term commitments in line with current strategy remain affordable priorities.

8. Subsidiary Company

Gardyne Theatre Ltd. is not yet operating at pre-COVID-19 levels but activity is slowly returning to normal and management is confident that this will continue. With the help of a very welcome and significant award from Creative Scotland's Recovery Fund, it has been possible to budget a modest profit of £6K after allowing for payments to the College of £10K each for theatre Licence to Occupy and a Service Level charge for operational support.

9. Student Support Funding

Although indicative allocations from SFC is almost £400K less than the current year, at almost £9.4m it still exceeds current demand. Furthermore SFC will instruct us to assume that there will be no shortfall in funds during 2022/23 when preparing the FFR.

10. Capital Expenditure

Currently no capital expenditure is budgeted, with all property works presumed to be revenue in nature. Any expenditure deemed to be capital will, unless funded by third party sources, result in SFC's Capital & Maintenance grant being diverted. This will reduce revenue but should have no effect on operating position or cash.

11. Cash Flow Forecast

The cashflow based upon this interim budget projects balances reducing to only circa £400K after allowing for the annual loan repayment of £457K due each August. Management recognises that this is unacceptable and will be addressed as part of the

proposals for change. It should also be noted however that the opening cash position does not yet reflect extra cost of further voluntary severance payments that are likely to be paid in July. Affordability of VS is likely therefore to be a major factor in securing sufficient savings in the absence of any funding.

12. Conclusion

This interim budget aims to set out for the Board the magnitude of the challenge facing the College, along with others across the sector, during 2022/23.

Management's efforts will be focused on seeking approval for a draft Budget showing substantive improvement at least sufficient to allow more time to implement changes designed to further improve our financial position from 2023/24 and return us to a position of financial sustainability.

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

Interim Budget for the year to 31 July 2023

	2021/22	2022/23	
	Latest Forecast	Draft Budget	Variance from 2021/22 Forecast
	£000's	£000's	£000's
SFC Credit income	31,425	31,368	(57)
SFC ESF Credits	1,028	0	(1,028)
Other SFC grants	3,741	4,274	533
SFC Total	36,194	35,642	(552)
Tuition Fees	3,266	3,195	(71)
Non-Core income	3,449	2,405	(1,044)
Catering & other income	1,425	1,548	123
Commercial Income Stretch Target	-	-	-
Total Income	44,334	42,790	(1,544)
Teaching Pay - established	16,681	16,953	(272)
Teaching Pay - variable	2,478	2,599	(121)
Invoiced Staff Costs	569	307	262
Teaching Support Pay	2,494	2,566	(72)
Support pay	12,021	12,396	(375)
Apprenticeship Levy	108	108	-
VS Scheme	222	-	222
Unfunded pension payments	398	400	(2)
Total Pay Costs	34,971	35,329	(358)
Staff related costs	254	334	(80)
Consumables & Equipment	1,734	1,829	(95)
Exam fees	879	914	(35)
Student related costs	205	219	(14)
Property cost	3,292	3,510	(218)
ICT & Telephony	1,757	1,654	103
Insurance	129	176	(47)
Marketing	144	99	45
Professional fees	161	115	46
General Overheads	258	300	(42)
Interest & Charges	140	92	48
VAT	1,150	1,103	47
Total non-pay costs	10,103	10,345	(242)
Cash-backed surplus/(deficit)	(740)	(2,884)	(2,144)
Add: subsidiary profit/(loss)	0	6	6
Consolidated Cash-backed surplus/(deficit)	(740)	(2,878)	(2,138)

Cash Flow Forecast**Cash backed surplus/(deficit)**

Loan repayment

Capital Expenditure

Capital funding

Working capital movements

Net Movement in cash balances

Opening cash balances

Closing cash balances

	2021/22	2022/23
	(740)	(2,878)
	(457)	(457)
	(3,427)	0
	3,427	0
	(900)	0
	(2,097)	(3,335)
	5,853	3,756
	3,756	421

Interim Budget for the year to 31 July 2023

Risk Assessment of key volatile areas

Income/Expenditure Category	Draft Budget £000's	Possible Cash Deviations		Controllable?	Adverse Risk Assessment			Comments and mitigations
		Favourable	Adverse		Likelihood	Impact	Overall	
		£000's	£000's		£000's	£000's	£000's	
SFC Credit income	31,368	200	300	Controllable in terms of activity delivered but subject to conditions requiring further clarity.	Mid	Low	Low	Final allocations are not expected to be lower. Indicative allocations set a lower Credit Target for 2022/23, below current year's forecast with the new 2% threshold. However we require a clearer understanding the scope of threshold and the implications of utilising this with regard to availability of additional YPG Credits. The Foundation Apprentices target of 3,900 for 464 students will be challenging.
Other SFC grants	4,274	200	100	Yes, however subject to market demand for FWDF training.	Low	Low	Low	Significant movement within this category, particularly on Capital & Maintenance funding or ESP, can have no impact. Changes in delivery of FWDF have a consequence upon contribution however the interim budget is prudently set and effort will be focused on increased delivery and completion.
Tuition Fees	3,195	200	200	Yes, in terms of marketing, recruitment delivery and retention but limited influence over demand.	Mid	Low	Low	HE Full-time dominates this category, accounting for 70% of the income. There is a clear rationale for our projections based upon current recruitment and whilst it is possible that numbers decline further, it is also possible that we can increase our Associate student numbers which provide a much higher average fee. The Commercial short course target has increased substantially in the budget but there is a very strong focus on business engagement supported by investment in a stronger marketing strategy also extending to core part-time provision.
Non-Core income	2,405	200	100	Partly; varies across such a disparate category ranging from apprentice income to Trust funding.	Low	Low	Low	Assuming no further COVID restrictions impacting apprentice outcomes in particular, potential downside to existing budget appears limit in terms of any net impact. Likewise however, although gross income from certain streams may increase the impact may be negligible. Potential variances are therefore net.
Catering & other income	1,548	200	100	Yes	Low	Low	Low	Catering provision accounts for nearly half of the income and is conservatively budgeted to be 30% higher than 2021/22. This is still well below pre-COVID levels however and so there may be potential for this to improve further. Similarly there may be scope for improvement from other campus based activities.

Income/Expenditure Category	Draft Budget £000's	Possible Cash Deviations		Controllable?	Adverse Risk Assessment			Comments and mitigations
		Favourable	Adverse		Likelihood	Impact	Overall	
		£000's	£000's		£000's	£000's	£000's	
Total Pay (exc. VSS & unfunded pensions)	34,929	100	500	Largely yes but subject to pay and conditions negotiated centrally.	Mid	High	High	The greatest risk comes from the adoption of Scottish Government pay policy. The sector is expected to take cognisance of this but is not legally bound by it. With current and forecast inflation it seem unlikely that a settlement will be reached on this basis. A settlement similar to the current offer for 2021/22 would add circa £400K. In other respects, and within the context of the savings exercise, staffing in all areas is being reviewed and new or replacement posts will be tightly controlled. All variable, and therefore more controllable pay, is being scrutinised. The continued implementation of Transfer To Permanency in accordance with national bargaining further reduces our flexibility.
VSS	-	-	-	Yes	-	-	-	It is entirely likely that there will be VS provision charged in 2022/23 but in view of the scale of the current savings exercise it seems inappropriate to estimate at this time.
Property cost	3,510	100	200	Yes, subject to inherent risks of the usual unpredictable factors exacerbated this year by exceptional price rises.	Low	Low	Low	Major works cost are unlikely to increase without additional funding and budgets would be managed whenever possible to take account of any rise in unexpected maintenance. Negative movement is therefore unlikely. Utility consumption will be carefully managed in an effort to mitigate the exceptional price rises. Further increase beyond March next year could be higher than budgeted but with limited impact upon 2022/23.
Non-pay costs excluding property	6,835	100	300	Yes, with limited exceptions, but inflationary pressures have increased risk of over spend.	Low	Low	Low	Whilst we are confident that discretionary spend will be well managed further savings may be limited if required to mitigate inflationary pressures upon necessary expenditure. Certain budgets do reflect known or anticipated price increases but there is no general contingency.

BOARD OF MANAGEMENT

Tuesday 21 June 2022



FINANCE & ESTATES ITEMS

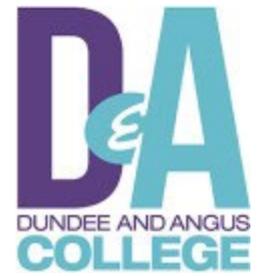
FINANCIAL FORECAST RETURN (FFR)

**ADDITIONAL
PAPER**

BOARD OF MANAGEMENT

Tuesday 21 June 2022

Interim Financial Forecast Return (FFR)



Paper for approval

1. Introduction

A "[Call for Information](#)" was published on 1 June 2022 for an interim financial forecast for 2021-22 and 2022-23. This short covering paper, the Future Opportunities and Financial Challenges consultation documents and the FFR provides financial forecast information which has a deadline for submission to the Scottish Funding Council of 30 June 2022.

2. Recommendations

Members are asked to approve the interim Financial Forecast Return for submission to the Scottish Funding Council by the end of June deadline.

3. Background

The SFC advise that this Call for Information is intended to provide an update on the current Academic Year position and to report the financial impact and implications of the recently announced funding allocations for AY 2022-23 at an early stage.

A further Call for Information is expected to be issued at the end of June, to provide the full FFR covering the period to 2026-27, by the end of September.

This FFR is based on the interim budget that is presented to the Board and does not take into account the savings that are currently being progressed through the savings consultation process nor the ongoing budget refinement activity.

It is usual that the FFR would be presented to the Finance & Property Committee prior to being presented to the Board. The timing of the Call for Information did not allow for that. As the FFR mirrors the Interim Budget that was presented to the Finance & Property Committee for scrutiny and included in the Board papers it is hoped that this is sufficient for the Board to provide the necessary approval.

As an interim FFR, the narrative that usually accompanies a full FFR is not required.

4. 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

Financial Forecast Return June 2022

College

Contact

Telephone

Email:

DECLARATION:	The attached worksheets represent the financial forecasts for the College. They reflect a financial statement of our academic and physical plans from 2021-22 to 2022-23. Adequate explanations have been provided where requested on the return. The worksheets and their underpinning assumptions have been reviewed and approved by the Board of Management in accordance with their agreed practices. In preparing this financial forecast the College has fully considered the financial implications of all aspects of its strategy and has properly reflected these in the forecast.
---------------------	---

Signed:

Principal/Chief Executive Officer

Date:

and Angus College

		Forecast 2021-22	Forecast 2022-23
		FTE	FTE
STAFFING EFFICIENCIES (savings reflected in FFR)			
1	Staff reduction - vacancy management	0	3.1
	Staff reduction - voluntary severance		7.5
	Staff reduction - compulsory redundancy	0	0
	Staff reduction - total	0	10.6
		£000	£000
2	Voluntary severance costs	222	0
	Compulsory redundancy costs	0	0
	Total	222	0
3	Staff cost savings - identified	390	415
	Staff cost savings - still to be identified		
	Staff cost savings - total	390	415
NON-STAFF COST SAVINGS (savings reflected in FFR)			
1	Non-staff cost savings - identified		526
	Non-staff cost savings - still to be identified		
	Non-staff cost savings - total	0	526

ADDITIONAL SENSITIVITY ANALYSIS

Effect of each scenario before mitigating action

Forecast 2021-22	Forecast 2022-23
£000	£000

(assumes the stated sensitivity occurs each year, with cumulative impact to be shown)

1	Adjusted operating surplus / (deficit) based on planning assumptions	-828	-2972
2	Increase in staff costs of 1%	345.44	326.61
	Restated adjusted operating surplus / (deficit)	<u>-1173.44</u>	<u>-3298.61</u>
	Restated cash position	<u>3,414</u>	<u>96</u>

Please give details of the mitigating actions in the event of such an outcome in the box below:

Any pay award over PSPP is unaffordable, however likely, and would inevitably result in further job losses.

3	Increase in social security costs of 1%	25.79	27.56
	Restated adjusted operating surplus / (deficit)	<u>-853.79</u>	<u>-2999.56</u>
	Restated cash position	<u>3,733</u>	<u>395</u>

Please give details of the mitigating actions in the event of such an outcome in the box below:

Increase already implemented from April 2022 and further increase both unlikely and relatively immaterial

4	Increase in pension costs of 1%	51	52
	Restated adjusted operating surplus / (deficit)	<u>-879</u>	<u>-3024</u>
	Restated cash position	<u>3,708</u>	<u>371</u>

Pension Assumptions	2021-22	2022-23	2020-21	2021-22
Employer Contributions	£000	£000	Details of Methodology and Valuation	Details of Methodology and Valuation
STSS	3,328	3,372		Employer contribution of 23%
LGPS	1,751	1,818		Emp'er 17% confirmed until March 24
Other pension schemes - please state which scheme				
Other pension schemes - please state which scheme				
Total	5,079	5,190		

Dundee and Angus College

	Actual 2020-21	Forecast 2021-22	Forecast 2022-23	2020-21 - 2021-22	2021-22- 2022-23	Explanation for variance
	£000	£000	£000	%	%	
Statement of Comprehensive income and expenditure (Consolidated)						
INCOME						
Tuition fees and education contracts	5,532	4,862	4,365	-12.1%	-10.2%	
Funding council/RSB grants	37,831	39,722	39,168	5.0%	-1.4%	
Research grants and contracts	0	0	0			
Other income	3,305	6,852	3,107	107.3%	-54.7%	
Investment income	1	1	1	0.0%	0.0%	
Total income before donations and endowments	46,669	51,437	46,641	10.2%	-9.3%	
Donations and endowments	0	0	0			
Total income	46,669	51,437	46,641	10.2%	-9.3%	Refer to Income tab
EXPENDITURE						
Staff costs	35,190	34,543	35,417	-1.8%	2.5%	
Staff costs - exceptional restructuring costs	255	222	0	-12.9%	-100.0%	
Exceptional costs - non-staff	0	0	0			
Other operating expenses	9,201	11,255	11,292	22.3%	0.3%	
Donation to Arms Length Foundation	0	0	0			
Depreciation	3,706	3,906	3,906	5.4%	0.0%	
Interest and other finance costs	489	127	86	-74.0%	-32.3%	
Total expenditure	48,841	50,053	50,701	2.5%	1.3%	Refer to Expenditure tab
Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates	(2,172)	1,384	(4,060)	-163.7%	-393.4%	
Gain/(loss) on disposal of fixed assets	11	0	0	-100.0%		
Gain/(loss) on investments	0	0	0			
Share of operating surplus/(deficit) in joint venture(s)	0	0	0			
Share of operating surplus/(deficit) in associate(s)	0	0	0			
Surplus/(deficit) before tax	(2,161)	1,384	(4,060)	-164.0%	-393.4%	
Other taxation	0	0	0			
Surplus/(deficit) for the year	(2,161)	1,384	(4,060)	-164.0%	-393.4%	
Unrealised surplus on revaluation of land and buildings	0	0	0			
Actuarial (loss)/gain in respect of pension schemes	11,806	0	0	-100.0%		
Other comprehensive income	0	0	0			
Total comprehensive income for the year	9,645	1,384	(4,060)	-85.7%	-393.4%	

Dundee and Angus College

INCOME	Actual	Forecast	Forecast	2020-21 -	2021-22- 2022-	Explanation for variance
	2020-21	2021-22	2022-23	2021-22	23	
	£000	£000	£000	%	%	
1 Tuition fees and education contracts						
a) FE - UK	365	436	607	19%	39%	Increasing demand for commercial is assumed
b) FE - EU	0	0	0			
c) HE	2,976	2,636	2,475	(11%)	(6%)	Reflects trend of declining full-time student enrolments
d) Non-EU	66	194	113	194%	(42%)	High numbers in 21/22 unlikely to be repeated
e) SDS contracts	1,217	981	450	(19%)	(54%)	Foundation Apprentices fully funded by SFC by 22/23
f) Education contracts	900	605	700	(33%)	16%	Construction industry apprentice milestone income down in 21/22, recovering 22/23 but partially off-set by loss of SVQ contracts
g) Other	8	10	20	25%	100%	
Total tuition fees and education contracts	5,532	4,862	4,365	(12%)	(10%)	
2 SFC / RSB Grants						
a) SFC / RSB FE recurrent grant (including fee waiver)	30,731	33,130	32,044	8%	(3%)	22/23 includes Foundation Apprentices (and Job Evaluation) but excludes any YPG funding meantime
b) UHI recurrent grant - HE provision	0	0	0			
c) FE Childcare funds	669	593	593	(11%)	0%	Possibly rising for 22/23 but having no net impact
d) Release of SFC / RSB deferred capital grants	2,257	2,257	2,257	0%	0%	22/23 to be re-evaluated but with no impact upon adjusted operating result
e) SFC capital grant	2,297	2,154	2,996	(6%)	39%	Currently no application of funds to 'capital' expenditure in 22/23
f) SFC grant for NPd	0	0	0			
g) Other SFC / RSB grants - FE provision	1,877	1,588	1,278	(15%)	(20%)	FWDF delivery further reduced and Child Poverty grant removed for 22/23. Increased ESP funding for 22/23 however.
h) Other UHI grants - HE provision	0	0	0			
Total SFC / RSB Grants	37,831	39,722	39,168	5%	(1%)	
3 Research grants and contracts						
a) European Commission	0	0	0			
b) Other grants and contracts	0	0	0			
Total research grants and contracts	0	0	0			
4 Other Income						
a) Catering and residences	102	553	730	442%	32%	Recovery continuing slowly but still below pre-COVID levels
b) Other European Income	149	63	21	(58%)	(67%)	Residual projects running out by 22/23
c) Other income generating activities	383	786	966	105%	23%	Renewed demand for site based activities
d) Grants from ALF	0	3,300	0		(100%)	Contribution towards cost of Kingsway development in 21/22
i) Revenue	0	0	0			
ii) Capital	0	3,300	0		(100%)	
e) Non-government capital grant	0	0	0			
f) Other grant income	1,311	1,832	1,213	40%	(34%)	21/22 benefits from Tay Cities Deal funding. 22/23 sees removal of Scot Gov DYW funding.
g) Release of non-SFC government deferred capital grant	104	104	104	0%	0%	
h) Income from Coronavirus Job Retention Scheme	1,163	37	0	(97%)	(100%)	
i) Other income	93	177	73	90%	(59%)	High level of Kickstart funding in 21/22
Total other income	3,305	6,852	3,107	107%	(55%)	
5 Investment income						
a) Investment income on endowments	0	0	0			
b) Investment income on restricted reserves	0	0	0			
c) Other investment income	0	0	0			
d) Other interest receivable	1	1	1	0%	0%	
e) Net return on pension scheme	0					
Total investment income	1	1	1	0%	0%	
6 Donations and endowment income						
a) New endowments	0	0	0			
b) Donations with restrictions	0	0	0			
c) Unrestricted donations	0	0	0			
Total donation and endowment income	0	0	0			

Dundee and Angus College
EXPENDITURE

	Actual 2020-21	Forecast 2021-22	Forecast 2022-23	2020-21 - 2021-22	2021-22- 2022-23	Explanation for variance
	£000	£000	£000	%	%	
STAFF COSTS						
1 Teaching departments	20,674	21,904	22,623	6%	3%	Higher variable costs incurred in 21/22 in response to COVID. All teaching and support pay includes current (agreed) pay offer of £1K for 21/22 and Scot. Gov. PSPP for 22/23
2 Teaching support services	694	737	729	6%	(1%)	
3 Other support services	0	0	0			
4 Administration and central services	8,461	9,484	9,612	12%	1%	New posts added during 21/22, with some directly funded but reducing in 22/23. All staff categories impacted by higher national insurance costs.
5 Premises	1,575	1,655	1,638	5%	(1%)	
6 Catering and residences	681	677	697	(1%)	3%	Resumption of subsidiary company activities
7 Other income generating activities	0	86	118		37%	
8 Other staff costs	0	0	0			
9 Impact of FRS 102 pensions reported costs (less contributions paid included above)	3,105					
Normal staff costs	35,190	34,543	35,417	(2%)	3%	
10 Exceptional restructuring costs	255	222	0	(13%)	(100%)	Reflects only approved applications. Costs will increase.
Total staff costs	35,445	34,765	35,417	(2%)	2%	
Additional breakdown of staff costs						
Salaries	25,027	26,886	27,471	7%	2%	Sub-inflationary increases to thresholds coupled with 1.25% increase from April 22 % remains consistent with gross salaries
Social security costs	2,312	2,579	2,756	12%	7%	
Pension contributions	4,750	5,079	5,190	7%	2%	
Non-cash pension adjustments - net service cost	3,105					
Non-cash pension adjustments - early retirement provision	0					
Severance payments	255	222	0			
Total staff costs	35,449	34,766	35,417	(2%)	2%	Total comparison skewed by pension adjustment in 20/21
NON-STAFF COSTS						
1 Exceptional costs - non-staff	0	0	0			
2 Other operating expenses						
a) Teaching departments	860	1,183	1,267	38%	7%	Practical courses resume during 21/22, increasing consumables etc.
b) Teaching support services	114	152	161	33%	6%	
c) Other support services	0	0	0			
d) Administration and central services	3,272	4,208	4,334	29%	3%	Underspends in 20/21 due to supply chain delays. Discrete funding supports higher equipment purchases in both 21/22 and 22/23. Marketing increased during 21/22 to boost recruitment.
e) General education	0	0	0			
f) Premises	3,832	4,134	4,141	8%	0%	Increased consumption and, in particular, price. Vehicle purchases in 21/22 Resumption of catering during 21/22 Resumption of subsidiary company activities.
(i) Maintenance	2,289	2,193	2,007	(4%)	(8%)	
(ii) Utilities	753	985	1,427	31%	45%	
(iii) Other	790	956	707	21%	(26%)	
g) Catering and residences	80	334	391	318%	17%	
h) Other income generating activities	25	82	98	228%	20%	
i) Overspend on student support funds *	0	0	0			
j) Planned maintenance	0	0	0			
k) Movement on early retirement pension provision	0	0	0			
l) NPD	0	0	0			
m) Other	1,018	1,162	900	14%	(23%)	
Total other operating expenses	9,201	11,255	11,292	22%	0%	
3 Depreciation						
a) Government funded assets	3,544	3,606	3,606	2%	0%	To be re-evaluated upon completion of Kingsway but will have no impact on adjusted operating result.
b) Non-government funded assets	162	300	300	85%	0%	
c) NPD funded assets	0	0	0			
Total depreciation	3,706	3,906	3,906	5%	0%	
4 Interest						
a) On bank loans, overdrafts and other loans	142	127	86	(11%)	(32%)	Reducing balance.
b) Finance lease interest	0	0	0			
c) Other	0	0	0			
d) Net charge on pension scheme	347			(100%)		
e) NPD interest	0	0	0			
Total interest	489	127	86	(74%)	(32%)	

* Includes any overspend on bursaries, discretionary funds, and student funds received from SAAS, but excludes childcare funds.

Dundee and Angus College

ADJUSTED OPERATING RESULT	Actual 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000	2020-21 - 2021-22 %	2021-22- 2022-23 %	Explanation for variance
Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates	(2,172)	1,384	(4,060)			
Add:						
Total depreciation (Government-funded, privately funded and NPD-funded assets) net of deferred capital grant release (<i>incorporated colleges only</i>)	1,345	1,545	1,545	14.9%	0.0%	
Exceptional non-restructuring items (e.g. impairment costs)	0	0	0			
Donation to Arms-Length Foundation (incorporated colleges only)	0	0	0			
Non-cash pension adjustment - net service cost	3,105					
Non-cash pension adjustment - ERP	0					
Non-cash pension adjustment -net interest costs	347					
Deduct:						
Non-Government capital grants (e.g. ALF capital grant)	0	3,300	0		-100.0%	
Exceptional income (if disclosed as exceptional in accounts) - PLEASE DO NOT INCLUDE CJRS INCOME HERE	0	0	0			
CBP allocated to loan repayments and other capital items (<i>incorporated colleges only</i>)	457	457	457	0.0%	0.0%	
NPD payments to reduce NPD balance sheet debt	0	0	0			
Adjusted operating result	2,168	(828)	(2,972)	-138.2%	258.9%	
Cash budget for priorities (<i>incorporated colleges</i>) :						
Revenue priorities						
Student support funding	0	0	0			
2015-16 pay award	473	473	473			
Voluntary severance	125	125	0			
Estates costs	0	0	0			
Other - please describe	0	0	125			Could be applied against unfunded pension payments
Total impact on operating position	598	598	598			
Capital priorities						
Loan repayments	457	457	457			
NPD / PFI repayments	0	0	0			
Estates costs	0	0	0			
Provisions pre 1 April 2014	0	0	0			
Total capital	457	457	457			
Total cash budget for priorities spend	1,055	1,055	1,055			

Balance Sheet		Actual 2020-21	Forecast 2021-22	Forecast 2022-23	2020-21 - 2021-22	2021-22 - 2022-23	Explanation for variance
		£000	£000	£000	%	%	
1 Non-current assets	a) Intangible assets	0	0	0			
	b) Fixed assets	67,648	67,169	63,263	-0.7%	-5.8%	Kingsway development capital portion less depreciation
	c) Investments	0	0	0			
Total non-current assets		67,648	67,169	63,263	-0.7%	-5.8%	
2 Current assets	a) Stock	6	6	6	0.0%	0.0%	
	b) Debtors	4,243	4,891	5,536	15.3%	13.2%	Includes Job Evaluation £676K p.a.
	c) Investments	0	0	0			
	d) Cash and cash equivalents	5,853	3,759	423	-35.8%	-88.7%	See cashflow
	e) Other (e.g. assets for resale)	0	0	0			
Total current assets		10,102	8,656	5,965	-14.3%	-31.1%	
3 Creditors: amounts falling due within one year	a) Bank loans and external borrowing	453	453	453	0.0%	0.0%	
	b) Bank overdrafts	0	0	0			
	c) Lennartz creditor	0	0	0			
	d) Obligations under finance leases and service concessions	0	0	0			
	e) Payments received in advance	1,091	600	300	-45.0%	-50.0%	Reduction in restricted funds anticipated
	f) Amounts owed to SFC	605	800	400	32.2%	-50.0%	
	g) Obligations under PFI/NPD	0	0	0			
	h) Deferred capital grant	2,361	2,361	2,361			
	i) Other creditors and accruals	4,586	4,658	6,034	1.6%	29.5%	
Total creditors < 1year		9,096	8,872	9,548	-2.5%	7.6%	
Share of net assets/(liabilities) in associate		0	0	0			
NET CURRENT ASSETS/LIABILITIES		1,006	(216)	(3,583)	-121.5%	1558.8%	
TOTAL ASSETS LESS CURRENT LIABILITIES		68,654	66,953	59,680	-2.5%	-10.9%	
4 Creditors: amounts falling due after more than one year	a) Local authority loans	0	0	0			
	b) Bank loans and external borrowing	2,726	2,273	1,820	-16.6%	-19.9%	
	c) Lennartz creditor	0	0	0			
	d) Finance leases and service concessions	0	0	0			
	e) Obligations under PFI/NPD	0	0	0			
	f) Deferred capital grant	24,487	22,253	19,892			
	g) Amounts repayable to Funding Council	0	0	0			
	h) Other creditors	0	0	0			
Total creditors >1 year		27,213	24,526	21,712	-9.9%	-11.5%	
5 Provisions	a) Pension provisions	17,954	17,556	17,156	-2.2%	-2.3%	
	b) Other	0	0	0			
Total provisions		17,954	17,556	17,156	-2.2%	-2.3%	
TOTAL NET ASSETS		23,487	24,871	20,812	5.9%	-16.3%	
9 Restricted Reserves	a) Endowment Reserve	0	0	0			
	b) Restricted Reserve	0	0	0			
10 Unrestricted reserves	a) Income and Expenditure Reserve	(2,370)	(292)	(3,657)	-87.7%	1152.4%	
	b) Revaluation reserve	25,857	25,163	24,469	-2.7%	-2.8%	
11 Non-controlling interest		0	0	0			
TOTAL RESERVES		23,487	24,871	20,812	5.9%	-16.3%	

Dundee and Angus College

Cashflow	Actual	Forecast	Forecast	2020-21 -	2021-22-2022-	Explanation for variance
	2020-21	2021-22	2022-23	2021-22	23	
	£000	£000	£000	%	%	
1 Cash flow from operating activities						
a) Surplus / (deficit) for the year	-2161	1384	-4060	(164%)	(393%)	
2 Adjustment for non-cash items						
a) Depreciation	3,706	3,906	3,906	5%	0%	
b) Amortisation of intangibles	0	0	0			
c) Benefit on acquisition	0	0	0			
d) Amortisation of goodwill	0	0	0			
e) Loss / (gain) on investments	0	0	0			
f) Decrease / (increase) in stock	11	0	0	(100%)		
g) Decrease / (increase) in debtors	(436)	(648)	(644)	49%	(1%)	JE adds E676K
h) Increase / (decrease) in creditors	259	(224)	676	(186%)	(402%)	JE adds E676K. Restricted funds reduce in 21/22
i) Increase / (decrease) in pension provision	3,056	(398)	(400)	(113%)	1%	Unfunded payments
j) Increase / (decrease) in other provisions	0	0	0			
k) Receipt of donated equipment	0	0	0			
l) Share of operating surplus / (deficit) in joint venture	0	0	0			
m) Share of operating surplus / (deficit) in associate	0	0	0			
n) Other	0	0	0			
Total adjustment for non-cash items	6,596	2,636	3,538	(60%)	34%	
3 Adjustment for investing or financing activities						
a) Investment income	(1)	(1)	(1)	0%	0%	
b) Interest payable	142	127	86	(11%)	(32%)	
c) Endowment income	0	0	0			
d) Loss / (gain) on the sale of assets	(11)	0	0	(100%)		
e) Capital grant income	(2,361)	(2,361)	(2,361)	0%	0%	
Total adjustment for investing or financing activities	(2,231)	(2,235)	(2,276)	0%	2%	
4 Net cash inflow from operating activities	2,204	1,785	(2,798)	(19%)	(257%)	
5 Cash flow from investing activities						
a) Proceeds from sales of fixed assets	11	0	0	(100%)		
b) Proceeds from sales of intangible assets	0	0	0			
c) Capital grants receipts	1,642	127	0	(92%)	(100%)	
d) Disposal of non-current asset investments	0	0	0			
e) Withdrawal of deposits	0	0	0			
f) Investment income	1	1	1	0%	0%	
g) Payments made to acquire fixed assets	(1,167)	(3,427)	0	194%	(100%)	All expenditure assumed revenue meantime
h) Payments made to acquire intangible assets	0	0	0			
i) New non-current asset investments	0	0	0			
j) New deposits	0	0	0			
Total cash flows from investing activities	487	(3,299)	1	(777%)	(100%)	
6 Cash flows from financing activities						
a) Interest paid	(142)	(127)	(86)	(11%)	(32%)	
b) Interest element of finance lease and service concession	0	0	0			
c) Endowment cash received	0	0	0			
d) New secured loans	0	0	0			
e) New unsecured loans	0	0	0			
f) Repayments of amounts borrowed	(453)	(453)	(453)	0%	0%	
g) Capital element of finance lease and service concession payments	0	0	0			
Total cash flows from financing activities	(595)	(580)	(539)	(3%)	(7%)	
7 (Decrease) / increase in cash and cash equivalents in the year	2,096	(2,094)	(3,336)	(200%)	59%	
8 Cash and cash equivalents at beginning of the year	3,757	5,853	3,759	56%	(36%)	
9 Cash and cash equivalents at the end of the year	5,853	3,759	423	(36%)	(89%)	

Dundee and Angus College

Actual 2020-21	Forecast 2021-22	Forecast 2022-23
£000	£000	£000

1 Breakdown of cash and cash equivalents

Figure per balance sheet

5,853	3,759	423
-------	-------	-----

Representing:

Funds from disposal of fixed assets

0	0	0
---	---	---

Funds held for third parties

40	0	0
----	---	---

Student support funds

582	600	300
-----	-----	-----

Funds due to be returned to SFC

0	0	0
---	---	---

Other restricted funds

1177	600	300
------	-----	-----

Underlying / free cash

4,054	2,559	-177
-------	-------	------

5,853	3,759	423
-------	-------	-----

2 Capital Expenditure Projects and Forecast Methods of Financing

Actual 2020-21	Forecast 2021-22	Forecast 2022-23
£000	£000	£000

Expenditure:

Land & Buildings

1402	3427	0
------	------	---

Equipment & Others

166	0	0
-----	---	---

1,568	3,427	0
-------	-------	---

Financed by:

Cash reserves

0	0	0
---	---	---

ALF grants

0	3300	0
---	------	---

Leasing	0	0	0
SFC/RSB grant	1487	127	0
Re-investment of proceeds from disposal of assets *	0	0	0
Non-SFC/RSB grants	81	0	0
PFI/NPD	0	0	0
Other - please specify if material	0	0	0
	<u>1,568</u>	<u>3,427</u>	<u>0</u>

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

Actual 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000
---------------------------	-----------------------------	-----------------------------

Capital disposals

Disposal proceeds:

Asset description	11	0	0
Asset description	0	0	0
Asset description	0	0	0
Asset description	0	0	0
	<u>11</u>	<u>0</u>	<u>0</u>

Gain/(loss) on disposal:

Asset description	11	0	0
Asset description	0	0	0
Asset description	0	0	0
Asset description	0	0	0
	<u>11</u>	<u>0</u>	<u>0</u>

Dundee and Angus College

ALF Funding

	Actual 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000
Estimated balance of cash in ALF as at 1 August	5,150	5,150	1,850
Donation to Arms Length Foundation	0	0	0
Grant from Arms Length Foundation - capital	0	(3,300)	0
Grant from Arms Length Foundation - revenue	0	0	0
Estimated balance of cash in ALF as at 31 July	5,150	1,850	1,850

Note:
For most foundations, the most recent accounts available are for periods ending in 2021. Colleges' forecast movements will not include governance costs, donations from third parties, payments to third parties or investment income.

	Actual 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000
Grant from Arms Length Foundation - capital:			
Kingsway Development	0	3,300	0
Description	0	0	0
Description	0	0	0
Description	0	0	0
Description	0	0	0
Description	0	0	0
Description	0	0	0
Total	0	3300	0

Grant from Arms Length Foundation - revenue			
Description	0	0	0
Description	0	0	0
Description	0	0	0
Description	0	0	0
Description	0	0	0
Description	0	0	0
Total	0	0	0

Dundee and Angus College
FINANCIAL SUMMARY

Actual	2020-21	Forecast 2021-22	Forecast 2022-23
£000	£000	£000	£000

Income ratios			
Total Income	46,669	51,437	46,641
Total Funding Council Grant (excluding release of deferred capital grant) as % of Total Income	81%	77%	84%
Total non-Funding Council Grant (including release of SFC DCG) as % of Total Income	19%	23%	16%
Total Education Contracts and Tuition Fees as % of Total Income	12%	9%	9%
Total Research Grants and Contracts as % of Total Income	0%	0%	0%
Total Other Income as % of Total Income	7%	13%	7%

Expenditure ratios			
Total Expenditure	48,841	50,053	50,701
Salaries as % of Total Expenditure	72%	69%	70%
Other operating costs as % of Total Expenditure	19%	22%	22%
Depreciation/amortisation as % of Total Expenditure	8%	8%	8%

Operating position			
Operating Surplus/(deficit)	(2,172)	1,384	(4,060)
Operating Surplus/(deficit) as % of Total Income	-5%	3%	-9%
Adjusted operating surplus/(deficit)	2,168	(828)	(2,972)
Adjusted operating surplus/(deficit) as % of Total Income	4.6%	-1.6%	-6.4%

Cash Position			
Cash and Current Asset Investments	5,853	3,759	423
Overdrafts	0	0	0
Days Ratio of Cash to Total Expenditure	47	30	3
Net cash inflow/(outflow) from operating activities	2,204	1,785	-2,798
Net cash inflow/(outflow) from operating activities as % of Total Income	4.7%	3.5%	-6.0%

Balance Sheet strength			
Unrestricted reserves	(2,370)	(292)	(3,657)
Current Ratio	1.11	0.98	0.62
Unrestricted reserves as % of Total Income	-5%	-1%	-8%
Total borrowing (Overdrafts, Loans, Finance Leases, PFI/NPD)	3,179	2,726	2,273
Interest cover	-3.44	11.90	-46.21

BOARD OF MANAGEMENT

Tuesday 21 June 2022



FINANCE & ESTATES ITEMS

**FINANCE & PROPERTY COMMITTEE UPDATE -
Management Accounts Month 9**

PAPER J

BOARD OF MANAGEMENT

Finance & Property Committee

Tuesday 31 May 2022

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 approved in May 2021 together with management's latest forecast for the year. The final audited Outturn position for the year to July 2021 is also reported together with the actual results for the period.

2. Recommendation

Members are asked to note the Month 9 position.

3. Context

The budget had been approved when the continued impact of COVID-19 was unclear. Whilst subsequent forecasts have gradually been able to introduce more clarity, the effects had continued to be felt when preparing the last forecast presented to the Committee in January. That forecast predicted a deficit of £810K after absorbing increased expenditure of approximately £826K planned for the previous year but which had slipped into the current year due to supply chain delays. This had reflected an improved financial position following a concerted effort to secure savings, partly offset by the introduction of voluntary severance costs to reduce our cost base in 2022/23.

During this intervening period there have been sustained efforts to contain costs. This has had positive impact however the operating position continues to suffer the legacy of the pandemic, with demand for commercial courses still in decline along with certain site-based activities such as catering and sports suffering from a lack of footfall on campus.

Higher pay offers to staff through the national bargaining arrangements have also had a detrimental impact, along with increased VS costs from additional staff applications accepted from the scheme that closed in December, in order to secure more savings for next year. The VS scheme re-opened this month to support savings and investment plans and we therefore anticipate the ultimate charge recognised in the current year to be substantially greater than the existing provision. Indications that specific funding might be available from SFC have not been realised and therefore no discrete funding to support VS has been assumed.

A risk assessment has not been included in this final quarter as the residual risks of any magnitude can now be focused upon pay, including VS, and credit funding. We are fully providing for the current pay offer to staff and although this has been rejected, and EIS continue industrial action. We do not believe that any further increased offer can be made in view of the economic landscape facing the sector. To contextualise, any additional offer of £50 per FTE would cost almost £50K.

We, together with most other colleges and Colleges Scotland, continue to lobby Scottish Funding Council for clarity around the existing flexibilities and for further concessions given the continued impact upon both recruitment and retention. SFC are sympathetic but we understand that no decisions will be made before the end of this year. Consequently, we can currently have no certainty that we will be able to retain all of our credit funding. All possible actions are being taken to maximise our credit count but a shortfall is unavoidable. In the absence of more clarity it is difficult to accurately quantify the potential loss of income, which is dependent upon many variables affecting eligibility of credits for ESF, Deferred Students, Foundation Apprentices and YPG/NTTF.

Since the previous forecast Tay City Engineering Partnership has been formally approved and both funding and property costs reflected in this forecast. Combined with funding secured from Seagreen and equipment investments possible from ESP funds, this has the effect of significantly increasing both revenue and expenditure with little net impact.

4. Summary of results

A **Cash-backed deficit of £740K** is forecast, an improvement of £70K upon the previous forecast and an operational improvement of £165K before allowing for an increased VSS provision now standing at £222K. The current savings consultation exercise is expected to significantly increase the cost of VSS in the current year.

The actual cash-backed surplus for the first nine months to 30 April is £325K, compared to £380K per the previous forecast. Significant variances have been considered in terms of profile deviations or potential trend.

As noted above, discrete grant funding has significantly increased both income and expenditure of circa £600K.

A summary of the main net movements from the previous forecast is given in the table below and explained in more detail within the relevant sections where necessary.

	£000's
Deficit per previous forecast Q2	(810)
Reduction in FWDF contribution	(52)
Reduction in Commercial programmes	(88)
Increase in other tuition fees	35
Net improvement in apprentice funding	221
Reduction in catering contribution	(44)
Increase in miscellaneous income streams	98
Increased pay award per current offer	(100)
Additional variable teaching costs	(80)
Other pay movements (net of funding)	21
Additional VS cost	(95)
Savings in Staff related costs	27
Consumables etc. savings	102
Utility savings	40
Increased Bad Debt provision	(15)
Deficit per this forecast Q3	(740)

5. Income

Total cash income forecast for 2021/22 now increases by £548K to just under £44.3m, reflecting a similar positive variance from budget, and largely explained by additional funding streams.

SFC Credit income remains unchanged for this forecast but is potentially subject to clawback as outlined above under current guidance and therefore presents financial risk.

Other SFC grants are forecast to reduce by £224K. Estates Capital & Maintenance grant accounts for £172K, following the decision to remove the Lecture Theatre refurbishment from the Kingsway Development project, and allowing more Financial Year 22/23 funding to be utilised within Academic Year 22/23. Delivery of SFC's FWDF has remained difficult this year, with activity rolling over from last year enhancing the original budget. We are still experiencing challenges to deliver sufficient activity by 31 July and the forecast is further reduced by £84K.

Despite an increase from International, tuition fees have decreased by £65K due to a further drop in commercial courses. We have been obliged to recognise that the previous forecast cannot be achieved due to a current lack of demand particularly in the areas of Building, Engineering and Service Design Academy.

Non-core income increases by £805K and is largely explained by the additional funding streams noted above. Apprenticeship income overall has increased by £178K however, as a result of maximising SDS contracts, particularly for Foundation Apprentices, including contingencies carried over from previous years.

Catering & other income forecast rises by a further £32K in this forecast but masks a further reduction from catering outlets to only £535K from an original budget of £824K and illustrating the continued impact of fewer staff and students on campus.

6. Pay Costs

Total pay costs have risen by a total of £314K to just under £35M and includes an additional VS charge of £95K.

The real net increase after allowing, as far as possible, for changes in particular activity and discrete funding is circa £160K. This in turn includes additional provision for the pay award, effective from September last year, of circa £100K.

The removal of the variable pay contingency from forecast last quarter was premature and teaching hours have subsequently increased. This has resulted in an adverse variance now of £80K.

The current VS charge, for eight successful applicants, is currently £222K and will produce annual gross savings of approx. £400K

7. Non Pay Costs

Total non-pay costs are forecast to increase by £164K this quarter, with certain real reductions being concealed by the increased funded spend described above.

Consumable budgets have been tightly controlled and as a consequence we have been able to remove the contingency of £100K that had been built into the budget to allow for inflationary increases. The lifting of the cap on bursary materials has enabled us to claim against these funds and so helped subsidise departmental budgets.

Property costs show a rise of £54K but this is due to the introduction of the construction costs of the Advanced Engineering facility funded by Tay Cities and is largely offset by reductions in Kingsway development costs noted above.

8. Subsidiary Company

Gardyne Theatre Limited remains on target to break-even after allowing for a Service Charge to the College of £10K, in addition to a restricted Licence to Occupy charge of £7.5K reflecting the limited weeks of active occupation.

A successful application to Creative Scotland's Recovery Fund for Cultural Organisations resulted in a potential maximum award of £45K. A first payment of £23K has been received and the grant will be spread across this year and next.

9. Student Support Funding

This year's funding, as enhanced, has exceeded demand. This has enabled SFC to repurpose surplus funds to supplement credit funding in 2022/23.

10. Capital Expenditure

The Kingsway Development project has been completed successfully and we expect to agree the final account soon. The contractor's most recent forecast assessment of the final cost has increased by less than 0.5% since January and been absorbed by contingencies. However the removal of the Lecture Theatre from the existing contract reduces our overall budget by £163K to £8,066K. This does not impact upon the capital element, currently restricted to the new build, and increasing only slightly to just over £4.8m, with £3.4m falling into the current year to completion.

Funding released is being utilised on other projects, allowing a greater proportion of SFC indicative funding for FY22/23 to be utilised next year. The ALF's capital funding remains at £3.3m.

11. Cash Flow Forecast

We are fortunate that the strong operating performance achieved during the previous two years has positioned us to comfortably withstand the negative impact of this year's cash deficit whilst honouring our commitment to make the annual loan repayment. Cash held at 31 April was still a very healthy £5.8m, of which £3m is considered to be specifically restricted, including surplus student support funds of £1m.

Cash balances forecast for the end of the year is just over £3.7K, reflecting only the anticipated improvement in operating performance and maintaining a prudent negative working capital movement assumption. Restricted cash is expected to reduce to circa £1.2m but could be higher.

12. Conclusion

Management efforts to reduce the operating cash deficit have been successful but factors outwith the College's control have limited the positive impact upon this forecast. Subject to additional VSS charges, and the potential of clawback of teaching grant by SFC, we believe that this forecast provides a reasonably accurate projection of the likely outturn for 2021/22.

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

**Budget Monitoring Report & Forecast
Outturn**

	2020/21	Month 9, April 2022			2021/22			
	Actual	Previous Forecast	Actual	Variance from forecast	Original Annual Budget	Previous Forecast	Latest Forecast	Variance from previous forecast
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
SFC Credit income	28,912	23,569	23,569	-	31,425	31,425	31,425	-
SFC ESF Credits	1,143	771	771	-	1,028	1,028	1,028	-
Other SFC grants	4,174	2,356	2,292	(64)	3,492	3,965	3,741	(224)
SFC Total	34,229	26,696	26,632	(64)	35,945	36,418	36,194	(224)
Tuition Fees	3,407	3,160	2,786	(374)	3,740	3,331	3,266	(65)
Non-Core income	3,544	1,986	2,641	655	2,648	2,644	3,449	805
Catering & other income	1,739	1,130	1,107	(23)	1,409	1,393	1,425	32
Total Income	42,919	32,972	33,166	194	43,742	43,786	44,334	548
Teaching Pay - established	15,628	12,478	12,409	69	16,395	16,702	16,681	21
Teaching Pay - variable	2,577	1,848	1,886	(38)	3,046	2,394	2,478	(84)
Invoiced Staff Costs	349	470	372	98	656	603	569	34
Teaching Support Pay	2,209	1,817	1,849	(32)	2,448	2,428	2,494	(66)
Support pay	10,984	8,930	8,870	60	11,415	11,900	12,021	(121)
Apprenticeship Levy	103	80	84	(4)	104	105	108	(3)
VS Scheme	255	-	-	-	-	127	222	(95)
Unfunded pension payments	396	298	289	9	398	398	398	-
Total Pay Costs	32,501	25,921	25,759	162	34,462	34,657	34,971	(314)
Staff related costs	193	207	209	(2)	343	284	254	30
Consumables & Equipment	921	1,221	1,259	(38)	1,518	1,641	1,734	(93)
Exam fees	707	499	644	(145)	898	882	879	3
Student related costs	163	189	146	43	477	260	205	55
Property cost	3,196	1,868	2,165	(297)	2,513	3,238	3,292	(54)
ICT & Telephony	1,394	1,412	1,302	110	1,630	1,752	1,757	(5)
Insurance	117	96	96	-	128	128	129	(1)
Marketing	48	113	126	(13)	67	135	144	(9)
Professional fees	180	87	89	(2)	107	116	161	(45)
General Overheads	228	171	224	(53)	261	250	258	(8)
Interest & Charges	182	97	113	(16)	130	130	140	(10)
VAT	936	711	724	(13)	993	1,123	1,150	(27)
Total non-pay costs	8,265	6,671	7,097	(426)	9,065	9,939	10,103	(164)
Cash-backed surplus/(deficit)	2,153	380	310	(70)	215	(810)	(740)	70
Add: subsidiary profit/(loss)	2	-	15	15	-	-	-	-
Consolidated Cash-backed surplus/(deficit)	2,155	380	325	(55)	215	(810)	(740)	70

Cash Flow Forecast	2020/21	2021/22			
	Actual	Actual April	Budget	Previous Forecast	Latest Forecast
	£000's	£000's	£000's	£000's	£000's
Cash backed surplus/(deficit)	2,155	325	215	(810)	(740)
Loan repayment	(457)	(457)	(457)	(457)	(457)
Capital Expenditure	(1,568)	(3,331)	(4,743)	(3,440)	(3,427)
Capital funding	1,568	3,331	4,743	3,440	3,427
Asset Disposals	11	-	-		
Working capital movements	386	80	(800)	(900)	(900)
Net Movement in cash balances	2,095	(52)	(1,042)	(2,167)	(2,097)
Opening cash balances	3,758	5,853	4,425	5,853	5,853
Closing cash balances	5,853	5,801	3,383	3,686	3,756

Note

We hold restricted cash funds of approx. £3m at the end of April, including £1m surplus student support funds.

BOARD OF MANAGEMENT

Tuesday 21 June 2022



GOVERNANCE ITEMS

BOARD SELF-EVALUATION

PAPER K

BOARD OF MANAGEMENT

Tuesday 21 June 2022



Board Evaluation and Action Plan

Paper for approval

1. Introduction

This paper summarises arrangements and outcomes in respect of the evaluation of the effectiveness of the operation of the Board of Management conducted in May 2022.

2. Board of Management Evaluation

The Code of Good Governance for Colleges in Scotland outlines the following requirement for Boards of Management.

The board must keep its effectiveness under annual review and have in place a robust self-evaluation process. There should also be an externally facilitated evaluation of its effectiveness at least every three years. The board must send its self-evaluation (including an externally facilitated evaluation) and board development plan (including progress on previous year's plan) to its funding body and publish them online.

The approach adopted in respect of the evaluation of the effectiveness of the operation of the Board meets all of the above requirements.

3. Evaluative Approach

The evaluation approach undertaken is comprehensive and has encompassed the undernoted steps. This work has been undertaken relative to the key components of the Code of Good Governance and the self-evaluation framework adopted by the Board.

- A detailed self-evaluation report has been completed through the Chairs Committee, facilitated by the Board Secretary and Quality Manager.
- Individual appraisal meetings are held annually with each member of the Board. This includes appraisal of the Board Chair by the Vice Chair.

The Board Self-Evaluation report is outlined below. This outlines the key evaluation outcomes for the Board and action plans in respect of the areas for development identified through this work.

As part of these discussions some minor changes were made to the Board evaluation indicators as highlighted in appendix 2

4. Approval

Board members are asked to consider and approve as appropriate the following elements of the evaluation process.

- Approval of the Board of Management self-evaluation and related actions (see appendix 1).
- Approval of amendment to the Board Evaluation indicators, **new additions in green**, deletions in ~~strike through~~ (see appendix 2)
- Approval of the updated Board Development Plan (see appendix 3 and 4).

5. 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 namely:

- 3.2 Failure to achieve/maintain compliance arrangements, e.g., contracts; awarding bodies; audit.

Authors: Gail Graham, Quality Manager, Steve Taylor, VP People and Performance
Executive Sponsor: Steve Taylor, Vice Principal People and Performance



Board of Management Self Evaluation May 2022

The Board of Management has undertaken an evaluation of its effectiveness in line with the Code of Governance and based on a set of evaluation indicators developed for the Board and Board Committees (Appendix 1).

The Board has considered its effectiveness in relation to each of the self-evaluation indicators as detailed below.

1. The constitution, composition and operation of the Board of Management meets all governance, management and legal requirements.

The input, level, knowledge and experience of Board members is appropriate. Significant progress has been made on gender balance and diversity and the Scottish Government target of a 50:50 gender split has been met. Further steps are required to promote wider diversity, and some specific professional expertise, through future recruitment activities.

Effective induction arrangements are in place for new Board members that, combined with development activities, CPD sessions and opportunities to observe the life of the College, support Board members in understanding College requirements better and aid good governance.

Board and Committee activities and inputs provide a positive and constructive challenge to the Principal and senior staff. This has supported strong performance for the College through the uncertainties and challenges presented by the pandemic from March 2020.

Board members (including student and staff members) contribute well to discussions and decision making across the full range of activities. While a positive and encouraging ethos is promoted at Board and Committee level, it is, however, acknowledged that proactive engagement has been more challenging for some with meetings held online.

Student Board members make an active contribution to Board activities. This is considered a significant strength and the student voice is well heard. Staff members contribute to discussions in committees, however contributions can focus on the specific area of specialism of the staff member, rather than on the wider staff experience.

The Board Chair contributes effectively to national conversations and initiatives. At local level, individual board members maintain strong professional networks and use these to promote the role and profile of the College.

All meetings are supported well by professional arrangements through the Board Secretary.

Actions:

- i. Promoting diversity of Board membership should remain as a key feature in all future recruitment arrangements.
- ii. Staff Board members will be encouraged to provide wider reflections of staff experience at Board level.

2. Strategic Planning Activities ensure that the College has a clear vision and aspiration to meet the education and training needs of local and national stakeholders.

Board input and influence in determining the strategic vision and related planning are clear and well embedded. Highly effective Board strategy and development days monitor progress and add value to strategic thinking and outputs. This was identified by Stirling University as an area of good practice.

Board thinking and direction has continued to focus on the development and implementation of College strategy despite the impacts of cyber-attack and COVID-19 pandemic.

The lack of an available clear future national capital funding arrangement continues to impact negatively on strategic infrastructure and campus development planning.

Actions:

- iii. Strategic visioning and strategy development looking beyond 2025 to be incorporated into Board strategic sessions.
- iv. Further clarity to be sought at a national level to better inform future campus development strategy for Kingsway.

3. Outcome Agreement arrangements ensure that strategic visions, aims and plans are fully and efficiently achieved.

The Board sets a clear long-term vision within which annual Outcome Agreement arrangements can be developed.

Outcome agreement content, arrangements and outcomes achieved meet College and SFC needs and are recognised nationally as good practice.

Annual and on-going evaluative reporting confirms satisfactory achievement of national outcomes.

Actions: No actions identified.

4. The Board ensures that high quality learning, teaching and support services are provided

Regular high-quality presentations and input on learning, teaching and curriculum projects and developments from both staff and students ensure that the Learning, Teaching and Quality Committee has a clear understanding of college developments that helps them in ensuring that high quality learning, teaching and support services are maintained.

The Board provides a strong challenge in respect of learning, teaching and learner outcomes, including establishing clear performance improvement requirements where learner feedback and/or performance is below expectation.

Strong (sector leading) College performance is evident on a consistent basis, with Board and Committee members using this base to support and challenge senior staff on the identification and development of further enhancement.

Actions: No actions identified.

5. The Board ensures that College finances and facilities are well planned, managed, controlled and reported upon

A clear and regularly reviewed Financial Strategy, supported by consistent financial monitoring reports, informs decision making and the steps necessary to ensure on-going financial sustainability.

Periodic significant financial challenges within the sector require board members to be well briefed and informed of financial details and movements at a relatively low level. This supports on-going financial sustainability but can detract from higher level strategy and planning.

The complexity of College finances (particularly for new Board members) can make engagement challenging, however, effective induction and Board CPD supports strong engagement at an early stage.

The full Board is kept apprised of the College's finances through presentation of a high-level summary at each meeting which ensures awareness and understanding of this key driver.

The Finance and Property Committee provides an active challenge and support to senior staff, including seeking feedback and action plans in areas where income and expenditure outcomes are not fully realised.

The Committee could provide greater direction and support for infrastructure initiatives: Estate, Net Zero; Digital.

Actions:

- v. Training opportunities for F&P members on the complexity of College funding arrangements will continue to be made available to support input and engagement by all Committee members.
- vi. F&P Committee members to be supported to engage fully with infrastructure initiatives including the future Infrastructure Strategy, Net Zero ambitions, and Digital Strategy.

6. The Board ensures that College staff are effectively recruited, managed, developed and supported

The Human Resource and Development Committee takes a strong interest in HR strategy and practice and is effective in overseeing HR and development activities and outcomes. Committee members make good use of their own professional skills and experience to challenge and support senior staff in ways that add value to decision making and enhances the outcomes achieved. This has been particularly evident in the context of impact for all College staff of the cyber attack and the Covid-19 pandemic.

A clear People Strategy, supported by a recently refreshed Workforce Plan gives an effective structure within which HR planning and development taken place.

The Committee provides a positive challenge in respect of Human Resource and Development practices and outcomes, supported by a comprehensive set of Human Resource and Organisational Development metrics.

Members seek clear and positive assurances on the application of Health and Safety legislation and actively support wellbeing activities and the adoption of H&S training and reporting that is in excess of mandatory requirements.

Committee members actively seek feedback in respect of staff satisfaction, engagement and consultation, and provide appropriate challenge to senior staff to ensure that current high levels of communication and engagement with trade unions and directly with staff are maintained and that Board aspirations for excellence are achieved.

Actions:

- vii. HR&D Committee members to be supported to engage fully in the support and challenge of senior staff during times of significant change (such as savings plans /structural change)

7. The Board ensures that ethical standards are met and that arrangements for the control and audit of College activities – including the effective management of risk – operate effectively

Audit and Risk Committee arrangements and activities support the clear and robust governance of College and Board activities.

Changes in Committee title and working arrangements across all board Committees has raised the profile of effective risk management. The strategic management of risk is strong and better informs key risks and risk appetite. Biannual reporting of strategic risks at full Board level ensures that all Board members are appraised of key areas of risk and mitigating actions being adopted. The adoption of a separate COVID-19 Risk Register is recognised as good practice.

High standards of governance and accountability are evident and board members benefit from the receipt of clear audit reports that are compiled and reported independent of senior managers. The close out of audit recommendations and actions is robust and follow-up activities highlight the effectiveness of these arrangements in supporting adoption of audit outcomes.

Audit Committee arrangements and activities have been matched against (and meet) all requirements of the Scottish Government Audit Committee Self-Assessment standard.

Actions: No actions identified

8. Chair Arrangements support effective Board Operations and deliver high standards of governance and success for the College.

Board and Committee chairs provide well-defined leadership and support for Board operation and College governance. Discussions and outcomes at meetings are relevant and there is an appropriate balance of support and challenge for senior staff through evidence of partnership and strong professional working relationships, with shared ownership of the good of the College and the best interests of students.

Arrangements for discussion and approval of core documentation are clear and well exercised.

Meetings are always well managed, run to time, professional and with high quality papers and excellent preparation by Board members and senior staff.

Attendance at Board and Committee meetings is almost always good, with all meetings quorate and active engagement evident. The input and commitment of board Committees and members is balanced well against the time commitments of individual Board members, and it is recognised that their input and expertise also benefit the Board and College outwith formal meetings.

Actions: No actions identified.



BOARD OF MANAGEMENT SELF-EVALUATION INDICATORS

1. The constitution, composition and operation of the Board of Management meets all governance, management and legal requirements.

- The membership of the Board reflects local and national requirements, professional specialisms, and diversities.
- The recruitment, induction, development and support of Board members is effective in meeting Board needs.
- Professional support provided by others is effective in supporting the Board in the discharge of its duties.
- The knowledge and capacity of Board members is developed in line with college and governance needs.
- Board members meet the governance and public standards demands placed upon them.
- The Board offers a positive and constructive challenge to the Principal and other senior staff.
- Student and staff contributions are evident and valuable.
- Corporate social responsibility obligations are achieved.
- ~~The Board has a positive profile at a College, national and local level.~~
- Board members play a positive role in influencing and advocating on behalf of the College

2. Strategic Planning activities ensure that the College has a clear vision and aspiration to meet the education and training needs of local and national stakeholders.

- Strategic planning arrangements firmly involve and engage Board members within the strategic planning requirements of the College.
- Strategic plans are effective in meeting the aspirations of the Board and local/ national stakeholders.
- High level College vision and strategic plans inform operational activities and outcomes.
- Strategic plans and aspirations promote long-term sustainability.

3. Outcome Agreement arrangements ensure that strategic visions, aims and plans are fully and efficiently achieved.

- ~~Board members actively influence the ROA process.~~
- Outcome agreement plans are clearly linked to Board strategic vision.
- Outcomes are effective in meeting the aspirations of the Board and local/ national stakeholders.
- The achievement of Board aspirations and strategies in outcomes is evident and well reported.

4. The Board ensures that high quality learning, teaching and support services are provided.

- Board operation involves and engages Board members in understanding, overseeing and ensuring high quality learning, teaching, and support services across the College.
- Board members receive appropriate briefings on quality framework and reporting requirements and receive specific and accurate information on outcomes and evaluations relative to these requirements.
- Committee reporting arrangements are effective in ensuring that Board members understand and can contribute fully to quality strategies, plans, developments and outcomes.
- High (and improving) standards of student attainment and retention are evident.

5. The Board ensures that College finances and facilities are well planned, managed, controlled and reported upon.

- The planning of finances in support of College activities is effective and accurate.
- The planning and development of the College estate **infrastructure** is effective.
- Reporting arrangements ensure that Board members understand and contribute fully to College financial planning and monitoring activities.
- Financial strategies and sustainability are achieved.
- **Climate Emergency and Net Zero strategies and ambitions are achieved.**

6. The Board ensures that College staff are effectively recruited, managed, developed and supported.

- The strategic, operational and legislative obligations of the Board as an employer are fully and appropriately discharged.
- Board members are well informed of staffing issues, requirements, policies and approaches and have appropriate opportunities to understand and contribute fully to the leadership and development of these.
- Committee reporting arrangements are effective in ensuring that Board members understand and can contribute fully to HR strategy, developments and enhancements.
- The positive promotion of equality and diversity is evident.
- Health and safety arrangements are effectively managed and implemented.

7. The Board ensures that ethical standards are met and that arrangements for the control and audit of College activities - including the effective management of risk – operate effectively.

- Transparency in Board activities is evident and good ethical standards maintained.
- The Board discharges fully all necessary audit and reporting responsibilities.
- Board members are well informed of audit requirements and outcomes and have appropriate opportunities to understand and contribute fully to the review and development of these.
- Committee reporting arrangements are effective in ensuring that Board members understand and can contribute fully to College audit matters.
- Appropriate risk management is evident in respect of key strategic and operational developments; national and government policy; finances and financial management; IT systems and services; staffing matters; educational/service equality; reputation/PR; and security, health and safety, and facilities.

8. Chair arrangements support effective Board operations and deliver high standards of governance and success for the College.

- Board and Committee agendas and activities are appropriate to Board, College and governance needs.
- Board and Committee meetings are managed appropriately - chairing and time management skills are evident.
- Board and Committee discussions and outcomes are relevant and appropriate
- Committees offer an appropriate balance of support and challenge for senior staff.

BOARD DEVELOPMENT PLAN PROGRESS REPORT JUNE 2022

Following on from the evaluation of the effectiveness of the operation of the Board of Management approved in December 2020, the following key development actions were identified for action. Progress in respect of these actions is summarised below, and as appropriate revised implementation dates have been identified.

Action		Responsibility	Timescale
1. The diversity of Board membership should be included within all future recruitment arrangements to seek to maintain 50:50 gender representation and to further improve overall diversity of background/experience.		Chair/Secretary	Next and future recruitment
Progress	50:50 gender balance maintained through recruitment/additional diversity sought		
2. The Board should consider options to co-opt members to Committees where this is considered appropriate to enhance knowledge and skill sets.		Chair/Secretary	As required
Progress	New member co-opted to support the work of the Audit & Risk Committee and Learning, Teaching & Quality Committee		

BOARD DEVELOPMENT PLAN JUNE 2022

Following on from the evaluation of the effectiveness of the operation of the Board of Management approved in December 2020, the following key development actions were identified for action. Progress in respect of these actions is summarised below, and as appropriate revised implementation dates have been identified.

Action	Responsibility	Timescale
1. Promoting diversity of Board membership should remain as a key feature in all future recruitment arrangements.	Chair/Secretary	Next and future recruitment
2. Staff Board members will be encouraged to provide wider reflections of staff experience at Board level.	Chair	As required
3. Strategic visioning and strategy development looking beyond 2025 to be incorporated into Board strategic sessions.	Chair / Principal	December 2022
4. Further clarity to be sought at a national level to better inform future campus development strategy for Kingsway.	Chair / Principal	December 2022
5. Training opportunities for F&P members will continue to be made available to support input and engagement by all Committee members.	F&P Chair, VP Corporate Services	June 2023
6. F&P Committee members to be supported to engage fully with infrastructure initiatives including the future Infrastructure Strategy, Net Zero ambitions and Digital Strategy.	F&P Chair, VP Corporate Services	June 2023
7. HR&D Committee members to be supported to engage fully in the support and challenge of senior staff during times of significant change (such as savings plans /structural change)	F&P Chair, VP People & Performance	June 2023

BOARD OF MANAGEMENT

Tuesday 21 June 2022



GOVERNANCE ITEMS

MEMBERSHIP UPDATE

PAPER L

BOARD OF MANAGEMENT

Tuesday 21 June 2022



Membership Update

Paper for approval

1. Introduction

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

2 Board of Management Membership

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

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

3 Board Membership

Following recruitment activities in early 2022, appointments have been made to the two available vacancies and the board has welcomed Brian Lawrie and Roy McLennan to its membership.

Steven Mill has confirmed his desire to step down from the Board with effect from June 2022 and as a result a current vacancy exists. Given this it is proposed to recruit for this vacancy in autumn 2022 and approval is sought for recruitment to be progressed through delegation to the Chairs Committee.

3.1 Skills Mix

The Board of Management has a responsibility to ensure that it has a mix of skills within its membership that is relevant to the needs of the Board and reflects the local economy. A summary of the current skills mix is enclosed as Appendix a.

In respect of this skills mix it is identified that the Board would benefit from input from members with one or more of the following areas of experience/expertise:

- Public Sector Management.
- Digital
- Marketing & Promotions
- People Management / Human Resources

3.1 Student Board Member

Following the recent elections for Students' Association Office Bearers the Student Board Members nominated by the Students Association have been confirmed as:

- Amy Monks, Student President
- Lenka Strukanova, Student Vice President (Kingsway)

The Board are asked to confirm these appointments.

4 Potential Acting Chair

As advised in March 2022, the Scottish Government is progressing arrangements for the recruitment of a new Chair for the D&A Board. Interviews for this role have been completed and it is expected that a new Chair will be confirmed in late June/ early July 2022.

The Scottish Government have advised that should an appointment be delayed for any reason they would seek a nomination from within the current Board to undertake the role of Chair on an interim basis.

To allow for this step to be progressed without delay over the summer period, it is proposed that the Board nominate George Robertson (as current Board Vice Chair) for this role if a requirement arises.

5 Approvals

In summary, approval is sought for the following:

- Delegation of recruitment arrangements to the chairs Committee for one vacancy and one likely vacancy.
- Confirm appointment of the Student Board members.
- Nomination of George Robertson to the role of Interim Chair if the requirement for this arises.

Author and Executive Sponsor: Steve Taylor, Vice Principal People and Performance

Board of Management Membership and Skills Mix as at June 2021

Name	Appointment	Member Until	Profession/Specialism
1. Angela McCusker	Regional Chair July 2014	Scottish Government Appointment until 31/07/2022	Business, Management, Finance
2. Margo Williamson	June 2021	31/05/2025	Public Service Management, Education Management, Learning & Teaching
3. Steven Mill	June 2021	Resigns June 2022	Finance, Public Service Management
4. George Robertson	March 2015	31/03/2023	Finance, Management
5. Donna Fordyce	April 2017	31/04/2025	Economic Development/ Enterprise, Fisheries, Retail Management
6. Helen Honeyman*	January 2019	31/12/2022	Risk, Governance, HR Management
7. Kirsty Keay*	January 2019	31/12/2022	Commercial, Governance, HR, Third Sector Management
8. Donald Mackenzie*	April 2019	31/03/2023	HR & OD, Corporate Communications Management
9. Neil Lowden*	January 2019	31/12/2022	Educational Management, Learning & Teaching, Educational Policy
10. Kevin Ditcham*	April 2021	31/03/2025	Community Learning & Engagement, Management, Third Sector
11. Sally Middleton*	June 2021	31/05/2025	HE Learning & Teaching, Management, Access, and Articulation
12. Brian Lawrie*	May 2022	31/04/2026	Finance, Public Service Management
13. Roy McLellan*	May 2022	31/04/2026	Business, Management, Enterprise
14. Simon Hewitt	August 2020	--	Principal
15. Sam Stirling	September 2019	31/09/2023	Non-Teaching Staff Member
16. Barry Carmichael	April 2019	31/03/2023	Teaching Staff Member
17. Nicola Dowie	August 2021	31/07/2022	Student Member
18. Amy Monks	August 2019	31/07/2023	Student Member

* Eligible for reappointment

BOARD OF MANAGEMENT

Tuesday 21 June 2022



GOVERNANCE ITEMS

BOARD METRICS

PAPER M

BOARD OF MANAGEMENT

Tuesday 21 June 2022

Board Metrics



Paper for information

1 Introduction

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

2 Board Metrics Report

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

3 Link to Strategic Risk Register

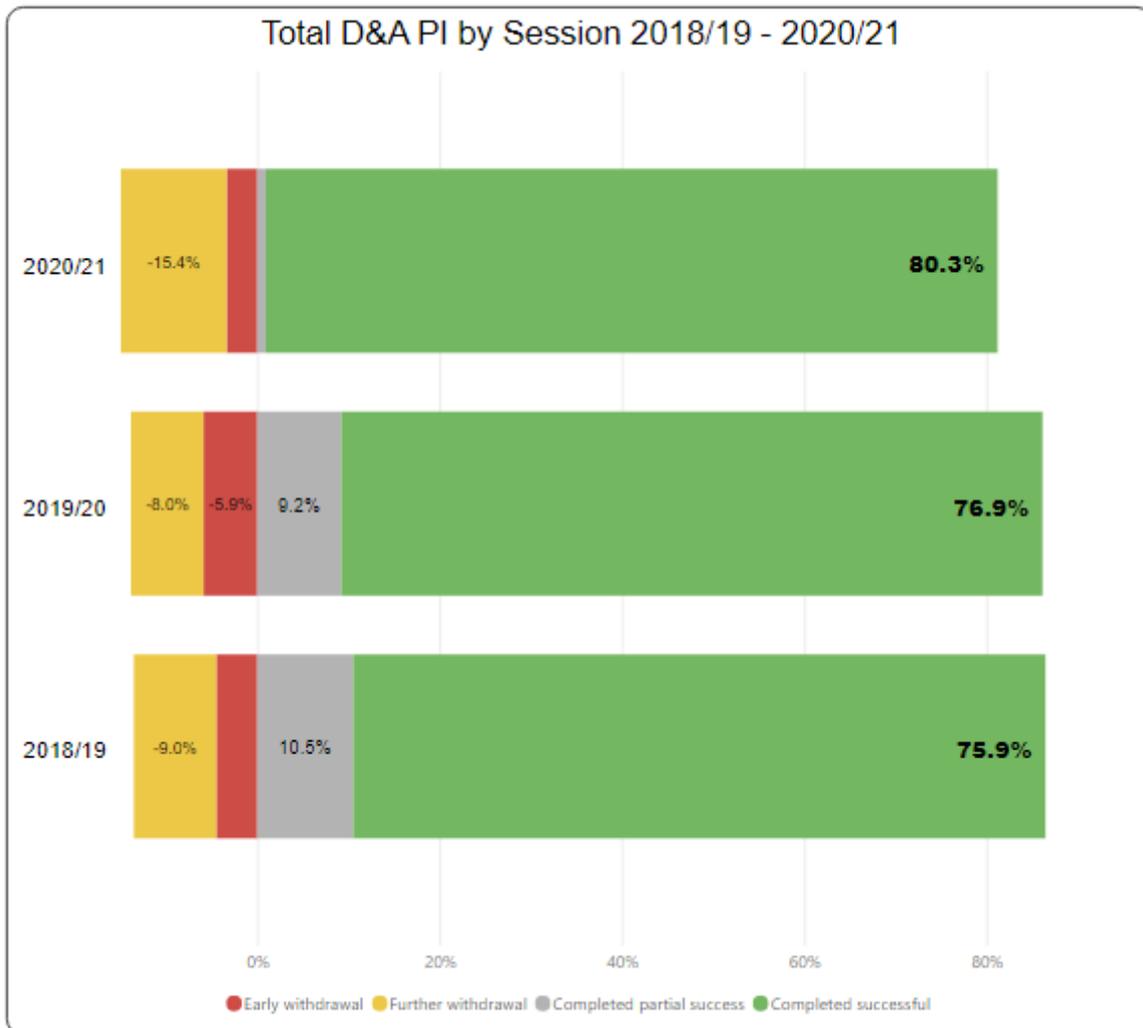
Information in this report is intended to provide Board members with reassurance that actions and activities are being progressed and addressed that support the mitigation of a range of risks identified within the Strategic Risk Register namely;

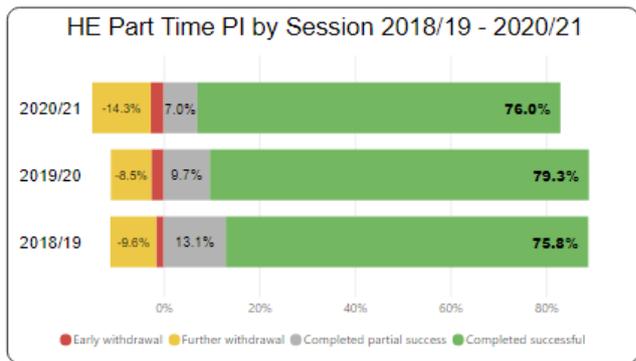
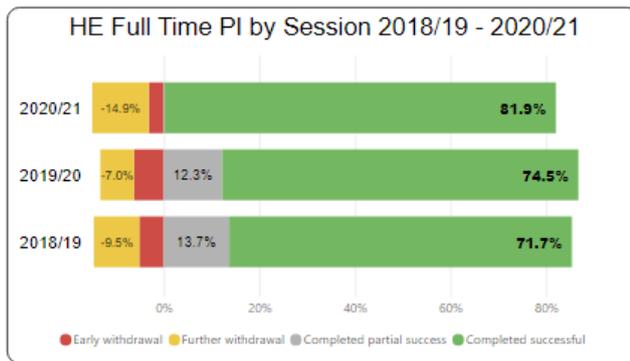
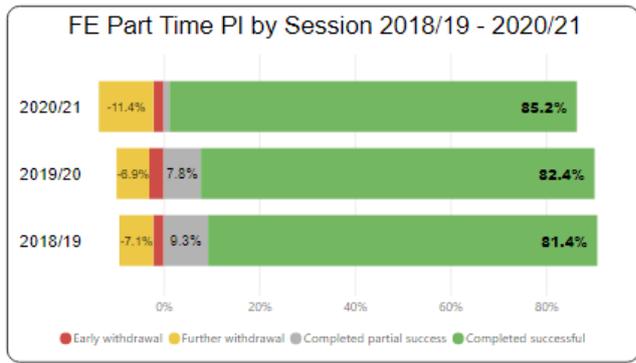
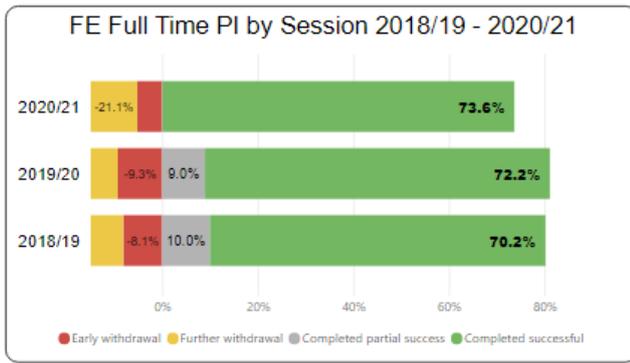
- 1.1 – Failure of College strategy to meet the needs of the D&A Region and/or national priorities (eg Employability, DYW, attainment, articulation)
- 2.2 – Failure to achieve institutional sustainability
- 3.1 – Failure to reach aspirational standards in learning, teaching and service delivery
- 3.3 – Legal actions; serious accident; incident or civil/criminal breach
- 3.4 – failure to meet aspirational standards in respect of the health, safety, wellbeing and development of staff and students

Author Colin Lynagh, Business Intelligence Officer
Executive Sponsor: Steve Taylor, Vice Principal People and Performance

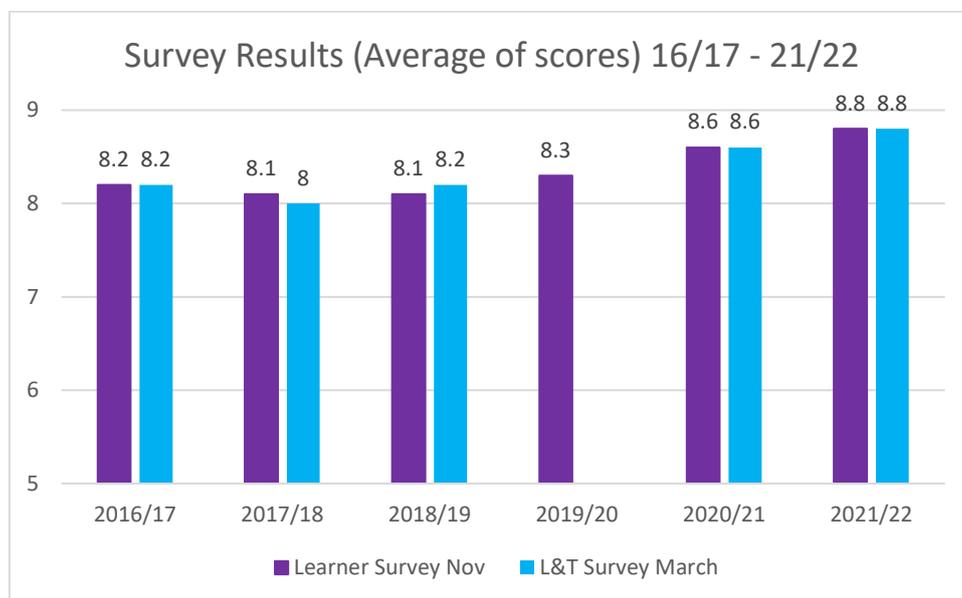
Performance Indicators

All data outlined below is up to date and final.





Student Survey Results

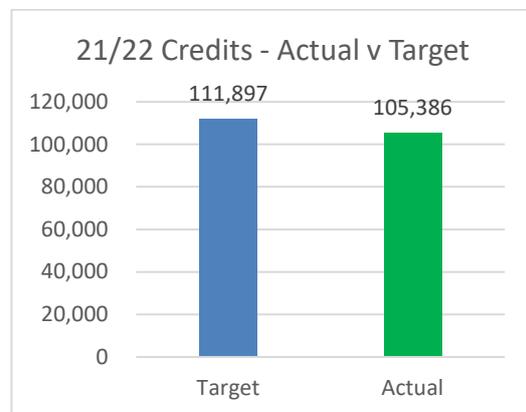
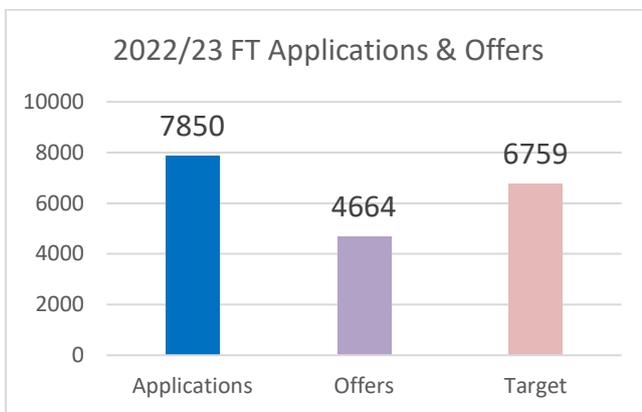


Note: The 2019/20 L&T Survey was not completed. The Learner Survey is now scored out of 5 but the results are scaled up to be consistent with prior years. The overall 2021/22 Spring survey score was 8.8 (4.4 out of 5).

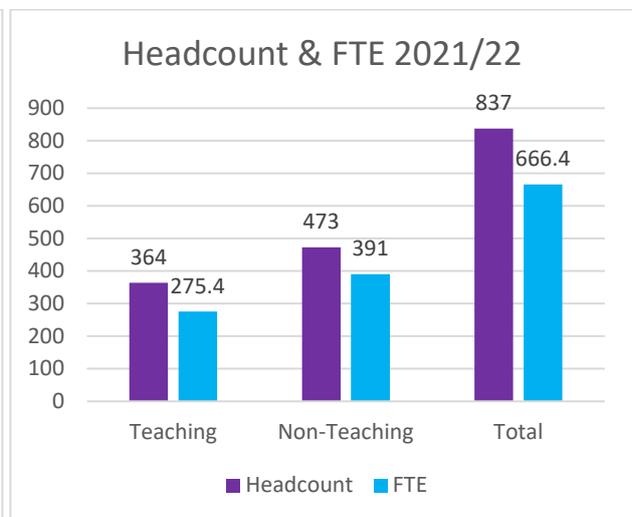
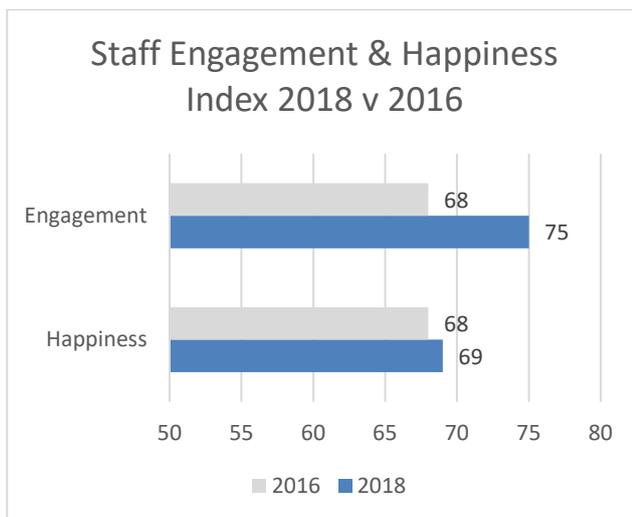
SFC Student Satisfaction & Engagement Survey – Positive response rate

	D&A	National
Overall Satisfaction 2017/18	90.4%	83.6%
Overall Satisfaction 2018/19	91.4%	86.9%
Overall Satisfaction 2020/21	92.4%	85.9%

Note: The 2019/20 SFC Student Satisfaction and Engagement Survey was not completed

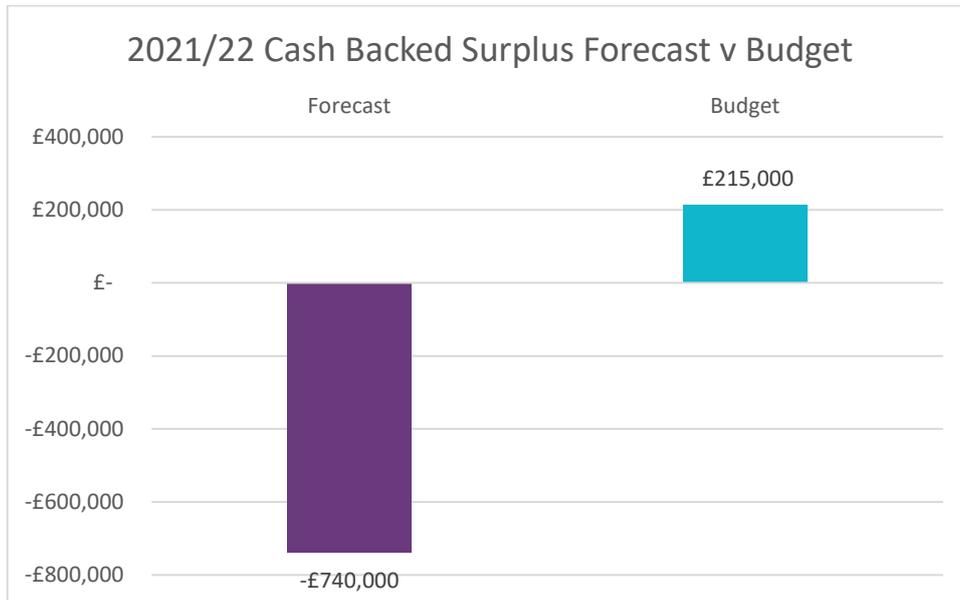


Staff – Engagement and Happiness Index, FTE & Headcount and Absence



	Staff Absence Rolling Year to 31/03/22	Staff Absence Rolling Year to 31/01/22
Average working days lost per headcount	6.99 days	6.90 days
Working time lost	2.69%	2.22%
Comparison with sector/national rates		
UK All Sector rate (CIPD 2016)		2.6%
UK Public Sector rate (Unison 2016)		3.4%

Finance – Surplus/Deficit v Planned Budget out-turn



	2021/22	2020/21
RIDDOR – Reportable Accidents	7	3

2021/22	Completed	Planned
Audits Completed v Planned	4	6

BOARD OF MANAGEMENT

Tuesday 21 June 2022



GOVERNANCE ITEMS

GARDYNE THEATRE LIMITED

PAPER N

BOARD OF MANAGEMENT

Tuesday 21 June

Review of Gardyne Theatre



Paper for approval

1. Introduction

It has been almost 11 years since the Gardyne Theatre opened after a major refurbishment. Gardyne Theatre Limited (GTL) was incorporated to operate the Theatre with the driver being the recovery of the input VAT (£407k) for the refurbishment.

Prompted by a number of factors it was agreed that a review of Gardyne Theatre would be appropriate.

A detailed version of this report was discussed at the [Finance & Property Committee](#) (starting page 75) and the GTL Board. Depending on the decisions taken on the purpose and use of Gardyne Theatre, other elements such as GTL, structure and investments can be explored in more detail.

2. Recommendations

Board members are asked to consider and approve the following:

- a) The proposed Option 5 (paragraph 6) that GTL continues to operate Gardyne Theatre. The Executive propose this option would be for a period to 31 December 2023 initially, to confirm that GTL can provide a return by way of a:
 - Licence to Occupy fee of £10,000
 - Service Level Fee that is appropriate for the level of contra services provided. It is further proposed that the fee would be agreed by the Chair of this Committee and the Chair of the GTL Board, who is also a member of this Committee.
 - Increased Licence to Occupy fee if unfunded infrastructure investments in Gardyne Theatre are necessary with prior approval of the F&P Committee and the GTL Board.
- b) There is an emphasis on the delivery of the GTL objectives and purpose as incorporated, particularly in relation to promoting the College and its offering.
- c) The opportunities to enhance the relationship between the College/The Space and Gardyne Theatre and the use of the spaces, is optimised within legal operational constraints.
- d) A separate review be undertaken to identify the most advantageous uses of and investments in The Space and Gardyne theatre to maintain the College's financial sustainability.

- e) The GTL Articles of Association are updated to reflect good practice, Director terms of office and College appointed Director roles.

3. Background

Gardyne Theatre opened in September 2011. Since 2011 it has provided a high standard of theatre experience for hundreds of performances of all varieties.

Gardyne Theatre Limited (GTL)

Gardyne Theatre is fully owned by Dundee & Angus College (the College). GTL is a company, limited by guarantee, incorporated under the Companies Act, (SC405789) established to operate the Theatre on behalf of its sole member; the College.

GTL has a Board of Directors.

The articles of association do require to be updated and agreed by the GTL and College Boards. The proposed changes to the articles are:

- a) Directors would be as a minimum: Principal, 2 members of the SLT, as approved by the Principal, a College Board member, as approved by the Chair of the College Board and, ideally, an external individual with experience of operating a theatre.
- b) Term of Office: A member of the College Board can remain as a Director of GTL for as long as they remain a Board member. The maximum period of three years be changed to align with the College term of four years with a second and final term of four years being on the approval of the College Board.

GTL has a “Licence to Occupy” Gardyne Theatre from the College and a SLA provides for GTL to request the provision of services from the College

4. Finances

Henderson Loggie is appointed by GTL to audit the accounts of GTL.

	2020/21
Turnover	1,208
Other Operating Income	42,176
Total Income	43,384
Expenditure	41,763
Profit/(Loss)	1,621
Reserves	45,853
Cash	47,083

The forecast outturn for 2021/22 and draft budget for 2022/23 is

	2021/22 Forecast	2022/23 Budget
	£	£
Total Income	185,602	241,585

Expenditure	185,602	236,004
Surplus	Nil	5,581

Three tranches of funding (£15k, £15k, £45k) during 2020/21 and 2021/22 were granted by Creative Scotland's Recovery Fund for Cultural Organisations to enable GTL to cover the cost of the appointment of the Theatre Manager. The £45k is also intended to be used to re-engage with communities to encourage/maximise the use of the Theatre.

5. Staffing

GTL currently has two members of dedicated staff; Theatre Manager, appointed by GTL and Technical Manager appointed by the College.

Other than the 2 dedicated Theatre staff, GTL has a bank of casual staff that consists of technical support, bar staff, ushers and duty managers.

The Theatre Manager was appointed in February 2021 and is only now able to operate the Theatre under non-covid restrictions.

6. Options for Gardyne Theatre

Option 1: College operates Gardyne Theatre for Curriculum Use

Practicalities:

- GTL Licence to Occupy is revoked
- GTL staff contracts are terminated (Theatre Manager and casual staff)
- Depending on whether the Theatre continues to be used by the college on a regular/frequent basis the Technical Manager would be impacted
- Consideration of longer term contracts such as Youth Music Initiative
- Contracted shows are cancelled

Advantages:

College resources are not utilised by GTL;

Disadvantages:

- This would depend on the extent of the usage of the facilities and what management/ oversight of the facility would be needed
- Costs of physically maintaining the Theatre would remain
- Potential for the space to be underutilised
- Inability to recover VAT
- Small scale backlash and reputational damage caused by cancelled shows

Option 2: College operates Gardyne Theatre for Commercial Use

Practicalities:

- GTL Licence to Occupy is revoked
- GTL staff contracts are terminated (Theatre Manager and casual staff)
- Staff are employed by the College

Advantages:

- GTL Board and separate statutory reporting would not be required.

Disadvantages:

- Not core business
- Staff would need to be redeployed, deployed or recruited to operate the Theatre
- Financially sustainability of employing staff on College Terms & Conditions of Service
- Costs of physically maintaining the Theatre would remain
- Inability to recover VAT

Option 3: Gardyne Theatre is closed for use

Practicalities:

- GTL Licence to Occupy is revoked
- GTL staff contracts are terminated (Theatre Manager and casual staff)
- Technical Manager is impacted
- Contracted shows are cancelled

Advantages:

- GTL Board and separate statutory reporting would not be required
- College resources are not required; HR/Finance/Estates/Senior staff

Disadvantages:

- Large spaces left unused/unmaintained
- Partial return of funding to Creative Scotland
- Small scale backlash and reputational damage caused by cancelled shows

Option 4: The Licence to Occupy Gardyne Theatre is allocated to another operator

Practicalities:

- GTL Licence to Occupy is assigned to another operator
- GTL staff contracts are terminated (or TUPE may apply for Theatre Manager and casual staff)
- Technical Manager is redundant or transferred

Advantages:

- GTL Board and separate statutory reporting would not be required
- Financial contribution to operate could potentially be increased from £10,000
- College resources are not required

Disadvantages:

- Cost and resource to develop contractual agreements on use of the Theatre
- Agreement required on funding of maintenance and replacement of physical infrastructure
- Contract manager allocated to oversee agreement

- Ability to attract a suitable operator
- Detailed and complex agreements would be required (H&S, security, shared use of bar/café/toilet/atrium facilities)

Option 5: GTL continues to operate Gardyne Theatre for Commercial Use and Curriculum Use (when there is no conflicting bookings) for a time-specified period.

Practicalities:

- The current arrangement would be maintained with the addition of the ability to formalise College use.

Advantages:

- Provides the Theatre Manager time to explore the ability of Gardyne Theatre to generate a contribution to the College
- Non-core business of the College continues to be outsourced to GTL
- GTL Terms & Conditions of Service are aligned with the industry
- Better alignment with College activities is now possible since the 10 year limit of use is removed
- VAT recovery is maintained, although would be impacted if there is a significant increase in the use by the College of the Theatre

Disadvantages:

- Continuing GTL Board and separate statutory reporting
- Continuing input from College resources (appropriately reimbursed via the Service Level Agreement taking into account College use of the Theatre)
- Responsibility for costs of physically maintaining the Theatre remain to be agreed

7. Conclusion

There has not been stability within GTL for a number of years, either as a consequence of changes in management or as a result of the pandemic. Equally there hasn't been visibility of the transactions between the College and GTL, as is now possible following the 10-year VAT recovery period now ending.

At present, GTL accesses support from the College in the same way as the Sports Centre, Nursery or Service Design Academy.

Based on the information provided it is recommended that GTL continues to operate Gardyne Theatre to December 2023, assuming that break-even of GTL can be maintained as a minimum on an annual basis. This assumes the Licence to Occupy fee and an appropriate Service Level fee is paid by GTL to the College and that the College reimburses GTL an appropriate fee for the use of the Theatre.

If this is approved, further work would be necessary to:

- Update the GTL articles of association.
- Optimise the potential of the College/GTL relationship, particularly as the use by the College of Gardyne Theatre is allowable as well as the relationship with Performing Arts.

- Understand the infrastructure investments that will be required over the next few years to Gardyne Theatre and The Space, with a view to minimising the impact on the College's financial sustainability through other sources of funding and sharing of resources.

8. Link to Strategic Risk Register

The review of GTL connects with a number of risks within the Strategic Risk Register however the main issue of concern for the College is that Gardyne Theatre does not impact on the College's financial sustainability namely; Risk 2.2 – Failure to achieve institutional sustainability.

Executive Sponsor: Jaki Carnegie, Vice Principal Corporate Services

BOARD OF MANAGEMENT

Tuesday 21 June 2022



MINUTES OF COMMITTEE MEETINGS

PAPER O

13.1 Learning, Teaching & Quality – 27 April 2022

13.2 Human Resource & Development – 5 May 2022

13.3 Finance & Property – 31 May 2022

13.4 Audit & Risk – 7 June 2022

BOARD OF MANAGEMENT



Learning, Teaching and Quality Committee Wednesday 27 April 2022

Draft Confirmed by Chair

Minute of the Learning, Teaching and Quality Committee meeting held on Wednesday 27 April 2022 at 5.00pm via Microsoft Teams.

PRESENT:

N Lowden	A McCusker
K Ditcham	S Stirling
B Carmichael	S Hewitt
S Middleton	G Robertson
MC McNally	A Monks

IN ATTENDANCE: S Taylor (Vice Principal / Secretary to the Board)
J Grace (Vice Principal Curriculum & Attainment)
J Carnegie (Vice Principal Corporate Services)
S Toms (Director of Curriculum and Attainment)
J Roscoe (Director of Curriculum and Attainment)
M Sanderson (Executive Secretary)
L Lappin (Head of Sector) S McGregor (Head of Sector)
D Burns (Head of Sector)

1. **WELCOME**

N Lowden chaired the meeting in the absence of M Williamson and welcomed Committee members and L Lappin, S McGregor and D Burns (Heads of Sector).

2. **APOLOGIES**

Apologies were received from M Williamson, S Mill, H Honeyman and N Dowie

3. **DECLARATIONS OF INTEREST**

There were no declarations of interest.

4. **MINUTE OF PREVIOUS MEETING**

The minute of the meeting held on Wednesday 9 February was approved as an accurate record.

5. **MATTERS ARISING**

There were no matters arising.

6. CURRICULUM REPORT – CURRICULUM REVIEW & SECTOR PRIORITIES

L Lappin, D Burns, S McGregor, and J Roscoe (on behalf of K Paterson) presented the Curriculum Report on Curriculum Review and Sector Priorities within the Curriculum. Each Head of Sector reported on the key curriculum priorities and areas for development within their sectors.

A copy of the presentation can be found [here](#).

N Lowden noted it was an excellent presentation to the Committee.

J Grace noted the team are reviewing the current financial situation and will be reviewing with curriculum teams.

G Robertson asked if there was competition for external commercial courses and if there was still a demand at the College. J Roscoe confirmed demand was high for some commercial courses, and there was a gap in the market to continue to offer.

A McCusker asked what criteria was used to decide what courses were in our out looking forward. J Grace confirmed the Directors, alongside the Heads of Sector look at every team / course within the curriculum and used available labour market and other data sources to assess the fit to the regional economy. J Grace noted that resources were tight and would need to be prioritised, but that external partners were also being sought to provide sponsorship to help with resources.

S Middleton asked about engagement with local universities and what external demands the College were competing against. J Grace confirmed the two local universities were recruiting the same students as the College, which was a challenge, but also noted that there had been an increase in articulation and articulation agreements.

K Ditchburn asked what access the College gives to resources for mental health training and building this training into courses. D Burns confirmed the Metaskills covered mental health and wellbeing, and this is enforced on every course. S Taylor highlighted the College were working in partnership with several organisations to expand the skills offer and build support like this further into the curriculum.

MC McNally noted a fantastic presentation and said that this should be circulated to external stakeholders and local universities. MC McNally noted that the planned Open Day was a great way to showcase the College to school pupils and parents, particularly focusing on the support available.

N Lowden thanked I Lappin, S McGregor and D Burns for their input.

7. STUDENTS ASSOCIATION REPORT

A Monks presented the report [presentation](#) to the Committee.

A Monks summarised the update to the Committee and noted key projects they were working on, including the elections for Student President which close on Friday 29 April.

A Monks noted the recent representation days had been successful, allowing the chance to collaborate with different support services in the College. On campus activities were back, and it was good to see students attending events in high numbers.

A Monks confirmed that the team were continuing to carry out retention calls (c 3,600 so far) with these identified as highly effective practice by Education Scotland.

N Lowden and the Committee noted the fantastic work carried out by Students' Association and thanked them for their hard work.

8. 2021/22 POST COURSE SUCCESS

S Taylor summarised the 2021/22 Post Course Success report, highlighting the increase in full-time work and corresponding did in full-time study destinations.

N Lowden noted the unemployed percentage decreasing was a positive step. S Taylor confirmed the figures will be matched across Scotland and national percentages will be published, usually around October / November 2022.

The report was noted.

9. EDUCATION SCOTLAND PROGRESS VISIT REPORT

S Taylor highlighted the report to the committee and provided an overview. The progress visit took place in February 2022 and the Education Scotland team met with various staff and students. Peter Connelly will attend the board meeting in September to formally present the findings.

A McCusker welcomed the positive report and noted the action point around learning and teaching observation and asked what's the next stage for review and follow up. S Taylor noted that the normal round of observation activity was impacted by the pandemic, with support for online / remote learning being the priority for a period.

A McCusker asked if there was a percentage for courses remaining online. J Grace confirmed the College wasn't taking a percentage ratio approach and was reviewing what worked best for different learner groups, with the mix determined by what worked best.

N Lowden welcomed the excellent feedback report.

10. VP CURRICULUM & ATTAINMENT REPORT

J Grace summarised the report and highlighted the College Open Day would take place on Saturday 30 April 2022.

J Grace highlighted the recruitment numbers are similar to last year and HN numbers have decreased slightly. Focus will be recruiting HN courses.

S Toms noted the fantastic work that's happening around Esports and how the team are building commercial opportunities through the project.

The report was noted.

11. STRATEGIC RISK REGISTER

S Taylor noted there were no changes proposed to the Risk Registers. This was noted.

S Taylor highlighted the separate COVID risk register may be removed in the near future as restrictions were easing.

12. LT&Q METRICS

S Taylor summarised the paper and highlighted the PI data is now the final data and national PIs had been published the day before.

S Taylor noted that from 19 different measures, the College was in the national top 3 for 18 of them and was top in Scotland for 9 or the 18. To put this in perspective, S Taylor stated that this equated to around 500 more students being successful at D&A compared to the national average.

S Hewitt noted that he was really pleased to note that one of the measures showed that care experienced students at D&A were more successful than the average of all students nationally. D&A was sector leading in terms of the successful outcomes for these students.

A McCusker asked if there was an update on the Credit target. J Grace confirmed work was ongoing to capture all activity in which the College can claim credits. Credits are being monitored regularly, with fortnightly updates at SLT meetings. It was anticipated that the core and ESF targets would be met.

13. COVID 19 UPDATE ON LEARNING, TEACHING & ENGAGEMENT OF LEARNERS

S Hewitt provided an update on the latest COVID information. Restrictions had been relaxed on campus and around learning and teaching.

S Hewitt noted work was ongoing to support staff and students with the transition back onto campus and also around the on-going impacts of the pandemic.

S Taylor summarised the recent changes to isolation and absence arrangements and noted that the College were using the national Distance Aware scheme.

J Grace noted there was still some disturbance with Staff and Student absence due to COVID and that use would be made of the SQA assessment adaptations to best support students.

14. DATE OF NEXT MEETING

Wednesday 31 August 2022, Y150, Boardroom Gardyne Campus.

Action Point Summary

Action	Responsibility	Date
No actions noted		

BOARD OF MANAGEMENT



Human Resources and Development Committee Thursday 5 May 2022

Draft confirmed by Chair

Minute of the Human Resources and Development Committee meeting held on Thursday 5 May 2022 at 5.00pm via Teams.

PRESENT:

D Mackenzie	B Lawrie
S Hewitt	K Keay
D Fordyce	B Carmichael
S Stirling	

IN ATTENDANCE:

S Taylor (Vice Principal)	J Grace (Vice Principal)
J Carnegie (Vice Principal)	M Sanderson (Executive Secretary)

1. WELCOME

D Mackenzie welcomed members to the meeting.

2. APOLOGIES

Apologies were noted from N Lowden, B Grace and A Mawhirt.

3. DECLARATIONS OF CONNECTION & INTEREST

S Taylor highlighted the paper explaining the definitions for a connection and an interest. There were no declarations of connections or interests.

4. MINUTE OF THE PREVIOUS MEETING – 17 February 2022

Minute of the previous meeting was approved as an accurate record following correction to note that apologies had been received for D Fordyce.

5. MATTERS ARISING

There were no matters arising.

6. OPPORTUNITIES AND CHALLENGES PAPER

S Hewitt summarised the paper, highlighting that at least £1.5 million needed to be saved from the 2022/2023 budget.

S Hewitt noted that recruitment had been declining, and the student demographic was changing, with more 16 and 17 year-olds applying for College.

It was noted that the paper summarised the need for a difficult balance between cuts and investing in areas of growth and new technologies to enhance the curriculum.

S Hewitt noted there have been a series of discussions with managers since the paper was issued to begin to pull together proposals for consultation within a second paper to be published to all staff by 16 May.

J Grace noted the recent curriculum review involved all curriculum departments and they had met with every team. There was an overview of the curriculum portfolio to see if it remained fit for purpose, are students succeeding and does it have a purpose for the future. Decisions on the future course portfolio would be made based on evidence of need and success.

J Carnegie highlighted 80% of costs were staffing, which made any savings plan difficult to enact without impacting on jobs. As noted in the financial strategy, within the remaining 20% there was very little scope for savings due to increases in fuel, gas, electricity etc.

J Carnegie noted that the Scottish Government were investing money in carbon management and the College was aiming to maximise funding from other projects or opportunities. There would be a more in-depth update at the Finance and Property Committee.

D Fordyce asked if it was an increasing challenge around how the College could make these savings with a tight budget already. S Hewitt noted that it was and noted the need to reprioritise and invest in some areas, with cuts in others.

B Lawrie noted the paper was extremely helpful and noted that the statement about continuing to thrive was important.

S Taylor noted that the paper was a first outline of the challenges faced and stated that the next steps were around difficult discussions with Managers and staff. The next part of the consultation process would be a proposal paper, outlining changes proposed and their impact on staffing.

S Taylor noted the unions were aware of the process and would be updated again before the proposals paper was published. It was noted that any staff / staff groups who will be affected in the paper, would also be notified before the paper was published.

The People team were available to support conversations with managers and further information and support would be available, including confirming any redeployment opportunities that may arise.

D Mackenzie noted the various plans and structures in place and stated that the thoughts around the process were clear and detailed, and asked what staff morale was like? S Hewitt noted it had been mixed and that some staff were oblivious to the paper or felt that it would have no impact to them, whilst others were concerned or were overthinking and overanalysing.

Students were the prime focus for staff, with the term coming to an end in the next few weeks.

B Carmichael noted the paper was like the budget cuts around 2010, and some staff seemed to have the attitude they won't be affected.

D Mackenzie asked if the Senior Leadership Team had considered any additional actions that might be needed to increase awareness. S Hewitt confirmed the next paper would be more detailed and would be picked up by staff. Principal briefing sessions were also arranged for when the paper was published.

S Taylor highlighted that, in governance terms, the detail of the paper would impact on most committees and more details would be available for the Finance and Property and full Board meetings.

7. VP PEOPLE AND PERFORMANCE REPORT

S Taylor summarised the report, highlighting that National Bargaining disputes and discussions were ongoing. S Taylor noted, strike days were planned, with these increasing to three days next week. The uptake for strike action at the College was relatively limited, which has allowed students to attend College and most classes to go ahead as normal. Some class groups had been more affected due to the strike days always landing on the same weekdays.

S Taylor noted that there had been little government engagement in the action, and it had been left to the unions and employers to seek resolution. B Carmichael noted that he had picked up significant unhappiness around the scale of the planned strike action, from those that supported it as well as those that didn't.

S Taylor noted support staff negotiations are ongoing and Unison had announced a ballot for industrial action.

B Lawrie noted the update on job evaluation and asked about the constraints on the project. S Taylor noted the job evaluation was still at the scoring stage, so no financial impacts were known, but that the government had allocated £12 million funding to the Scottish funding Council (SFC) to support the cost of salary changes.

S Taylor highlighted there had been a positive reaction to the recent staff survey and that a full update on this was planned for the Board strategy event. A New Ways of Working (New WoW) event for staff and students was planned for 19 May.

8. NATIONAL BARGAINING UPDATE

This item was covered under Agenda Item 7.

9. STRATEGIC RISK REGISTER

S Taylor summarised the Risk Register and this was approved by the Committee. A review of the need for a separate COVID Risk Register would take place in due course.

10. HR METRICS

HR Metrics were noted by the Committee.

D Mackenzie asked if temporary staff were likely to be impacted by savings plan proposals. S Taylor noted that temporary staff may be impacted first but noted that the transfer to permanency arrangements had reduced flexibility in this area.

An error was noted on table 2 of the report and a correction would be issued after the meeting.

11. COVID 19 UPDATE ON HEALTH & SAFETY, LEADERSHIP, WAYS OF WORKING & COMMUNICATION

S Hewitt noted the update was summarised in the VP report. S Hewitt highlighted COVID cases were decreasing but this was expected as testing had been removed. S Taylor added arrangements around testing and self-isolation had changed and if staff had COVID symptoms and elevated temperature, they are advised to stay away from work for 5 days.

J Carnegie added that face coverings were still encouraged in crowded places and CO2 monitoring was still in place.

It was noted that staff and students were generally relaxed around the change in regulations, but that some were nervous. The majority were not wearing masks.

S Taylor noted that the College had adopted the 'Distance Aware' scheme and were reminding students and staff that others may be concerned about being in busy places or interacting with larger groups.

The update was welcomed.

12. DATE OF NEXT MEETING

TBC.

Action Point Summary

Action	Responsibility	Date
Agenda Item 10 – Update table 2 in Metrics	S Taylor	13 May 2022

BOARD OF MANAGEMENT



Audit & Risk Committee

Tuesday 7 June 2022 at 5.00pm
In Microsoft Teams

Minute of the Audit & Risk Committee meeting held on Tuesday 7 June 2022 at 5.00pm via MS Teams

PRESENT: H Honeyman (Chair Audit) S Middleton
M Thomson R McLellan
K Ditcham

IN ATTENDANCE: J Carnegie (Vice Principal) T D'All (Principal's/Board Chair PA)
S Taylor (Vice Principal) D Archibald (Henderson Loggie)
A Kerr (Audit Scotland) E Robertson (Audit Scotland)

1. WELCOME

H Honeyman welcomed members of the Audit Committee, her first as Chair. H Honeyman also welcomed R McLellan and K Ditcham to their first meetings of the Committee.

2. APOLOGIES

Apologies were noted from K Keay and M Williamson

3. DECLARATIONS OF INTEREST OR CONNECTION

None.

4. ELECTION OF VICE CHAIR

S Taylor noted the Vice Chair of the Audit & Risk Committee vacancy. Notes of interest to be emailed to S Taylor for picking up at the meeting in September 2022.

5. MINUTE OF THE PREVIOUS MEETING –

The minutes of the Audit and Risk Committee meeting held on 8 March 2022 was approved as an accurate record with one change:

Item: 6.2 – minute was updated to include: additional layers of assurance and building on work undertaken in previously reviews.

6. MATTERS ARISING

Matters arising from previous meeting were closed.

7. INTERNAL AUDIT

7.1 Publicity & Communications

D Archibald summarised the report, highlighting that this looked at external and internal communications and noted that the overall grading was “Good”. Strengths noted included the Marketing the Future Project –new ways of communications with audiences. D Archibald noted that the opportunities for enhancement highlighted in the report would be useful but were not necessary weaknesses.

D Archibald said that the Internal Communication Policy was due for. D Archibald highlighted discussions with Managers where it was felt that bespoke training around communication / digital communication methodology; communication routes and understanding how these can be applied.

H Honeyman asked about reference to different communication mediums within the policy and S Taylor advised that College Policies were high level so would not include all forms of communications.

S Taylor highlighted that College Policies were updated on a rolling 3-year basis, however the usual document control processes had been impacted by COVID, so a number of policies still required to be updated.

The positive audit report was approved.

7.2 Data Protection

D Archibald noted there was a real focus when GDPR was implemented in 2018 and stated that the report looked at application of the GDPR framework across the college when dealing with sensitive data and the associated risks. D Archibald noted the “Good” overall grading reflecting positively on the arrangements in place and the work of undertaken by the Data Protection Officer (DPO) and others to ensure compliance and reminding staff of their responsibilities.

D Archibald noted 3 areas for enhancement including: establishing a Data Privacy Network, A report on the work undertaken by the DPO throughout the year (reporting to the Audit & Risk Committee), and a formal procedural guidance document to be developed.

H Honeyman enquired about the burden on staff of establishing the Network. J Carnegie confirmed that, for the people responsible for sharing good practice, this should not be a significant burden. S Taylor stated that the College was currently looking at creating a better network for staff using data and reporting and this recommendation would fit well alongside this work.

H Honeyman welcomed the audit outcomes and the proposed Data Protection report to the Audit & Risk Committee. The report was approved

7.3 Progress Report

D Archibald noted that the 2021/22 annual audit plan was on track with the routine audits remaining (student activity and funding) to be completed in September 2022.

H Honeyman queried the timing of these Audits taking place at an already busy time for College staff with S Taylor confirming these are standard Audits and part of the expected Annual Cycle. D Archibald stated that these Audits are driven by SFC's requirements, and the timings are the same as previous years.

J Carnegie noted that in previous years when the start and finish of the Internal & External Audit take place the auditors have been onsite but when it is done remotely this tended to extend the time. It is hoped this year the tie up of things will be more prompt. D Archibald intimated that he would pick up with S Taylor & L Crichton to prepare the timeline for the Audits.

R McLellan queried the student Invoicing and Debt Management as Satisfactory. D Archibald said that the grading as satisfactory would indicate relatively minor weaknesses.

7.4 Follow Up Summary

J Carnegie noted the content of the Follow Up Summary paper highlighting the completion of Student Invoicing and Debt Management, Cyber Security and Student Activity Data with all the actions completed or in progress.

J Carnegie noted the Catering and Business Review – work on food poverty and healthy eating with subsidies for healthy food. J Carnegie noted the current financial situation with the College having to cut back on these subsidies. J Carnegie did however note that the College still operated the food larders and students' kitchens which are popular.

J Carnegie noted the Fraud Initiative update highlighting the training provided to the teams which has been transferred to a "Rise" package for all staff.

H Honeyman enquired about the opportunity for students to make payments online and it was confirmed that currently students can only see their account balance. It is hoped that in the future Students will be able to make payments, but this may require substantive systems investment

8. EXTERNAL AUDIT

8.1 Annual Audit Plan 2021/22

A Kerr noted the Annual Audit Plan proposed for 2021/22.

The audit plan was summarised highlighting the key requirements to be met and the key elements associated with materiality, risks and statutory reporting.

plan served two main tasks: Discharge accountancy confirmation of independence and quality arrangements.

A Kerr noted the focus on pensions and asset valuations, and these elements were discussed with A Kerr confirming there was no need to have the assets valued by an external organisation but that any significant change of use of an asset should be considered (for example unused buildings) as a reduced asset.

H Honeyman enquired about the scale of any potential the Audit Fee / late fee. A Kerr confirmed this cost would depend on any specific additional work needed and would be factored in on a case-by-case basis.

8.2 New External Auditor Appointment – Mazars

J Carnegie advised the Committee that the College has received confirmation that Mazars have been appointed as the External Auditor for 2022/23 to 2026/27 noting expectations of a handover at the meeting in December 2022 with Audit Scotland.

9. FRAUD REPORT

J Carnegie noted disappointment at having to prepare a report highlighting a theft/fraud arising within the canteen service. J Carnegie noted that the overall value involved was not significant so had not been advised to auditors or SFC. A Kerr noted that there may be a requirement to reference the report within the Governance Statement of the Financial Statement which J Carnegie confirmed that this would be looked at as appropriate.

S Taylor noted that, due to the content and nature of the report, it would be appropriate and reasonable for this not to be included in the papers when published on the College website. This was agreed.

The Committee noted the report and approved the recommendations and actions.

10. STRATEGIC RISK & COVID REGISTERS

S Taylor summarised the Risk Register papers and outlined the proposed changes in the COVID Register.

S Taylor highlighted discussion around the College hitting its Credit Target for this year with ongoing conversations with SFC and some flexibilities being agreed. Given these flexibilities the College was reasonably comfortable with hitting targets with limited risk of any clawback.

S Taylor confirmed that it had been agreed that any post mitigation risk which remained “red” would prompt a report to Audit & Risk Committee on the actions being taken.

It was noted that this was the case in respect of the Financial Sustainability Risk.

Initial saving plans had been copied to the Board, outlining the proposals and steps planned to manage the cuts and bring the College back to financial sustainability.

S Taylor noted that over 80 responses had been received to the Consultation paper with the Executive Team at the stage of finalising the proposal for further consultation. S Taylor noted a more detailed conversation was to take place at the Board of Management Meeting in June.

S Taylor noted the reduction in terms of the required mitigations around COVID Risk Register with the intention to remove the separate register in September. H Honeyman requested that a “pandemic” like risk was included within the Strategic Risk Register. This was agreed, **S Taylor to progress.**

M Thomson said that the requirements for a separate risk around COVID & BREXIT are running their natural courses, but that it remained important that these stayed on the radar.

H Honeyman enquired about the need to review the Business Continuity Plan (BCP) as the pandemic BCP arrangements lessened. J Carnegie noted that a post event review of the cyber-attack had been undertaken and that a similar review would be undertaken to assess the pandemic continuity plan.

The Strategic and COVID Risk Registers were approved.

11. DATA BREACH REPORTING

None

12. COVID-19 UPDATE

J Carnegie noted that the College estate was almost back to normal with no physical distancing or face coverings required. The ICT and furniture had been reinstated to achieve normal class sizes. CO2 monitoring was continuing along with the availability of hand sanitizer.

J Carnegie noted that the majority of testing kits were returned with a small stock retained for vulnerable students that may still require regular testing.

S Taylor stated that the College would continue to support the “distance aware” arrangements, although uptake had been minimal but that some staff and students were still wearing mask.

S Taylor highlighted the continuing impact on learning, teaching and assessment with the College taking advantage of the Decision Tree Branch 4 from SQA. It had been confirmed that similar assessment adaptations would be available in 2022/23.

S Taylor noted that after two years the College had completed the SQA exam diet for 2022 with no substantial issues raised.

13. DATE OF NEXT MEETING – Tuesday 20 September 2022, Kingsway Campus – ON SITE

Action Point Summary

Action	Responsibility	Date
Pandemic management risk to be included in Strategic Risk Register	S Taylor	20 September 2022

BOARD OF MANAGEMENT

Finance & Property Committee

Tuesday 31 May 2022 at 5.00pm
Microsoft Teams Meeting



Draft confirmed by Chair

Minute of the Finance and Property Committee meeting held on Tuesday 31 May at 5.00pm
vis MS Teams

PRESENT:

D Fordyce	S Stirling
A McCusker	B Lawrie
S Hewitt	R McLellan
B Carmichael	

IN ATTENDANCE:

J Grace (Vice Principal)	T D'All (Principal's/Board Chair PA)
J Carnegie (Vice Principal)	B Ferguson (Head of Finance)
S Taylor (Vice Principal)	B Sinclair (for Item 12.2)

1. WELCOME

D Fordyce welcomed everyone to the meeting and welcomed R McLellan and B Lawrie to their first Finance & Property meeting.

2. APOLOGIES

Apologies were received from S Mill, G Robertson, D Mackenzie, B Grace, and A Ross,

3. DECLARATIONS OF INTEREST OR CONNECTION

There were no declarations of interest or connections.

4. MINUTES OF PREVIOUS MEETING

The minute of the Finance and Property Committee meeting held on 1 March 2022 was approved as an accurate record.

5. MATTERS ARISING

J Carnegie confirmed that all outstanding Matters Arising were updated.

The official Opening for the Hair & Beauty Therapy facility to be finalise and expected to take place in August 2022 with an invitation extended to the Dundee & Angus Foundation.

6. FINANCE

6.1 Month 9 – Management Accounts & Forecast

B Ferguson stated that the paper was for noting and (for the benefit of the new Committee member) highlighted that the 2021/22 budget had been approved when the continued impact of COVID-19 was unclear. Whilst subsequent forecasts have gradually been able to introduce more clarity, the pandemic effects had continued to be felt when preparing the last forecast presented to the Committee in January. That forecast predicted a deficit of £810K after absorbing increased expenditure of approximately £826K planned for the previous year but which had crossed into the current year due to supply chain delays.

B Ferguson noted that the recent forecast had reflected an improved financial position following a concerted effort to secure savings, partly offset by the introduction of voluntary severance costs to reduce our cost base in 2022/23.

B Ferguson noted the improved position with a Cash-backed deficit of £740K forecast, an improvement of £70K upon the previous forecast and an operational improvement of £165K before allowing for an increased VSS provision now standing at £222K. The current savings consultation exercise is expected to significantly increase the cost of VSS in the current year.

Discussion took place around the likelihood of a 3-year funding model but noted that this was not forthcoming currently. A McCusker and S Hewitt noted they had several meetings with SFC and the Scottish Government around “flexibilities” of non-delivery of Credit Target but that current adjustments don’t go far enough to address the level of future funding and cuts anticipated.

The improved in-year financial position was noted and A McCusker congratulated the Team on getting to this point.

6.2 Interim Budget 2022/23

S Hewitt set the context of the Interim Budget 2022/23 noting D&A College was lobbying nationally about future funding and the negative impact of the cuts being experienced. The Savings Proposal had received some interest from Scottish Government, SFC and regional stakeholders.

S Hewitt stated that he and A McCusker had discussed the opportunity of funding for voluntary severance with SFC and it was confirmed that this was very unlikely.

S Hewitt noted possible changes proposed regarding the Funding Model, but this does not help the 2022/23 budget at this point. SFC was also asked about assistance in paying the Gardyne Loan of £470k per year, but this was unlikely.

J Carnegie stated that, at this time, a final draft Budget would ordinarily be presented to the Finance & Property Committee for consideration in advance of submission to the Board for formal approval. However, further work was required to produce an acceptable budget and consequently the paper brings to the Committee's attention an interim budget for the year to 31 July 2023 with the intention of presenting a draft budget to the September 2022. This would allow final consultation and development of the savings plans that were being discussed.

B Ferguson noted the Interim Budget 2022/23 presented a Cash- backed deficit of £2,858K.

B Ferguson noted the legacy of COVID was still being felt and was highlighted in the assumptions.

B Ferguson highlighted the Final Funding Allocation from SFC was as predicted with a slight Credit decrease with tuition fees falling £71K to just under £3.2m. B Ferguson noted various previous funded elements had been removed for 2022/23 including: loss of Deferred students and Mental Health funding; a reduction in Digital funding; a reduction in FWDF etc.

B Ferguson noted that the interim budget showed total cash income of £42.8m, some £1.5m lower than the current forecast for 2021/22.

B Ferguson confirmed that commercial income will be updated within "Core Income" e.g., work-based activity.

J Carnegie explained the process of the Financial Savings Plan highlighting the uncertainties during this consultation process.

J Carnegie acknowledged that it was unlikely that a balanced budget would be achieved but noted the SFC requirement that the budget was "sustainable" and "financially viable" with work progressing towards a balanced budget.

J Carnegie noted the Financial Strategy Phase 2 & Phase 3 (August 2022 – Feb 2023) to bring the College back into Financial Sustainability for 2023/24.

A McCusker highlighted that there was an important piece of work with SFC and Scottish Government to make them understand the situation for the sector and D&A College at the current time.

S Hewitt noted the Colleges were at the beginning of the process and that a lot might change in the coming months. Our aim is to get as close to breakeven but will depend on how plans and national policies developed.

The interim budget arrangements and related steps were approved. **J Carnegie to progress.**

6.3 Financial Strategy - Sustainability Planning

J Carnegie noted the forecast Interim Budget deficit of £2,878 with opportunities to make more savings or generate income. The Future Opportunities and Challenges outcomes within the Committee paper were also highlighted with these actions anticipated to deliver a revised Interim Budget with a cash-backed deficit of around £805K.

J Carnegie highlighted the planned staff savings but noted that these also had a direct impact of c £1m in VS payments which would substantially reduce the cash balance.

J Carnegie noted that projects such as MSIP and TCD were very positive and would bring in significant sums, but this income would need to be spent on the project activities and equipment with a relatively small contribution to the College.

J Carnegie noted that it was proposed that some future investments (such as the ICT Network replacement) be separated out and a funding approach for this made to the Dundee & Angus Foundation. Following discussion, it was agreed that a Foundation bid be drafted for approval by the Board of Management. **J Carnegie to progress.**

Plans were also developing to sell the vacant outreach facilities in Montrose and Kirriemuir owned by the College. The College may require SFC approval to retain any proceeds from the sale of assets. It was confirmed that the properties were likely to be valued at less than £500k. A McCusker acknowledged that further conversations with SFC were required around the sale of the assets and any restriction around the proceeds from these.

R McLellan asked about the timing and link between the savings plans and the interim budget. J Carnegie noted that the College was working through the consultation process considering ideas put forward by staff. Given this I was currently too early to carry anticipated savings into the budget.

7. INFRASTRUCTURE

7.1 Estates Update

J Carnegie noted the proposals and stated that the Estates team have been working closely with the curriculum teams to development best use of the Capital Backlog Maintenance Grant money.

J Carnegie highlighted that the Capital Backlog Maintenance Grant funding had some flexibilities which would be used to support financial sustainability where appropriate.

7.2 Estates Annual Report

A McCusker and B Lawrie noted the Estates update and congratulated the team on a really good and informative paper. A McCusker also praise the updated accommodation at Kingsway Campus along with the completed Hair & Beauty Therapy facility. The Estates Annual Report was noted for information.

7.3 Infrastructure Strategy Outline

J Carnegie summarised the paper outlining development of the revised strategy and noted that the change in emphasis (to infrastructure not just estates) had been recommended from audit.

The paper was welcomed, and A McCusker noted that there was likely to be an on-going demand for more partnership working, which should be reflected with the document e.g., buildings (co-estates) and shared building maintenance.

8. PROCUREMENT

8.1 Procurement Update

B Ferguson summarised the update and explained the requirement for retrospective approval for a non-competitive action for continuation of arrangements with a supplier (a single supplier and a unique purchase) by the Energy Skills Project (ESP). Concern was expressed around the need for this approval, and it was confirmed that ESP Management were taking steps to better their processes.

S Hewitt noted that the ESP Board Meeting was the following week, and he would ensure that the ESP Board had better oversight to safeguard this type of purchasing in future.

B Ferguson noted the Insurance contract increase to £400K (over a 2-year period) from U.M. Association Ltd. (UMAL) Limited. B Ferguson noted following engagement activities with the suppliers on the APUC Framework, it has been recognised that only one of three suppliers was able to provide Dundee & Angus College with a quote for Cyber insurance.

B Ferguson noted the Robotics Labs at MSIP, as previously reported to the Committee, with this equipment is being funded to a maximum value of £100,000 by The Mathew Trust and ready for open tender.

B Ferguson noted that an Options Appraisal for the Network Replacement was prepared for consideration by the Committee and included on the agenda.

B Ferguson noted a quick quote to spend £50K of the Seagreen fund.

The procurement update was noted, and the requested non-competitive action approved, **B Ferguson to progress.**

8.2 Network Replacement Options Appraisal

J Carnegie noted that the Network Replacement Options Appraisal formed part of the requirement / investment to upgrade as part of the cyber security piece and was the last piece of the jigsaw. The recommendation was to consider the upgrade based on the options presented over 3 years period.

J Carnegie intimated that if the proposed business case for funding from the Dundee & Angus Foundation was not forthcoming the Network Replacement project would still have to be undertaken.

B Sinclair confirmed that there would be a small risk over 3-years (rather than year) but there would also be some reduced risk as old equipment would be retained to use as spares for any faults arising in the remaining older part of the system.

J Carnegie noted that the main security risk would be internal but noted that this was not currently the main cyber threat. It was noted that we have, and would maintain, good external network firewalls.

The Committee gave approval to prepare a business case to the Dundee & Angus Foundation for the full amount and approved the 3-year recommendation in the paper.

9. REVIEW OF GARDYNE THEATRE LIMITED (GTL)

J Carnegie updated Committee with some background to the review of Gardyne Theatre Limited, highlighting that this included a lot of detail on the background to the current arrangements.

J Carnegie highlighted the recommendation was to continue with GTL holding the licence to operate in the Theatre until December 2023. Giving GTL the opportunity to develop post-pandemic and become as profitable as it could.

J Carnegie confirmed that, as a standalone entity, any surplus that GTL generated was retained by GTL but that a licence fee and service level charges would be payable to the College.

J Carnegie noted the Theatre facility itself was on the College balance sheet and was up to the College to decide on the physical condition of the theatre as a usable space and any future need for upgrading of the facility. It was noted that it was hoped that the College would be able to attract funding to upgrade all the lighting on all campuses with LED lighting, with this including the theatre facility.

The Committee Approved Option 5 of the proposal. **J Carnegie to progress.**

J Carnegie noted that the paper would also go to the GTL Board and to the full D&A College Board in June.

10. COVID-19 UPDATE

J Carnegie confirmed that the key COVID Mitigations remaining in place currently were the CO2 monitor and hand sanitisers.

S Hewitt noted that the College was still dealing with mental health issues and the broader fallout from COVID including higher student withdrawals this year, which was impacting on the overall credit target outturn.

B Ferguson noted the Finance Team were continuing to digitise forms and processes as quickly as possible with benefits for the overall service.

11. STRATEGIC RISK & COVID REGISTER

S Taylor highlighted the key change within the strategic institutional sustainability risk and noted that this would be reported to the Audit & Risk Committee advising of the situation, giving context, and highlighting the steps being taken to manage the financial situation and minimise the risk.

The Committee noted the paper.

12. VP CORPORATE SERVICES REPORT

J Carnegie stated that her report was for noting but highlighted the positive support that was being provided for our Learners with the Help Point service is now available on “What’s App”. J Carnegie noted that applicants and students were finding this an easy tool to use to communicate and engage with the College.

J Carnegie also noted the processing and student registrations for over 2,400 S3 pupils attending our S 3 tasters and over 1,900 new Senior Phase pupils.

J Carnegie highlighted several projects undertaken by Service Design Academy (SDA) including the Services Design Strategy Event for Board Members. SDA had good engagement and partnerships which was starting to pay off.

A McCusker noted she was delighted to see the programmes for unemployed people were coming to fruition - innovative and creative.

13. DATE OF NEXT MEETING – Tuesday 6 September 2022 at 5.00pm - ONSITE

Action Point Summary

Action	Responsibility	Date
Interim Budget 2022/23 to be prepared for the Board of Management	J Carnegie	27 September 2022
Dundee & Angus Foundation Business Case proposal to be developed for Board approval	J Carnegie	27 September 2022
Non competitive award notification to be progressed to SFC	B Ferguson	30 June 2022
Gardyne theatre limited option to be progressed	J Carnegie	21 June 2022

BOARD OF MANAGEMENT

Tuesday 21 June 2022



CORRESPONDENCE

PAPER P

BOARD OF MANAGEMENT

Tuesday 21 June 2022



Correspondence – SFC Communications

Paper for information

Reports and Publications Listing	
<p><u>College Financial Forecast Return 2021-22 and 2022-23</u> Ref: SFC/CI/03/2022 Issue Date: 30/06/2022</p>	<p>This Call for Information requests colleges to complete an interim financial forecast return for Academic Years 2021-22 and 2022-23.</p>
<p><u>Credit Guidance for Colleges AY 2022-23</u> Ref: SFC/GD/08/2022 Issue Date:31/05/2022</p>	<p>Guidance for colleges on eligibility for credit funding in Academic Year 2022-23</p>
<p><u>College Final Funding Allocations AY 2022-23</u> Ref: SFC/AN/14/2022 Issue Date: 26/05/2022</p>	<p>Announcement of college final funding allocations for Academic Year (AY) 2022-23.</p>
<p><u>Report on Widening Access 2020-21</u> Ref: SFC/ST/06/2022 Issue Date: 17/05/2022</p>	<p>This report presents data relating to the Commission on Widening Access targets, and on Scottish-domiciled entrants to higher and further education in Scotland by socio-economic deprivation, gender, ethnicity, disability, care experience and age.</p>
<p><u>College Performance Indicators 2021-22 Guidance</u> Ref: SFC/GD/04/2022 Issue Date:10/05/2022</p>	<p>Guidance notes on college performance indicators derived from student FES data: Academic Year 2021-22 student cohort (inclusive of exceptional guidance to cover COVID-19 pandemic)</p>
<p><u>FES Guidance notes 2022-23</u> Ref: SFC/GD/03/2022 Issue Date: 10/05/2022</p>	<p>Guidance notes and code lists for completion of Further Education Statistics (FES) course / programme data: Academic year 2022-23.</p>

<p><u>HE Students and Qualifiers at Scottish Institutions 2020-21</u> Ref: SFC/ST/05/2022 Issue Date: 04/05/2022</p>	<p>This release contains information on HE provision and attainment in higher education institutions (HEIs) and colleges in Scotland from 2010-11 to 2020-21</p>
<p><u>The National Student Survey 2022 Publication of data</u> Ref: SFC/GD/02/2022 Issue Date: 28/04/2022</p>	<p>This publication provides information on the plans for the publication of the National Student Survey (NSS) 2022 results.</p>
<p><u>College Performance Indicators 2020-21</u> Ref: SFC/ST/03/2022 Issue Date: 26/04/2022</p>	<p>Overview of college performance indicators from 2008-09 to 2020-21.</p>
<p><u>College Staffing Data 2020-21</u> Ref: SFC/ST/02/2022 Issue Date: 29/03/2022</p>	<p>This publication provides summary information on staff employed in the college education sector in Scotland</p>
<p><u>Financial Sustainability of Colleges and Universities in Scotland</u> Ref: SFC/CP/02/2022 Issue Date: 29/03/2022</p>	<p>This report presents an aggregate picture of the financial health of Scottish institutions based on a review of their latest forecasts.</p>
<p><u>Indicative college funding allocations AY 2022-23</u> Ref: SFC/AN/07/2022 Issue Date: 24/03/2022</p>	<p>Announcement of indicative funding allocation for colleges for Academic Year (AY) 2022-23.</p>
<p><u>Additional Easter study support funding AY 2021-22</u> Ref: SFC/AN/05/2022 Issue Date: 18/03/2022</p>	<p>Announcement of additional Easter study support funding for senior phase learners in 2022.</p>

Further details on the above Communications can be accessed via:

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

Author: Tracey D'All, PA to the Principal & BOM Chair
Executive Sponsor: Steve Taylor, Vice Principal People and Performance