

BOARD OF MANAGEMENT

Tuesday 27 September 2022 **at 5.00pm**,
Enterprise Room 5, Gardyne Campus



AGENDA

1. **WELCOME**
2. **APOLOGIES**
3. **DECLARATIONS OF INTEREST OR CONNECTION**
4. **WELCOME FROM THE NEW CHAIR** LO
5. **MINUTE OF LAST MEETING – 21 JUNE 2022** Paper A for approval LO
6. **MATTERS ARISING** Paper B for approval LO
7. **STRATEGIC ITEMS**
 - 7.1 Strategic Projects Update Paper C for Information JG
 - 7.2 Board Strategy Metrics Paper D for approval SH
 - 7.3 Strategic Risk Register Paper E for information ST
8. **STUDENTS' ASSOCIATION REPORT** Presentation AM/LS
9. **NATIONAL BARGAINING UPDATE** Verbal update ST
10. **PRINCIPAL'S REPORT** Paper F for information SH
11. **FINANCE & ESTATES ITEMS**
 - 11.1 Financial Sustainability Verbal update SH
 - 11.2 2022/23 Budget Paper G for approval JC
 - 11.3 Financial Forecast Return (to follow) Paper H for approval JC
 - 11.4 D&A Foundation Bid Paper I for approval JC
 - 11.5 Finance & Property Committee Update – 2021/22 Draft Outturn (for information only) Paper J for information JC
12. **GOVERNANCE ITEMS**
 - 12.1 Membership Update & TU observers on Boards Paper K for approval ST
 - 12.2 Board Metrics Paper L for information ST
13. **COVID 19 UPDATE** Verbal update Exec
14. **MINUTES OF COMMITTEE MEETINGS** Paper M for information LO
 - 14.1 Learning, Teaching & Quality – 14 Sept 2022
 - 14.2 Human Resource & Development – 15 Sept 2022
 - 14.3 Audit & Risk – 20 Sept 2022 (verbal update)
 - 14.4 Finance & Property – 26 Sept 2022 (verbal update)
15. **CORRESPONDENCE** Paper N for information
16. **DATE OF NEXT MEETING**
Tuesday 13 December 2022 at 5.00pm, Teams meeting

***** Reminder – Graduation, Caird Hall, Friday 28 October 2022 at 1.00pm *****

BOARD OF MANAGEMENT

Tuesday 27 September 2022



MINUTE OF LAST MEETING – 21 JUNE 2022

PAPER A

BOARD OF MANAGEMENT



**Tuesday 21 June 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 21 June 2022.

PRESENT:

A McCusker (Chair)	G Robertson
S Hewitt	M Williamson
K Ditcham	S Middleton (virtually)
D Mackenzie	S Mill
R McLellan	B Lawrie
N Lowden	N Dowie
K Keay	A Monks (virtually)
S Stirling	
B Carmichael	

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 Board Meeting including R McLellan and B Lawrie attending their first meeting. A McCusker noted this was S Mill and N Dowie's last meeting, thanking them for their contribution to the Board.

2. APOLOGIES

Apologies were noted from D Fordyce and H Honeyman

3. DECLARATIONS OF INTEREST OR CONNECTION

G Robertson noted his role as Chair of the of the Board for Gardyne Theatre Limited (will step out for item 11.5). K Keay noted her role with the Dundee & Angus Foundation along with M Williamson as Chief Executive Officer, Angus Council.

4. MINUTE OF LAST MEETING – 14 March 2022

4.1 Adoption

The Minute of the Board of Management meeting held on 15 March 2022 was signed and approved as an accurate record.

5. MATTERS ARISING

All matters arising had been closed out.

6. STRATEGIC ITEMS

6.1. Strategic Projects Update

S Hewitt noted the paper for information highlighting the steady progress of various projects. Caroline Hyland-Crichton, Senior Project Manager, has had an excellent impact on project management. Steph Toms, Curriculum Director, Strategic Projects and Partnership is also making strong progress in aligning project activities and curriculum plans. S Hewitt noted the Project Team undertook a Review of Governance presenting to the Senior Leadership Team the D&A approach to current and future strategic projects, including setting up Project Boards for each project.

Michelin Skills Innovation Parc (MSIP) Skills Academy

S Hewitt noted the College is working to progress a formal partnership agreement. Physical work on the site is on track including, with completion of the space expected for by August 2022. Curriculum and Operational Plan / Business Plans were progressing well.

It was confirmed that a more detailed presentation on the project would be provided for the Board at the September 2022 Meeting. **S Hewitt to progress.**

J Grace confirmed the curriculum planning was almost complete and we know what will be delivered by September 2022, however there is no current detail on what the tenants might need by way of course provision.

Tay Cities Engineering Partnership (TCEP)

S Hewitt noted the full Business Case for the TCEP project was accepted and the formal offer of grant made and accepted in April 2022.

S Hewitt stated that the partnership agreement document was being finalised 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 project change request for this has been approved the job description for the TCEP Partnership Manager can be finalised and the role filled.

Bio Tech and SME Skills Projects

S Hewitt noted significant delays to the review process out with the College's control.

Shared Apprenticeship Scheme

S Hewitt noted that consideration of the Shared Apprenticeship Scheme under Phase 2 of the Tay Cities Deal Skills and Employability Development Programme would not now be taken forward.

E Sports

S Hewitt noted significant progress had 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. This initiative is very beneficial for the sector across the UK

A McCusker enquired if a Board of Management member would be invited to join the individual Project Board. J Grace confirmed the Project Boards were to be very operational. However, plans are being developed for the individual Boards to feed into a Strategic Group that could have Board representation.

J Grace highlighted the Project Boards will be separate from the Senior Leadership Team who will have approval authority.

The Board noted the progress of the various projects and approved delegate approval of the MSIP partnership agreement to the Principal following consideration by members of the Finance and Property Committee.

6.2. Board Development Session

S Hewitt noted the paper was for information. The Board Development Session took place on 23 May with 2 main objectives: reflecting on progress, successes, and further development in respect of the 2025 Strategy and Focus on our commitments and activities towards creating Thriving Communities.

S Hewitt noted that a revised set of strategy metrics and key Executive priorities related to the strategy would be presented to the Board in September. **S Hewitt to progress.**

6.3. Climate Emergency Action Plan

J Carnegie highlighted the first formal report on progress towards the Climate Emergency Action Plan (CEAP). The format of which the Board would see on a regular basis.

J Carnegie talked the Board through the appendix noting the 'RAG' rating highlighting good progress in most areas.

Focusing on the "red" RAG J Carnegie summarised the following progress:

- **Students Sustainability Committee** – awaiting the new academic year to progress with the student group
- **Customising the Carbon Literacy Programme** – training undertaken by some members of staff. Looking at developing an existing programme that can be adapted for D&A College.
- **Sustainability Travel Policy** – progressing but does links into other policies that may have an impact with the need to consult with unions.
- **College Vehicles** – work was progressing to replace all petrol/diesel cars and vans from the College fleet with electric alternatives
- **Partnership Agreements** – develop formal partnership agreements with existing and new partners to include carbon commitments
- **Collecting of Staff & Student data** – will be undertaken next academic year with work to be developed on how to capture reasonable data on how student and staff members travel to College.

G Robertson noted great progress and a job well done.

7. STUDENTS' ASSOCIATION PRESENTATION

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

A Monks re-election as Student President and that N Dowie was moving on and this was to be her last Board Meeting

- Staff Awards – students nominated academic and support staff for various awards over 10 categories with over 2100 votes cast.
- Representation Days took place on all 3 campuses over 6 days in partnership with various support teams to encourage dialogue and engagement for students, particularly those in areas that traditionally engage less.
- Student Future WoW Event brought together class and department representatives with the Service Design Academy Team to hear the student voice and experience around different ways of working. There had been excellent participation and great feedback.
- The Student Association were invited to participate in this year's EduJam 2022 event as Service Design Mentors. The event hosted at V&A Dundee over a 3-day weekend explored "Choice in Education". The event welcomed people from all over the UK and overseas. The Team hosted an "Inspiration Station" to showcase how Service Design methodologies were used by the D&A Students' Association.
- Retention Calls continue to be undertaken by the 3 Student Association Assistants with over 4000 calls undertaken since the start of the Academic Year. Education Scotland identified this as "Highly Effective Practice" and the Team were successful in winning the Exec Awards for Success at the Staff Awards.
- Attend to Spend remains to be a great success with hopes of continuing the opportunity to enter and win prizes for 100% attendance next academic year.
- Two Wellbeing Service Design sessions had taken place to inform future activities.
- S3 Taster Sessions along with Prepare Me Days had given opportunities to school pupils, teachers; new and existing students to learn more about College life and opportunities. The Students' Association also supported the Senior Phase sessions for school pupils attending College for the first time
- SPARQS had invited A Monk to participate in Scottish Parliament Education Committee Roundtable event giving evidence on college regionalisation 10 years on.

J Grace highlighted the great bond with College support and academic staff with the Students Association on the Students of the Future Pieces. A huge effort by the team that makes a significant difference.

A McCusker stated that she was sure the retention calls undertaken by the Students Association would have changed the life of so many students and congratulated the Team on their success at the Staff Awards.

S Hewitt said he had been contacted by a local MSP who had commended A Monk's input and approach at the Scottish Parliament Roundtable event.

8. NATIONAL BARGAINING UPDATE

S Taylor stated that it was positive to report that agreements had been reached with the unions on the 2021/2022 settlements.

Academic staff had confirmed approval of the agreement reached, with the support agreement out to ballot with a recommendation for approval.

9. PRINCIPAL'S REPORT

S Hewitt summarised his report, noting the following:

- the recently announced partnership with Dundee Football Club which had generated a great media coverage for D & A College. The partnership includes the renting of facilities at Gardyne Campus along with significant investment in College facilities.
- the Launch of the Electric Vehicle Training School, in partnership with Robert Lawson, a first in Scotland's, took place in May.
- Discover Work Services Employability, S Hewitt Chairs the Dundee Employability Partnership, which was undertaking a strategy refresh in the areas of "need" particularly with the young inactive people. Angus Employability Partnership was also working on its Action Plan.

S Hewitt noted current recruitment that remains a challenge for the Senior Leadership Team.

A discussion around credits and applications compared to 2019 took place.

S Hewitt noted the Student Satisfaction Survey results, highlighting that these were very positive and a great whole College effort.

S Hewitt noted his pride at being asked to present the certificates to the graduating first group of interns from Dundee and Angus College's DFN Project SEARCH programme, proudly celebrating their achievements alongside family and friends

This year's Staff Awards had also taken place, giving a great opportunity to celebrate College and individual successes, with over 200 people joining in person or online.

The report was noted with interest.

10. FINANCE ITEMS

10.1 Finance Sustainability Plan

S Hewitt noted that it continued to be a challenging time noting the high-level points within the paper.

J Carnegie noted FPC members had had the opportunity to go through the Financial Sustainability Plan in some detail, with an Interim Budget £2.78 deficit projection. Work was on-going through the savings plan to reduce this down to a £500,000 deficit.

J Carnegie noted that significant work was progressing to deliver the savings needed and that this was happening alongside the formal budget process. As part of this, it had been assumed that there would be c £1million reduction in cash balances to fund VS costs, although this was proving to be challenging.

Discussion around the Careers Transition Support available for staff, and the promotion of wider opportunities around the Dundee and Angus region was held.

J Carnegie noted that the consultation phase was being completed, with final information around cuts and implementation steps to be provided to staff.

J Carnegie noted the Financial Forecast Return (FFR) (later on the agenda) was a 5-year model and SFC would expect a balanced budget by then. This would be challenging given what the Scottish Government had highlighted around all public sector organisation receiving significant funding cuts.

J Carnegie noted that, as well as securing the College's financial sustainability it was important to remain relevant and continue to develop our services and curriculum to respond to the future skills needs of our Region. The consultation included reference to investments necessary. These included Green Skills, Esports, Schools/College Partnerships, HN Next Gen along with the Network Replacement.

J Carnegie confirmed proposals to approach the Dundee & Angus Foundation to support elements of new investment in the College.

A McCusker recognised that the Executive and Senior Leadership Team have had a very tough time and really appreciated the work undertaken.

The recommendations in the paper were approved, with work to progress to develop a bid to go to the D&A Foundation. **J Carnegie to progress.**

10.2 2022/2023 Interim Budget

J Carnegie noted the 2022/23 Interim Budget was presented to Finance & Property Committee with no changes. It was noted that there were too many uncertainties around the savings plan outcomes to finalise an appropriate budget and it was planned that this would come back to the Board in September 2022. This was agreed, **J Carnegie to progress.**

10.3 Financial Forecast Return (FFR)

J Carnegie summarised the work underpinning the FFR document produced. The Board approved submission to the Scottish Funding Council by the end of June deadline of the FFR as recommended.

10.4 Finance & Property Committee Update – Management Accounts Month 9

J Carnegie noted the paper was for information only.

11. GOVERNANCE ITEMS

11.1 Chair Recruitment & Interim Chair Arrangements

S Taylor confirmed recruitment interviews had taken place with one candidate being interviewed. The College is awaiting a final Ministerial decision which expected by the end of June 2022.

11.2 Board Self-Evaluation

S Taylor summarised the detailed paper developed from the evaluation conversation with the Chairs Committee, Gail Graham, Quality Manager and himself.

The Board approved the self-evaluation and resulting Board Development Plan.

11.3 Board Membership

S Taylor summarised the paper the proposals to recommend the Vice Chair as Interim Chair should this be required if the new Regional Chair is not in post at the beginning of July. This was approved.

S Taylor sought approval from the Board to recruit the Board vacancy in the autumn. This was approved.

S Taylor noted the planned changes to the Student Board member from the start of the academic year.

11.4 Board Metrics

The information within the Board Metrics documents was noted.

11.5 Gardyne Theatre Limited (GTL)

J Carnegie noted the GLT paper (an extended version of which had been discussed at FPC).

The proposal (up to December 2023) to allow GTL to continue to operate Gardyne Theatre based on a licence to occupy fee and service level charge was approved.

J Carnegie noted a review of the GTL Articles of Association had been undertaken and approved by the GTL Board, but also needed to be considered and agreed by the D&A College Board.

The Board approved Option 5 in respect of the operating model for the Theatre and the changes in terms of the Articles of Association for GTL. J Carnegie to progress.

12. COVID 19 UPDATE

S Hewitt noted most of the national COVID groups were being wound up and getting back to business as usual.

S Taylor noted the continuation of Branch 4 into the next Academic Year to support students and staff if there was further disruption due to COVID.

13. MINUTES OF COMMITTEE MEETINGS

Updates from the Committees were noted.

14. CORRESPONDENCE

The list of recent correspondence was noted.

15. ANY OTHER BUSINESS

S Hewitt thanked A McCusker for her contribution to D&A College over the last 8 years along with thanks to S Mill and N Dowie for their service to the Board.

16. DATE OF NEXT MEETING

Tuesday 21 June 2022 **at 5.00pm** – on campus.

Action Point Summary

Action	Responsibility	Date
MSIP Presentation to the BOM	S Hewitt	27 September 2022
Updated metrics underpinning the 2025 strategy to be developed for discussion / approval	S Hewitt	27 September 2022
Investment bid to the D&A Foundation to be developed to	J Carnegie	27 September 2022
Extensive FFR Paper to the Board	J Carnegie	27 September 2022
2022/2023 Budget to be finalised for September meeting	J Carnegie	27 September 2022
Board recruitment to be progressed	S Taylor	December 2022
College contractual arrangements with GLT to be implemented alongside changes to GTL articles of Association.	J Carnegie	27 September 2022

BOARD OF MANAGEMENT

Tuesday 27 September 2022



MATTERS ARISING

PAPER B

BOARD OF MANAGEMENT

Tuesday 27 September 2022



Matters Arising

Paper for information

The following actions were noted from the Tuesday 21 June 2022 Board of Management Meeting

Agenda Item No	Action	Current status	Open / Closed
6.1	MSIP Presentation to the BOM. S Hewitt	Full launch not yet undertaken; update planned for December meeting	Open
6.2	Updated metrics underpinning the 2025 strategy to be developed for discussion / approval. S Hewitt	Included in agenda	Closed
10.1	Investment bid to the D&A Foundation to be developed. J Carnegie	Included in agenda	Closed
10.3	Extensive FFR Paper to the Board. J Carnegie	Included in agenda	Closed
10.2	2022/2023 Budget to be finalised for September meeting. J Carnegie	Included in agenda	Closed
11.3	Board recruitment to be progressed. S Taylor	Membership update on agenda	Closed
11.5	College contractual arrangements with GLT to be implemented alongside changes to GTL articles of Association. J Carnegie	Arrangements progressing	Closed

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

BOARD OF MANAGEMENT

Tuesday 27 September 2022



STRATEGIC ITEM

STRATEGIC PROJECTS UPDATE

PAPER C

BOARD OF MANAGEMENT

27 September 2022

STRATEGIC PROJECTS UPDATE



Paper for Information

1. Michelin Skills Innovation Parc (MSIP) Skills Academy

The MSIP Skills Academy Project Board is now meeting regularly to oversee the development of the MSIP Skills Academy on behalf of the College. The College Principal and Vice Principal (Curriculum and Attainment) met with the Chief Executive and Chief Operating Officer of MSIP this month to review progress to date and discuss the ambitions for the Skills Academy with work ongoing to agree a partnership arrangement between MSIP and the College. Once ready, it is proposed that the agreement be considered by members of the Finance and Property Committee for approval prior to being signed off by the Principal.

Physical works on site have progressed significantly but delays encountered by MSIP's building contractors mean that the habitation certificate is not expected to be received by MSIP until October. Despite this, curriculum plans are still progressing including revised timelines.

A celebration event for stakeholders took place on 30th August 2022 and feedback was extremely positive – this was a celebration of the completion of the physical site and not a launch of the Skills Academy. Future launch events for the Skills Academy are planned.

2. Tay City Deal (TCD) Projects

2.1 Tay Cities Engineering Partnership (TCEP)

Approval has been received of the change request submitted to change the delivery vehicle of the project from a Community Interest Company to a partnership arrangement, in line with legal advice received by the College. The offer of grant for the project was received on 12 April 2022 and work is now underway to draft grant offer letters for partners who are financial beneficiaries of the project. The TCEP Partnership Manager role has been agreed and the role will be advertised imminently. The TCEP procurement exercise, of advanced manufacturing equipment, has been undertaken over the summer and is in the process of being finalised.

2.2 Bio Tech and SME Skills Projects

Scottish Government feedback has now been received on the SME Skills project bid. We have been advised to update both project bids in line with this feedback. Due to the extent of the feedback and complexities of the projects, it is taking time to update the bids and the College is currently in conversation with the Tay Cities Deal Project Management Office and the Skills Advisory Board to scope the viability of reprofiling the projects and revising the timelines in order to allow full consideration to be given to feedback and the bids to be updated accordingly.

3. E Sports

Continued progress has been made with D&A staff travelling to London over summer to develop the curriculum framework – validation is still expected in Nov/Dec 2022. The College has received significant interest from other partners to deliver the qualification and will continue dialogue with partners, however, will continue to lead the developments and have an exclusive partnership with ESports Scotland.

Summer ESports camps were delivered and proved so popular, an additional cohort was added – feedback was extremely positive. The college continues to undertake a wide range of inspirational and awareness raising activity and work with schools in the region to develop ESports.

4. Approvals

The Board is asked to:

- (i) Note the progress made in respect of a range of strategic projects.

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.

- 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 27 September 2022



STRATEGIC ITEM

BOARD STRATEGY METRICS

PAPER D

BOARD OF MANAGEMENT

Tuesday 27 September 2022



Board Strategy Metrics

Paper for approval

1. Introduction

Following the feedback gathered from the Board of Management Strategic Planning event held on 23 May 2022 in which the progress of the [2025 'More Successful Students' Strategy](#) was reviewed, the findings were presented to the Board on 21 June 2022.

The Executive Team were asked to review the overall metrics for the 2025 strategy and propose potential amendments based on the discussions held. This paper summarises the proposed changes to the 2025 metrics put forward by the Executive Team.

2 Progress on metrics to date

Prior to any proposed amendments, it is important to recognise the strong progress to date on achieving the 2025 targets. A series of key stats were presented to the Board which included sector leading results for both student performance and satisfaction. These also 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**

3 Proposed changes to 2025 metrics - Summary

It is proposed that one metric (income generation) is removed and replaced with two new metrics relating to income and expenditure, two other metrics (advanced standing and online courses) are revised up and one metric (credits per FTE) is revised down. These are summarised as follows:

- 3.1 Income Generation:** Given the significant discussion regarding the need to increase non-core income, it is proposed that the metric that states that 'Non-Core/commercial Income generation [should be] increased by 5% per annum' is removed and replaced with two new national measures used by Audit Scotland in relation to income and expenditure.

Firstly, it is proposed that we use '**Proportion of income that is SFC grant funded**'. The target for D&A being proposed is 79% (national average) with the current baseline sitting at 81%.

Secondly, it is proposed that we use '**Proportion of expenditure that is staff costs**' as a second measure of increasing income. The target for D&A being proposed is 71% (national average) with the current baseline sitting at 73%.

Using these newly proposed metrics will help the Board make better, more consistent comparisons to other colleges throughout the sector.

3.2 Articulating with advanced standing: The current target is 60% from a baseline set in 2020 of 49%, and against a national average of 52%. Interim progress from academic year 21/22 shows a successful outturn of 64% and it is proposed that the new target is set at 65%. This is realistic given the current national average, a reduction in Higher National (HN) recruitment numbers and wider policy changes on widening access.

3.3 Digitised online courses: The current target of 28 courses by 2025 was set prior to the pandemic and the shift to online/remote learning. The interim metric at the close of the 2020/21 academic year saw 41 fully developed online short courses and it is therefore proposed that the metric is revised to 75 fully developed online short courses, approximately 10% of **all** courses offered at the College.

3.4 Credits per FTE: It is proposed that this metric is revised down to 180 from 190 to give a more realistic reflection of the operating situation post pandemic. Since the creation of this metric, the College has seen a reduction in the core credit target, as well as a reduction in both recruitment and funding. Given that we have been operating with staffing levels equivalent to pre-pandemic (albeit this is being addressed through the savings plans) longer term planning and change is needed to implement a more efficient credit per FTE ratio. This will be reviewed as part of the longer term financial and staffing profile planning.

4 Final metrics, progress and proposed revisions

A summary of the metrics, 2021/22 'to date' progress and the proposed revisions can be seen in Appendix 1. All other metrics not highlighted above remain the same and as set by the Board in 2019.

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:

- 1.1 Failure of College strategy to meet the needs of the D&A Region and/or national priorities
- 2.2 Failure to achieve institutional sustainability

6 Approvals

In respect of the above information approval for the following actions are sought.

- Approval of the proposed changes & metric adjustments
- Approval that all other metrics remain unchanged

Author: Simon Hewitt, Principal
Executive Sponsor: Executive Team

Appendix 1

	Metric	Strategy Baseline	2025 Target	Interim Baseline- (2021/22)	Revised Target
Effective Partnerships	Increase the number of full-time learners in vocational subject areas with work placement, simulation or inspiration as part of their programme of study.	26%	100%	35%	-
	Non-Core/commercial income generation increased by 5% per annum	2.3m	2.9m		REMOVE
	Proportion of Income that is SFC grant funded	-	79%	81%	79%
	Proportion of Expenditure that is staff costs	-	71%	73%	71%
	Increase the proportion of successful HN students articulating to degree level courses with advanced standing	49%	60%	64%	65%
	Increase the number and proportion of full-time college qualifiers in positive destinations after 3-6 months of qualifying	94%	97%	96%	-
	Increase the overall satisfaction of our customers, stakeholders and partners	-	80+	-	-
Future Focused	Increase Full Time Learner Attainment	71%	75%	76.5%	-
	Total Income by FTE	£59k	£64k	£60.5k	-
	Credits per FTE	183	190	160	180
	Increase the number and proportion of students undertaking learning on part-time modes of attendance.	20000 credits	22000 credits	23580 credits	-
	To deliver the outcomes of the digital strategy, increasing the roll-out of fully on-line course options by a minimum of 3 per annum	13	28	41	75
	To secure funding and complete works for key infrastructure and estates projects (MSIP, Kingsway, STEM Centre)	-	-	-	-
Thriving Communities	To improve Staff Satisfaction / Engagement	80	85	80	-
	To further increase Learner Satisfaction	94%	97%	96.3%	-
	To improve learner retention	93%	95%	90%	-
	Improve successful outcomes for Care Experienced students by 2 percentage points per annum	64%	74%	72.3%	-
	To reduce overall Carbon footprint of College operations by a minimum of 60%	4620 tonnes	1850 tonnes	2033 tonnes	-
	To embed wellbeing as a component of all full-time provision	50%	100%	100%	-

	Met 2025 Target
	Progress/Improvement
	Not Met/Decline
	New Metric

BOARD OF MANAGEMENT

Tuesday 27 September 2022



STRATEGIC ITEM

STRATEGIC RISK REGISTER

PAPER E



STRATEGIC RISK REGISTER

2021 - 2022

As at September 2022

Post Holders	ELT	Executive Leadership Team	Prin	Principal	Score	Impact	Likelihood
	SLT	Senior Leadership Team	DirC&A	Directors of Curriculum & Attainment	1	Routine	Remote
	Board	Board of Management	HoICT	Head of ICT	2	Minor	Unlikely
	VPP&P	Vice Principal People & Performance	HoE	Head of Estates	3	Significant	Possible
	VPCS	Vice Principal Corporate Services	Chair	Chair of the Board of Management	4	Major	Probable
	VPCA	Vice Principal Curriculum & Attainment			5	Critical	Very Likely

Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT	POST MITIGATION EVALUATION			Lead Responsibility	
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood		Score
1	Strategic and Structural								

1.1 LT&Q	Failure of College strategy to meet the needs of the D&A Region and/or national priorities (eg Employability, DYW, attainment, articulation)	4	4	16	<ul style="list-style-type: none"> Robust strategic planning Effective environmental scanning Strong partnerships Clear links between strategy and practice Concerted demands for increased activity levels 	4	2	8	<ul style="list-style-type: none"> Robust monitoring via ROA Clear performance metrics Amendment of strategic direction/plans Rolling curriculum review 	Principal & Chair
1.2 Board	College may be disadvantaged by changes to either UK or Scottish Government policies Under Review	4	3	12	<ul style="list-style-type: none"> Effective environmental scanning Negotiation/influence at national level 	4	2	8	<ul style="list-style-type: none"> Review of changes and amendment of strategic direction/plans Financial strategy sensitivities 	Principal & Chair
1.3 Board	College disadvantaged by changes arising from UK leaving European Union	5	4	20	<ul style="list-style-type: none"> Negotiation/influence at national level Review of activities/projects Responsiveness to new opportunities 	5	2	10	<ul style="list-style-type: none"> Review of changes and amendment of strategic direction/plans/ curriculum Financial strategy Workforce planning International strategy & planning Post Brexit planning 	Principal

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

Post Holders	ELT	Executive Leadership Team	Prin	Principal	Score	Impact	Likelihood
	SLT	Senior Leadership Team	DirC&A	Directors of Curriculum & Attainment	1	Routine	Remote
	Board	Board of Management	HoICT	Head of ICT	2	Minor	Unlikely
	VPP&P	Vice Principal People & Performance	HoE	Head of Estates	3	Significant	Possible
	VPCS	Vice Principal Corporate Services	Chair	Chair of the Board of Management	4	Major	Probable
	VPCA	Vice Principal Curriculum & Attainment			5	Critical	Very Likely

Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT	POST MITIGATION EVALUATION			Lead Responsibility	
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood		Score
1	Strategic and Structural								

1.4 Board	Difficulties or over commitment arising within large scale/national College led initiatives or projects impact negatively on: <ul style="list-style-type: none"> Ability of the College to meet key regional strategies/objectives Financial loss or unmanageable financial risk Reputational loss 	4	3	12	<ul style="list-style-type: none"> Effective project/activity management in place Clear governance structures Project/initiative finances clearly incorporated within College financial strategy and plans End of project and exit/contingency planning 	3	2	6	<ul style="list-style-type: none"> Regular project updates at Executive/Board level Monitoring of project activities, plans and outcomes Clear project Management arrangements in place Budget reporting and management 	Principal, VPC&A
1.5 Board	College disadvantaged as a result of changes arising from major national educational body reviews: SFC, SQA, EdS	4	4	16	<ul style="list-style-type: none"> Negotiation/influence at national level Review of activities/projects and response to new opportunities 	4	1	4	<ul style="list-style-type: none"> Robust monitoring via ROA Amendment of strategic direction/plans Rolling curriculum review 	Principal

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

Post Holders	ELT	Executive Leadership Team	Prin	Principal	Score	Impact	Likelihood
	SLT	Senior Leadership Team	DirC&A	Directors of Curriculum & Attainment	1	Routine	Remote
	Board	Board of Management	HoICT	Head of ICT	2	Minor	Unlikely
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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT	POST MITIGATION EVALUATION					
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
1	Strategic and Structural									
1.6 Board	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.	4	3	12	<ul style="list-style-type: none"> Robust CEAP in place Multiple strands of activity/action Embedding sustainable practices in normal activity and ways of working Clear links between strategy and practice Planned investment in carbon reduction Sustainable procurement 	4	2	8	<ul style="list-style-type: none"> Robust monitoring and reporting of CEAP at SLT and Board level Clear performance metrics Amendment of strategic direction/ plans Monitoring of scope 3 emissions 	VPCS, HoE

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	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	
2	Financial							

2.1 F&P	Change in SFC Funding Methodology and Allocation – Reduction in Funding	3	3	9	<ul style="list-style-type: none"> Negotiation/influence at national level Contingency plans for reduced funding 	2	3	6	<ul style="list-style-type: none"> Advance modelling of new funding methodologies and allocations Monitoring impact of changes Amendment of strategic or operational direction/plans Financial strategy sensitivities 	VPCS
2.2 F&P	Failure to achieve institutional sustainability	5	4	20	<ul style="list-style-type: none"> Protection of funding through dialogue with SFC Robust annual budget-setting and multi-year financial strategic planning Effective budgetary control Where required, swift action to implement savings 	4	4	16	<ul style="list-style-type: none"> Monthly monitoring of budgets Regular review of financial strategy and non-core income sensitivity Detailed monitoring of savings programmes 	VPCS
2.3 F&P	National outcomes on salaries and conditions of service outstrip ability to pay	4	4	16	<ul style="list-style-type: none"> Influence within Employers Association Management of staffing expenditures 	4	3	12	<ul style="list-style-type: none"> Expenditure modelling On-going discussions with staff Financial strategy sensitivities Workforce planning 	VPP&P, VPCS

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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT	POST MITIGATION EVALUATION					
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
2	Financial (cont)									

2.4 A&R	Financial Fraud	4	3	12	<ul style="list-style-type: none"> Strong financial controls: segregation of duties and review of transactions. Review of impact of any changes in structure or duties Whistleblowing arrangements 	3	2	6	<ul style="list-style-type: none"> Continuous review of financial controls Internal Audit programme 	VPCS
2.5 F&P	D&A Foundation refuses/withholds funding for key College priorities	5	3	15	<ul style="list-style-type: none"> On-going dialogue with Foundation Trustees Appropriate bid arrangements in place 	3	2	6	<ul style="list-style-type: none"> Monitor and advise Board of Management 	Prin & VPCS
2.6 F&P	Demands of capital developments / maintenance impacts on financial sustainability or delivery of learning and/or services	3	2	6	<ul style="list-style-type: none"> Multi-year estates strategy and capital planning Lobbying of SFC on capital and backlog maintenance funding Planning for D&A Foundation bids 	2	2	4	<ul style="list-style-type: none"> Monitoring of capital plans and expenditures Regular review of capital plans/timescales relative to funds 	VPCS

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	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
3	People and Performance									

3.1 LT&Q	Failure to reach aspirational standards in learning, teaching and service delivery	4	3	12	<ul style="list-style-type: none"> Clear quality arrangements and priority actions Continuous self-evaluation and action planning Rigorous CPD arrangements in place Regular classroom observation and learner feedback arrangements 	3	2	6	<ul style="list-style-type: none"> Comprehensive monitoring of key PIs and student/staff feedback Regular Stop and Review events External review and validation findings 	VPC&A, VPP&P, DirC&A
3.2 LT&Q	Failure to achieve/maintain compliance arrangements, e.g. contracts; awarding bodies; audit.	4	3	12	<ul style="list-style-type: none"> Robust strategic planning and monitoring Effective environmental scanning Strong partnerships Clear links between strategy and practice Concerted demands for increased activity levels 	2	2	4	<ul style="list-style-type: none"> Effective internal monitoring/review/verification arrangements External review findings 	VPP&P, VPC&A
3.3 A&R	Legal actions; serious accident; incident or civil/criminal breach	4	5	20	<ul style="list-style-type: none"> Adherence to legislative and good practice requirements Positive Union relations and staff communication Effective management development programmes 	3	2	6	<ul style="list-style-type: none"> Monitoring and reporting in key areas – eg H&S, equalities, employee engagement Continuous professional development Internal audit programme Staff surveys 	Prin, VPP&P, VPCS, HoE

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	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
3	People and Performance (cont.)									

3.4 HR&D	Failure to meet the aspirational standards in respect of the health, safety, wellbeing and development of staff and students	3	4	12	<ul style="list-style-type: none"> Clear and proactive approaches to managing and promoting health, safety and wellbeing Continuous self-evaluation and action planning Rigorous CPD arrangements in place Regular staff and learner feedback arrangements 	3	2	6	<ul style="list-style-type: none"> Regular employee engagement monitoring Open communication with staff Comprehensive monitoring of key PIs and student/staff feedback Regular union/management dialogue 	VPP&P, VPCS
3.5 Board	Reputational Risk – Loss of reputation with key stakeholders	4	3	12	<ul style="list-style-type: none"> Marketing strategy Reputation plan Positive marketing approaches 	4	2	8	<ul style="list-style-type: none"> Stakeholder engagement Social media monitoring arrangements 	VPC&A, DirC&A
3.6 HR&D	National bargaining outcomes impact adversely on College operations, activity and flexibility	4	4	16	<ul style="list-style-type: none"> Influence within Employers Association Management of bargaining outcomes and implementation 	4	3	12	<ul style="list-style-type: none"> Positive union relations and staff communication On-going discussions with staff Innovation in approaches 	VPP&P, VPC&A

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	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood		Score	
3	People and Performance (cont.)									
3.7 HR&D	Industrial Relations Problems (including industrial action)	4	5	20	<ul style="list-style-type: none"> Adherence to legislative and good practice requirements Positive Union relations and staff communication Effective management development programmes Industrial action continuity planning 	4	2	8	<ul style="list-style-type: none"> Regular union/management dialogue Regular employee engagement monitoring Open communication with staff Industrial action continuity planning 	VPP&P
3.8 A&R	Breach of data security / data protection	5	4	20	<ul style="list-style-type: none"> Effective management of GDPR compliance Mandatory staff CPD and awareness raising on data protection (relative to role) 	4	2	8	<ul style="list-style-type: none"> Active data protection monitoring and auditing Effective information and data security policies in operation Regular data security monitoring/testing GDPR Action Plan Staff CPD 	VPC&A, HoICT
3.9 HR&D	Failure to meet Prevent and related obligations	5	3	15	<ul style="list-style-type: none"> Prevent training Staff awareness and contingency planning Engagement/practice sharing with local agencies 	5	1	5	<ul style="list-style-type: none"> Business Continuity Plan including scenario testing Information sharing with local agencies 	VPC&A, VPP&P

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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT	POST MITIGATION EVALUATION			Monitoring	Lead Responsibility	
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood			Score
3	People and Performance (cont.)									
3.10 HR&D	College arrangements do not minimise risk associated with Modern Slavery	4	3	12	<ul style="list-style-type: none"> Clear and compliant procurement arrangements and procedures Staff identity checking arrangements and use of PVG. 	4	1	4	<ul style="list-style-type: none"> Annual procurement monitoring/reporting Regular employee engagement monitoring Open communication with staff 	VPC&A, VPP&P
3.11 Board	Failure to plan or respond adequately to future pandemic illness.	5	4	20	<ul style="list-style-type: none"> Monitoring and rapid response to WHO and UK/Scottish Government information and alerts Maintenance of COVID-19 good practice approaches to inform future use Effective business continuity planning in place 	4	2	8	<ul style="list-style-type: none"> Pandemic readiness / response included in business continuity plan reviews and testing COVID/Pandemic Response Group in place Active monitoring and rapid adoption of pandemic guidance / control measures 	Principal

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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT	POST MITIGATION EVALUATION					
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Responsibility
4	Infrastructure									

4.1 A&R	Disasters – eg Fire, MIS Failure, Failure of Emergency Procedures	5	4	20	<ul style="list-style-type: none"> Sound systems of administration Clear fire and disaster recovery arrangements Staff CPD 	5	1	5	<ul style="list-style-type: none"> Business Continuity Plan including scenario testing 	Principal & VPCS
4.2 F&P	Failure to achieve ambitions of Digital strategy; strategy and development is ineffective	4	3	12	<ul style="list-style-type: none"> Planning, careful phasing of changes to processes and systems Effective management of ICT arrangements Clear investment plan 	4	2	8	<ul style="list-style-type: none"> Regular review/reporting on milestones, systems effectiveness etc Regular CPD 	VPC&A, HoICT
4.3 A&R	Breach of ICT/Cyber security	4	3	12	<ul style="list-style-type: none"> Effective management of ICT arrangements Active ICT/data security monitoring and cyber security policy 	4	2	8	<ul style="list-style-type: none"> Staff CPD on cyber security issues Regular security monitoring/testing Cyber resilience plan 	VPC&A, HoICT
4.4 A&R	ICT infrastructure fails to support effective data security / data protection	5	3	15	<ul style="list-style-type: none"> Effective infrastructure and systems design and implementation Effective management of ICT arrangements and GDPR compliance 	4	2	8	<ul style="list-style-type: none"> Active data protection monitoring and auditing Effective information and data security policies in operation Regular data security monitoring/testing 	VPC&A, HoICT

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BOARD OF MANAGEMENT

Tuesday 27 September 2022



PRINCIPAL'S REPORT

PAPER F

BOARD OF MANAGEMENT



Tuesday 27 September 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

Board Members are asked to note the contents of this paper.

3. Effective Partnerships

- 3.1. MSIP Celebration Event – A celebration event was held on the 30th August to mark the completion of the physical works on the MSIP Skills Academy. Guests included Lorna Slater MSP, Minister for Green Skills, Circular Economy and Biodiversity. This event marked an important milestone as we progress to the next stages of the partnership with MSIP.
- 3.2. Tackling the Wellbeing Crisis - Dundee & Angus Chamber of Commerce and the College have joined forces to [introduce a joint initiative](#) which will benefit the health and wellbeing of workers across Dundee and Angus. The new partner membership will give members of the Chamber, and their employees, an exclusive opportunity to enjoy the state-of-the-art leisure and fitness facilities at the college's Gardyne Sports Centre at a reduced rate. A stakeholder event was held on the 15th September 2022 to showcase the partnership and facilities, this was well attended and thoroughly enjoyed by all.
- 3.3. 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.
- 3.4. Emergency Services – The College has established a collaboration with the 'tri-group emergency services' across Scotland (Fire, Ambulance and Police). We will support them with their transition to Electric Vehicles and have agreed an initial commitment is to upskill 100 technicians in level 2 and level 3 awards commencing with a pilot in September. We will use the feedback to fully contextualise the content where necessary and begin full delivery from October.
- 3.5. Dundee United FC – We have partnered with Dundee United Football Club to create and deliver leadership sports qualifications to their first team players. Working with

the sports sector we wanted to find a way to encourage professional players to study and learn whilst playing to consider future career progression.

- 3.6. Scottish Football Association (SFA) – The College is currently working with the SFA to create business/management training for all club managers across the region. Whilst football managers are experts at the sport they lack skills to run their business and so together with SFA we are creating a new course that will give them the leadership training and help them understand the fundamentals of running a business from budgeting, forecasting, staffing and planning. We are using the FWDF to deliver this in partnership with 4 clubs and then rolling this out to all 32 local clubs.
- 3.7. Waracle - Working alongside digital solutions company [Waracle](#), we recently hosted a Women In Tech event at the Gardyne Campus. Attendees heard from a range of speakers with careers in technology about their own career paths and how they're empowering others to create a more diverse and inclusive industry. D&A graduates Paulina Czarnecka and Aliina Avotins presented alongside Waracle staff providing real life examples of working in technology, information about the wide range of roles available within the industry and the knowledge and skills needed to get involved.

4. Future Focused

- 4.1. Skills for the Future – There was a planned launch of the Skills for the Future Lab in Arbroath Campus on Friday 16 September 2022, however this was unfortunately cancelled due to the passing of Queen Elizabeth II. Seagreen has provided £300,000 of STEM funding to the college with a proportion of the fund directly supporting the construction of the Skills for the Future Lab. Seagreen is set to become Scotland's largest and the world's deepest fixed-bottom offshore wind farm comprising 114 turbines capable of generating enough clean and sustainable electricity to power more than 1.6 million UK homes.
- 4.2. Hair & Beauty School Opening – The College held a celebration event on the 25th August 2022 to mark the completion and opening of the new Hair & Beauty School. Members of the Board, the D&A Foundation, the Scottish Funding Council, contractors and broader partners in the development were invited to join College staff and management to mark the occasion and have the opportunity to see the new facilities first hand. An excellent occasion to celebrate the culmination of a number of years of hard work and dedication, by so many, to this project.
- 4.3. Estates Developments - A significant number of projects have been completed over the summer break by our Estates team, these include:
 - Car park resurfacing and relining project beside the Isla building in Arbroath. Recycled plastics aggregate has been used in this project – excellent circular economy case study
 - New Executive Suite created on Level 6 Kingsway tower
 - New CAD suite created on Level 5 Kingsway tower
 - 4 new classrooms created on Level 5 and 6 Kingsway tower
 - New electrical sub-main installed from main panel board to Catering department in Kingsway
 - New electrical sub-main cable to Demo kitchen in Kingsway
 - New counselling room created in Isla building in Arbroath
 - IT suite created in new Hair and Beauty facility in Kingsway
 - New engineering and construction workshops created in Kingsway
 - Enabling works completed for the creation of new classrooms in the CSW building in Arbroath

- New reception area created for hair and Beauty in Kingsway
- Bar gantry installed in the new training restaurant in Kingsway
- Glazed screen installed in the new training restaurant in Kingsway
- New painting and decorating workshop created in the Clova building in Arbroath
- Complete rewire of IT cabling to all areas of the Clova building in Arbroath

4.4. Skills Boost Programmes - We have recently refreshed our [Skills Boost online short courses](#), doubling our offer to over 50 courses. The courses focus on key sector growth areas and support the recovery of the local economy by helping participants to gain skills to progress into employment or further study. The suite of courses can be started any time and can be studied flexibly to fit in with participants' lifestyles. There is no charge to the participant and the introductory course provides them with a pathway to other part-time, full-time or work based courses.

5. Thriving Community

5.1. Inclusive Workplace Award – The College has [received its first SUSE Inclusive Workplace Award](#) for the work we have undertaken with ENABLE Works. The award recognises those employers who have a commitment to recruiting and supporting employees who have a disability or long term condition.

5.2. Operation Unicorn - Operation Unicorn, involving 100s of local Police, saw a very busy weekend (16th -18th September) at Kingsway Campus. The Campus was used as a hub for Police working to secure the route as the Queen was transported through Scotland to Edinburgh. Our Hospitality, Catering and Estates teams pulled out all the stops to feed over 500 Police throughout the day. Staff were on campus preparing all day Saturday and back before the literal crack of dawn on Sunday, with people onsite from 3am onwards. Breakfast, lunch and dinner were served and the feedback on the service and quality of food was amazing. A great example of the D&A Way.

5.3. Wellbeing & Mental Health - Following work undertaken last academic session by a group of cross-College staff, a new online training module has been introduced to the mandatory online training suite. This module focuses on mental health, as the College is keen to retain a focus on mental health and wellbeing as part of the overall wellbeing programme. Further training and development sessions are planned for managers in terms of both managing their own resilience and wellbeing, as well as supporting team members to have constructive conversations about their mental health. Internal staff and external inputs will continue to be sought and utilised to be part of the overall wellbeing calendar of events in 2022-23.

5.4. Cost of Living Crisis - Board members will be aware, there has been a significant focus on the cost-of-living crisis over recent weeks. This is recognised as a significant issue for students and many staff. This will, of course, be a major feature of national pay discussions and at a local level the College will pull together the range of information, guidance and support that is available to seek to minimise impacts as far as possible. This work will include partnership work with our local authorities and others to ensure that students and staff have access to the best support and advice available.

5.5. Support for Ukrainian Refugees

The English Language Teaching and Training team is working closely with Dundee City Council to provide ESOL courses for incoming Ukrainian citizens. There are currently 250 Ukrainians living in 3 hotels in Dundee, many of whom speak very little English. We are offering additional full-time courses, evening classes and delivery in

the community in Hilltown and the City Centre.

5.6. Pathways from Poverty Symposium – Our Student President, Amy Monks, took part in the Pathways from Poverty Symposium on the 8th September 2022. The symposium was designed to highlight the college sectors role in supporting people out of poverty, as highlighted in the recently published report by CDN. The report considers the key transitions facing Scotland, the UK and the world during the current ‘decade of disruption’, their impact on those coping with poverty, inequality and economic injustice, and how colleges can help to address these challenges for individuals and communities. Amy was a credit to herself, the College and the sector, with her call to action the highlight of the event. Well done Amy.

5.7. College Development Network (CDN) Awards

As we start to move into awards season, the College is delighted to have been shortlisted in two categories in the College Development Network Awards. The shortlisted entries are as follows:

- Gail Graham, Quality Manager, has been shortlisted in the Colleague of the Year category, reflecting the fantastic work she has undertaken within D&A and also at a national level throughout the pandemic. Gail has had a major input to the creation of the adapted assessment arrangements for students within the college sector and has provided excellent support to D&A staff over the past two years.
- Our Students’ Association has been shortlisted in the Innovation category for their Retention Calls initiative, which has seen a small group of Students’ Association members make over 3,000 calls to students that were at risk of leaving their course. Working in partnership with College staff, this work has supported hundreds of students to resolve issues, access support and return to their studies.

The winners will be announced at a celebration ceremony at Radisson Blu, Glasgow on Friday 25 November 2022.

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 namely:

- 1.1 Failure of College strategy to meet the needs of the D&A Region and/or national priorities
- 3.1 Failure to reach aspirational standards in learning, teaching and service delivery

Authors: Senior Leadership Team
Executive Sponsor: Simon Hewitt,
Principal

BOARD OF MANAGEMENT

Tuesday 27 September 2022



FINANCE & ESTATES ITEMS

2022/23 BUDGET

PAPER G

BOARD OF MANAGEMENT

Tuesday 27 September 2022



Draft Budget for 2022/23

Paper for approval

1. Introduction

This report brings to the Board's attention a draft budget for the year to 31 July 2023. The Finance & Property Committee will consider the draft budget at its meeting on 26 September. The Committee will advise on their recommendation to the Board at the meeting of the Board.

2. Recommendation

The Board are asked to approve the 2022/23 Draft Budget.

3. Context

The interim budget presented to Finance & Property Committee and the Board in May/June 2022 did not provide an acceptable financial outcome. Approval was given for a draft budget to be presented to the September Finance & Property Committee and Board to enable the outcomes from the savings and investment consultation and budget review to conclude. This aimed to establish a budget position closer to a £500k deficit that would enable the College to retain sufficient cash for a period necessary to formulate longer-term plans to support financial sustainability.

The interim budget was predicated upon the Scottish Funding Council's indicative grant allocations for 2022/23, which have subsequently been confirmed as final. Certain specific funding allocations are still to be announced however and SFC's suggested assumptions are used in these instances.

This draft Budget incorporates the very substantial savings secured from the exercise that had commenced in May and updates assumptions using current data. In some respects, most notably from student full-time enrolments and inflationary pressures, this has had a detrimental impact. Credit assumptions have not changed and SFC have not yet responded to requests for further flexibilities.

Whilst it is assumed that there will be no return to COVID restrictions, income generation is not yet budgeted to return to pre-COVID levels. The cost of living crisis and the inflationary pressures challenging businesses also dictates a high degree of prudence when considering revenue budgets.

Whilst the full potential income and expenditure from the Life Sciences and SME Skills Tay City Projects continue to be excluded from the budget pending Business Case approval, a measure of contribution to overhead costs has been assumed. Revenues and expenditure from the College's involvement with MSIP has been excluded, pending formal agreement, with the exception of discretely funded activity already in place.

An assessment of the risks from key areas is included within the papers in order to complement this paper and to provide more details of mitigation and contingencies. Possible cash deviations are estimated in an effort to provide some indication of likely impacts, both favourable and adverse.

4. Summary of results

A **Cash-backed deficit of £586K** is budgeted, reduced by nearly £2.3m from the Interim Budget deficit of £2,878.

A summary of the main net movements from the interim budget is given in the table below and explained in more detail within the relevant sections where necessary. A high level analysis of both income and non-pay provides detail of gross movements across the main categories.

	£000's
Cash-backed deficit per Interim Budget	(2,878)
SFC Flexible Workforce Development Fund (FWDF), contribution	276
SFC Child Poverty funding, contribution	32
Catering, reduced deficit	152
Nursery, reduced deficit	43
Tuition fees + skills based training	(23)
Rental and facility income	71
Project contribution	81
Pay - increased awards for 21/22 and 22/23	(280)
Pay - variable teaching pay reduction	150
Pay - VSS savings (exc. catering)	956
Pay - vacancy savings, net of increments	200
Pay - other net savings	276
Pay - Investment in Finance & Estates	(73)
Non-pay savings linked to savings plan/VS etc.	191
Non-pay savings from Exams, OD & Marketing	98
Non-pay savings from Insurance renewal	20
Non-pay removal of ICT Network replacement	300
Non-Pay utilities	(178)
Cash-backed deficit per Revised Budget	(586)

5. Income

Income rises £1.2m to £44m and is now £279K above last year's draft outturn.

Other SFC grants accounts for £964K rise in income. Both Capital & Maintenance and FWDF grants benefit from underspends brought forward from 2021/22. The latter is also boosted by assumptions of greater income recognition within the year, however allocations have not yet been published and it is possible that there will be a reduction for 2022/23.

The College has bid for Child Poverty funding of £260K. SFC have made no allocations to date but have signalled that a distribution of £125K can be anticipated as a minimum.

Tuition fees have been revised downwards by £173K for this budget, because of falling numbers of full-time enrolments. The combined value HE Full-time is now some 16% lower than 2021/22 although we consider this a very prudent position and strong retention could yield significant improvement.

Non-Core income rises by £322K to £2,727K, with the increase broadly split between skill based qualifications and project income. Variances from 2021/22 can be seen in the analysis and the reduction of circa £1m from last year is due, in large part, to the removal of second year Foundation Apprenticeship income from SDS that is now wholly subsumed within SFC Credit income. The balance is largely project related with little net impact.

Catering and other income rises to £1,665K and now includes revenue from hosting Dundee Football Club at Gardyne campus. Catering itself sees the loss of the Clova outlet in Arbroath but still shows an increase of £173K on the previous year, which we hope to improve upon with the return of students to all three campuses.

6. Pay Costs

Total Pay Costs have reduced by almost £1.1m from the interim budget and pay, when excluding VS costs charged in 2021/22, is almost £200K down on last year, with savings exceeding pay awards.

Pay is initially enhanced both by the higher consolidated award settled for 2021/22 and an allowance for a minimum award of 2% for 2022/23. Whilst this goes beyond the assumption of public sector pay award that continues to be recommended by SFC, it is likely that the settlement for 2022/23 proves to be more costly. This may be unaffordable without additional funding. Conversely, if the national insurance increase introduced is reversed this would save approximately £300K for a full year.

Savings of circa £1.6m have been secured from pay budgets through a combination of VS, efficiencies and vacancies. This has enabled modest provision to be made for investment in select areas. In other instances, pay costs have increased in line with increased activity, notably in areas of FWDF and Child Poverty.

No allowance is currently made for further VS costs.

7. Non Pay Costs

Non-pay costs, at almost £10.4m, barely change in total. This does however mask substantial savings noted in the table above, with substantial increases in property budget offsetting these savings.

Property costs rise by £438K plus VAT. Unspent funding allocations are brought forward to be available in the current year but this has no net impact. Electricity and gas budgets have been increased in line with latest price guidance and contains contingency for increased consumption, albeit that this will be closely monitored and tightly controlled.

ICT costs have reduced in this revision, mainly attributable to the removal of £250K plus VAT from the budget for the first phase of network replacement meantime, pending a bid to the ALF.

8. Subsidiary Company

The Gardyne Theatre Ltd. Budget has not been revised and predictions remain for a modest profit of £6K. Bookings and interest are both encouraging but it will be challenging to improve upon this position, particularly in the current economic climate.

9. Student Support Funding

SFC continue to provide assurance that demand for funds will be met in full.

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.

The cash flow forecast includes an approximate estimated resale value (£150k), influenced by chartered surveyors, for Montrose Outreach Centre.

11. Cash Flow Forecast

Cash flow benefits substantially from both a stronger opening position and the improved operating performance now envisaged. Although the very high level of committed funds at July 2022 is expected to reverse during the year, cash balances of circa £3.5m are now predicted at July 2023.

12. Conclusion

The outcomes of the savings and investment plan has been successful in enabling us to deliver a revised budget that improves markedly upon the interim budget. This is considered achievable subject to the significant various risks and uncertainties, particularly around unprecedented inflationary pressures. The objective to improve cash retention to allow sufficient time to implement further changes in an effort to reach a financially sustainable position by 2023/24 is achieved.

13. Link to Strategic Risk Register

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

2.2 – failure to achieve institutional sustainability

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Executive Sponsor: Jaki Carnegie, Vice Principal – Corporate Services

Draft Budget 2022/23

	2021/22	Year to July 2023			
	Draft Actual Outturn	Interim Budget	Revisions	Revised Draft Budget	Variance from Draft 21/22 Outturn
	£000's	£000's	£000's	£000's	£000's
SFC Credit income	31,166	31,368		31,368	202
SFC ESF Credits	1,028	-		-	(1,028)
Other SFC grants	3,115	4,274	964	5,238	2,123
SFC Total	35,309	35,642	964	36,606	1,297
Tuition Fees	3,236	3,195	(173)	3,022	(214)
Non-Core income	3,782	2,405	322	2,727	(1,055)
Catering & other income	1,414	1,548	117	1,665	251
Total Income	43,741	42,790	1,230	44,020	279
Teaching Pay - established	16,571	16,953	(403)	16,550	21
Teaching Pay - variable	2,497	2,599	(49)	2,550	(53)
Invoiced Staff Costs	432	307	158	465	(33)
Teaching Support Pay	2,495	2,566	(163)	2,403	92
Support pay	11,941	12,396	(632)	11,764	177
Apprenticeship Levy	110	108		108	2
VS Scheme	1,204	-		-	1,204
Unfunded pension payments	386	400		400	(14)
Total Pay Costs	35,636	35,329	(1,089)	34,240	1,396
Staff related costs	283	334	(27)	307	(24)
Consumables & Equipment	1,553	1,829	22	1,851	(298)
Exam fees	784	914	(55)	859	(75)
Student related costs	161	219	(36)	183	(22)
Property cost	3,000	3,510	438	3,948	(948)
ICT & Telephony	1,665	1,654	(255)	1,399	266
Insurance	128	176	(20)	156	(28)
Marketing	142	99	(23)	76	66
Professional fees	178	115	-	115	63
General Overheads	263	300	(22)	278	(15)
Interest & Charges	145	92		92	53
VAT	936	1,103	5	1,108	(172)
Total non-pay costs	9,238	10,345	27	10,372	(1,134)
Cash-backed surplus/(deficit)	(1,133)	(2,884)	2,292	(592)	541
Add: subsidiary profit/(loss)	(2)	6		6	8
Consolidated Cash-backed surplus/(deficit)	(1,135)	(2,878)	2,292	(586)	549

Cash Flow Forecast

	2021/22	Year to July 2023	
	Draft Actual Outturn	Interim Budget	Revised Draft Budget
Cash backed surplus/(deficit)	(1,135)	(2,878)	(586)
Loan repayment	(457)	(457)	(457)
Capital Expenditure		-	-
Capital funding	3,402	-	-
Asset Disposals	(3,402)	-	150
Working capital movements	1,987	-	(1,800)
Net Movement in cash balances	395	(3,335)	(2,693)
Opening cash balances	5,853	3,756	6,248
Closing cash balances	6,248	421	3,555

Risk Assessment of key volatile areas

Income/Expenditure Category	Draft Budget £000's	Possible Cash Deviations		Controllable?	Adverse Risk Assessment			Comments and mitigations
		Favourable £000's	Adverse £000's		Likelihood £000's	Impact £000's	Overall £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 confirmed unchanged since the interim budget was established but SFC have given no further clarity about the use of 2% threshold and its implications for other sources of funding, nor officially responded to the sector's requests for further flexibilities. Foundation Apprentice target is challenging.
Other SFC grants	5,238	100	300	Yes, however subject to demand for FWDF training.	Mid	Low	Low	Neither FWDF nor Child Poverty have yet been confirmed. FWDF attracts greatest risk, with potential for reduction, and now reflects a higher carry forward of underspend from 21/22, boosted by enhanced allocations from SFC in recognition of the college's success in fully contracting it's initial allocations. Maintenance grant is increased by FY22/23 funding not required last year but is matched with additional equivalent cost provision, with utilisation assumptions maintained.
Tuition Fees	3,022	200	100	Yes, in terms of marketing, recruitment delivery and retention but limited influence over demand.	Low	Low	Low	Despite a vigorous marketing campaign, recruitment of full-time HE students has been disappointing and budget has been reduced to a very prudent level, thereby reducing risk of further negative movement. Commercial income targets are challenging, particularly during difficult economic times, but is underpinned by a strong focus on business engagement.
Non-Core income	2,727	200	100	Partly; varies across such a disparate category ranging from apprentice income to Trust funding.	Low	Low	Low	Outcomes from 2021/22 provide reassurance that capacity for adverse movement from this enhanced budget position is limited.
Catering & other income	1,665	200	100	Yes	Low	Low	Low	Early indications suggest that catering income could improve further upon the revised budget and we may yet see gains from all campus based activity. Risk of negative movement appears to have diminished.
Total Pay (exc. VSS & unfunded pensions)	33,840	300	500	Largely yes but subject to pay and conditions negotiated centrally.	Mid	High	High	The provision for the 22/23 pay award has been increased to a minimum of 2% but may yet fall short of an ultimate settlement during a period of high inflation. The college will continue to lobby for additional funding if an unaffordable settlement is imposed. All new appointments will be tightly controlled and we shall continue to strive to ensure that all possible efficiencies are realised. There is potential for positive movement if the national insurance surcharge is reversed.
VSS	-	-	-	Yes	-	-	-	Given the need to return to a financially sustainable position it is likely that VS costs will be incurred to secure further savings but this is difficult to quantify at this time.
Property cost	3,948	100	100	Yes, subject to inherent risks of the usual unpredictable factors exacerbated this year by exceptional price rises.	Low	Low	Low	Maintenance budgets will be managed within available funding with minimal likelihood of any significant overspend. Utility budgets have been further increased in line with latest price predictions and prudently assuming a higher level of consumption, albeit that this will be closely monitored. A commercial energy price cap may offer some relief.
Non-pay costs excluding property	6,424	100	400	Yes, with limited exceptions, but inflationary pressures have increased risk of over spend.	Low	Low	Low	Additional consumable savings have been assumed for the revised budget, attracting greater risk and necessitating strict control. Inflationary pressures may yet impact adversely.

BOARD OF MANAGEMENT

Tuesday 27 September 2022



FINANCE & ESTATES ITEMS

FINANCIAL FORECAST RETURN

PAPER H

BOARD OF MANAGEMENT

26 September 2022

Financial Forecast Return (FFR)



Paper for approval

1. Introduction

This report, and appendix provides the 5-year financial forecast return for the period 2020-21 to 2026-27. This is required to be submitted by 30 September.

2. Recommendations

The Finance & Property Committee are asked to recommend approval to the Board of the Financial Forecast Return for submission to the Scottish Funding Council.

3. Call for Information

On 11 August the Scottish Funding Council advised that a financial forecast return for academic years 2020-21 to 2026-27 be submitted by 30 September 2022.

The 'Call for Information' does not differ substantively from that which has been in previous FFRs. Meaningful changes are **highlighted**. The commentary includes the following.

- An introduction which should include the context in which the forecasts have been prepared and an explanation of how the elements of the college's strategic plan, human resource management strategy and infrastructure strategy are reflected in the forecasts. **There is an expectation that colleges will be reviewing business models and strategic plans in light of Covid-19 and the tight financial environment.**
- Review of financial performance 2021-22, and highlight positive and negative variances from previous forecasts.
- SFC recurrent grant
- Changes in tuition fee income and other income, including assumptions made regarding student numbers and the reasons for year-on-year movements in other sources of income
- Commercial income including identifying barriers, funding sources, expected net contribution and quantifying how income forecasts have changed as a result of COVID-19 impacts.
- Changes in staff and non-staff costs including year-on-year movements and assumptions regarding pay awards, **price changes**, **changes in activity levels**, job evaluation funding, staff numbers, **staff restructuring and voluntary severance or compulsory redundancy**, future pension contribution costs and **inflationary pressures**.
- Cash budget for priorities
- Balance sheet – cash position, **especially if this position is deteriorating**, including highlighting details of **expected breaches of loan covenants** negotiated loan repayment holidays and **VAT payment deferrals**.
- Contingency planning including details of contingency plans and potential mitigating actions,

to respond to adverse movements.

- Risk management including the corrective actions that would be taken to address identified risks
- Additional planning scenarios, and related financial/non-financial impacts.
- Any other information

The following commentary is intended to cover off the elements requested by SFC's 'Call for Information' at the same time as presenting a context for Board members.

4. Introduction

As has been well publicised in various Audit Scotland reports¹ the financial environment within which colleges operate was already challenging. Audit Scotland's 2022 report highlighted "*incorporated colleges are increasingly reliant on SFC grants*" and "*..the Scottish Government ...multi-year spending plans up to 2026/27...shows a flat cash settlement for the SFC over the next four years, equating to an eight per cent reduction in real terms. The multi-year plan confirms that the college sector faces some really challenging years to come.*" The Audit Scotland report was published in May 2022, before the extent of inflationary increases and the cost-of-living crisis had significantly worsened with inflation being calculated at 9.8% for the 12 months to August 2022.

In February 2022 when the Scottish Budget 2022/23 was announced the College started to lobby for more funding, highlighting the significant detrimental impact this would have on the College. The indicative SFC funding allocations announced in March 2022 confirmed the damaging impact this would have on our ability to maintain the same level of services and high quality learning & teaching provision. The College highlighted to staff that we would require to consult on how we maintain long-term financial sustainability whilst continuing to meet the needs of our region. In April 2022 we started the consultation. The initial £1.5m of savings necessary was in response to the anticipated SFC funding shortfall, however inflation, national bargaining salary outcomes, fuel crisis and falling student recruitment alongside the additional provisions required to support student retention and achievement meant that the scale of the budget deficit was forecast to be £2,878k. Following months of consultation with unions and staff the exercise generated savings of £1,811k costing c£1m in one-off voluntary severance payments.

The College is a key partner in a number of significant projects within our Region; Tay Cities Deal, Michelin Scotland Innovation Parc, esports arena and the Eden project. Some of these projects include investment funding, alongside the College securing very welcome additional funding from the Matthew Trust, the Northwood Trust, Seagreen (wind energy) and Skills Development Scotland. To take full advantage of the long-term benefits and opportunities of being involved in these projects, alongside the necessity to maintain financial sustainability we will need to secure investment funding. The College is very fortunate that Dundee & Angus Foundation has funding, with a balance of c£1.8m after investing £3.3m in the Kingsway Tower redevelopment in 2021/22. Based on the College Board approving an approach we will seek funding from the Foundation to partially support the required investment in our network infrastructure. The College will also seek to identify other sources of funding to support the necessary curriculum investments and the drive to net zero from initiatives such as the Scottish Green Public Sector Estate Decarbonisation Scheme and Scottish Central Government Energy

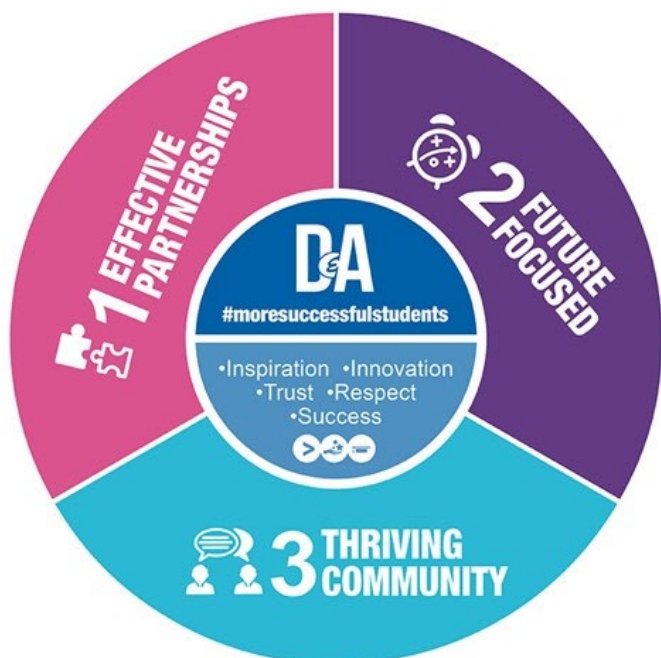
¹ [Scotland's Colleges 2022](#)
[Coherence and Sustainability: A Review of Tertiary Education and Research](#)
[Audit Scotland update on Scotland's colleges 2020](#)

Efficiency Grant Scheme.

As a result of the consultation, the assumed funding bid to the Foundation and the process of rigorously reviewing budgets and identifying further efficiencies and opportunities for additional or new income has resulted in the draft budget for 2022/23 now being presented as a cash-operating deficit of (£586k), equating to an Adjusted Operating Result of (£682k) deficit.

In early September 2022 the First Minister announced the [Programme for Government](#) and the confirmed priorities of household finances, child poverty, the climate emergency and improving public services further. The First Minister also emphasised that inflation had removed £1.7 billion from the Scottish budget. The impact of inflation and salary settlements alongside a flat cash SFC funding settlement, depletion of cash balances, the reduced ability to afford voluntary severance and the reduction in or removal of existing pots of funding represents a totally unsustainable position for 2023-24 to 2026-27.

The College's [Our 2025 Strategy – More Successful Students](#) remains relevant and appropriate, despite the pandemic and the ominous economic outlook.



The Workforce Plan 2022-24, recognises the:

- impact the pandemic had on the ways of working
- drive to achieve net zero by 2040 as part of Climate Emergency Action Plan “Our Path to Net Zero”
- requirement to continue to enhance digital skills and literacy
- importance of keeping up to date with industry skills throughout the curriculum
- increase in the need for wellbeing and resilience support for staff and students
- requirement to embed UN Sustainable Development Goals and carbon reduction throughout the curriculum and college activities

The draft Infrastructure Strategy, incorporating Estates and ICT:

- prioritises sustainability & income generation
- has inspirational and inclusive spaces and services
- provides modern and flexible learning spaces

- highlights the importance of services being digitally enabled and developed
- uses data to better inform decision making
- is health and wellbeing focussed
- responds to the Global Climate Emergency
- raises the profile of the College and College learning both locally and nationally

Whilst the FFR is intended to present financial projections, it is important that we always have our purpose at the forefront of everything we do. We are a sector-leading College that provides, opportunities, skill development and training for our Region, to often our most disadvantaged young people.



MORE STUDENTS SUCCEED @ DA

5. Financial Performance 2021-22

The unaudited 2021/22 College adjusted operating result is a (£1,538k) deficit.

In the June medium-term FFR return the adjusted operating result was forecast as a deficit of £828k. The papers presented to the Board and shared with SFC did not include any costs associated with voluntary severance payments as part of the savings exercise that was underway at the time.

6. SFC Recurrent Grant

Teaching Grant

Core funding for 2022-23 has been based on the [final funding](#) announced in May 2022.

The level of funding for Flexible Workforce Development Fund, Young Person’s Guarantee, Counsellors and Child Poverty are not yet known.

7. Changes in Tuition Fees/Other Income/Commercial Income

The following has been assumed:

Income Stream £000s	2022/23	2023/24	2024/25	2025/26	2026/27
Tuition Fees	3,042	3,084	3,128	3,174	3,222
Education Contracts	1,300	1,361	1,425	1,492	1,563
Other Income	3,233	2,378	2,378	2,379	2,379
Grants from ALF	700	-	-	-	-

Certain income streams continue to be impacted as a result of the pandemic, particularly in relation to number of full time students falling to unprecedented low numbers.

Income continues to be impacted by the lack of increase in the HE and SDS Foundation Apprenticeship fees, which have remained static for many years. Based on inflation over the last 15 years since the HE full time tuition fee was revised, the fee would have increased by 51% from £1,285 to £1,904. Using 2022/23 as an example this would equate to an additional c£750k. For SDS fees, the equivalent increase based on no change in 10 years would be additional income of c£170k.

8. Commercial Income

The Business Partnerships Manager, and business advisors, now in place for a year, have made a significant impact on engaging with businesses within the Tayside Region to enhance the opportunities for more commercial income. Triggered by Flexible Workforce Development Funded engagements opportunities for further partnerships include:

- Emergency Services – a collaboration with the 'tri-group emergency services' across Scotland (Fire, Ambulance and Police) to support the transition to Electric Vehicles. This involves an initial commitment to upskill 100 technicians in level 2 and level 3 awards.
- Dundee FC – a partnership with Dundee Football Club to create and deliver leadership sports qualifications to their first team players. The partnership includes the “incubator” space within our campus being let out to the football club and the club securing trust funding investment into our football pitches for shared use by the professional team and the College’s sports & fitness curriculum staff/students alongside our ability to further let out these pitches/facilities, once redeveloped, for commercial use.
- Scottish Football Association (SFA) – working with the SFA to create business/management training for all club managers across the region. Initially this is being developed in partnership with 4 clubs with the intention to roll this out to all 32 local clubs.

We reported previously that in the current economic environment it would be naïve for the college to imagine that “profit” will be anything other than marginal until such time as the economy recovers. With inflation and energy prices at recent history record levels, businesses are also scrutinising their expenditure. The College continues to be optimistic that the work currently engaged in alongside being a significant partner in other initiatives such as MSIP, Tay Cities, eSports and the Eden Project will shape our commercially viable offering.

The Service Design Academy has undergone a strategic review alongside implementing increased prices. With its world-class reputation it remains as a key College opportunity to generate contributions. The extent of the demand for service designers has however impacted on our ability to retain our highly regarded and experienced service design consultants, which is now impacting on the volume of business that can be delivered.

9. Changes in Staff & Non-Staff Costs

The table below shows the cumulative cost of the pay increases from the 2020/21 baseline, before further adjustments for changes in activity.

Cost of Pay Award £000s	2020/21 Baseline	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Staff Costs ² @2% (2022/23-26/27)	32,085	939	1,735	2,398	3,094	3,804	4,528
Staff Costs ² @5%/3% (2022/23-26/27)	32,085	939	2,680	4,413	5,517	6,654	7,825

The provision for pay awards beyond August 2022 is in accordance with Scottish Government Public Sector Pay Policy, as required by SFC, for 2022/23 but enhanced to provide a minimum of 2%. For all subsequent years SFC's assumption of 2% p.a. has been used. The cost of each additional 1% is provided within the Efficiencies and Sensitivities tab of the Return.

The Finance Development Network (FDN) proposed modelling of 5% pay award in 2022/23 and 2023/24 and 3% in 2024/25 to 2026/27 is also provided.

Adjusted Operating Result (based on 2% or 5%/3% pay award) £000s	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Staff Costs @2% (2022/23-26/27)	2,168	(1,538)	(682)	(2,176)	(3,008)	(3,888)	(4,823)
Staff Costs @5%/3% (2022/23-26/27)	2,168	(1,538)	(1,627)	(4,191)	(5,431)	(6,739)	(8,122)

The modelling of a 5% pay award in 2022/23 and 2023/24 and 3% in 2024/25 to 2026/27, as proposed by the FDN, would add **£11.5m** to the cumulative adjusted operating deficit.

On completion of the job evaluation exercise, the FFR assumes that the job evaluation funding will be sufficient to cover any costs. Inflationary increases have been assumed from 2023/24 onwards. For the sake of simplicity only, and to avoid unhelpful spikes in pay, no payment of arrears is assumed within the period of the FFR, with both cost and funding accumulating.

Based on flat cash funding, the only way to cover the costs of pay awards and inflation alongside the challenge to achieve the credit target without further flexibilities or a new funding methodology will be to reduce staff. Further reduced staff numbers have not been assumed as part of the FFR.

² Excludes pension charge

As highlighted above, and in papers presented to the Board and shared with SFC, a significant voluntary severance exercise has recently completed with 32 FTE staff accessing the voluntary severance scheme. This was in addition to the 8 FTE staff who accessed a Voluntary Severance Scheme that closed in December 2021. Funding the two schemes over the last academic year has cost £1,204k. The College are intending to revisit the scheme arrangements as the level of payments are no longer affordable. It is expected that compulsory redundancies will be required.

The FFR assumes that there will be no increases in pension contributions. The triennial valuation of the Tayside Local Government Pension Fund at March 2020 has confirmed that the current contribution rate of 17% will be maintained until 31 March 2024.

The national insurance surcharge of 1.25% has added approximately £270k annually to our payroll costs. The proposed reversal of this with effect from November 2022 will save approximately £200K in 2022/23 and circa £1.3m throughout the period to July 2027.

It is assumed that the College will offset the cost of inflation on non-pay expenditure (3.7% 2022/23, 2.3% 2023/24 then 2% beyond using SFC assumptions) with efficiency savings. The exception to this will be the increases in utilities where the assumptions recommended by the Finance Development Network, through consultation with APUC, have been adopted. This will continue to be challenging. Procurement good practice will continue to be embedded to maximise opportunities for Best Value.

The impact of all alternative scenarios suggested by the Finance Development Network are given in the table below. These have not already been factored into this FFR.

	22/23	23/24	24/25	25/26	26/27
	£000	£000	£000	£000	£000
1) NTTF & YPG Income Change from FFR	NIL	NIL	NIL	NIL	NIL
		Nil assumed throughout this period			
2) Reductions in FWDF Income % Reductions in FWDF Income £ (net) Adjusted Operating Result	20% (95) (777)	10% (38) (2,309)	10% (34) (3,175)	10% (31) (4,087)	10% (28) (5,051)
3) Pay Award Increases % Change from FFR Adjusted Operating Result	5% (945) (1,627)	5% (1,070) (4,191)	3% (408) (5,431)	3% (427) (6,739)	3% (447) (8,122)
4) Inflation (non-staff costs excl. utilities) Change from FFR Adjusted Operating Result	9% (538) (1,220)	7% (405) (3,119)	7% (455) (4,405)	7% (458) (5,745)	7% (459) (7,139)
5) Increase in Gas unit prices Impact subsumed within this FFR	230% (155)	8% (45)	17% (49)	17% (53)	17% (57)
6) Increase in Electricity unit prices Impact subsumed within this FFR	27% (422)	54% (442)	17% (214)	17% (251)	17% (294)

10. Cash Budget for Priorities

The College will continue to use the “ring-fenced” cash budget for the ongoing costs associated with the 2015-16 pay award, unfunded additional pension and National Insurance contributions, voluntary severance and capital loan repayments.

11. Balance Sheet – Cash Position

As with previous years, the cash position is largely driven by the operating position, which is subject to volatility. The College financial strategy is to generate sufficient cash-backed surpluses to meet the annual capital repayment of our long-term loan.

£000s	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27
Opening cash	5,853	6,248	3,555	1,015	(2,357)	(6,609)
Net cash flow/(outflow)	852	(2,236)	(2,083)	(2,915)	(3,795)	(4,730)
Loan repayment	(457)	(457)	(457)	(457)	(457)	(457)
Closing cash	6,248	3,555	1,015	(2,357)	(6,609)	(11,796)
NOTE: Restricted Cash	3,400	1,500	1,500	1,500	1,500	1,500

Due to the uncertainties in 2020, the College took advantage of a capital loan repayment holiday in August 2020. This was repaid in July 2021. The FFR assumes that the College will honour its loan repayments and VAT payments. There are no loan covenants for the Gardyne Campus loan. The final loan repayment is due on 30 June 2027.

12. Contingency Planning

Based on the forecast cumulative **deficit** for the 5 years 2022/23 – 2026/27 of **£14.576m** only fundamental change will impact on a cumulative deficit of this magnitude.

Significant increases in fees, commercial and other income generating activity will not resolve the underlying forecast deficit.

There is only so much direct control that the College has to enable it to present a balanced budget over the planning period, whilst achieving the credit target, based on the current funding methodology. In the post-pandemic context of learning loss, mental health, child poverty and cost of living crises, to be a high quality skills provider, the level of wraparound support to ensure that students achieve is far greater than has ever been experienced.

The College will, of course, take a proactive approach to try to minimise the deficit. Significant staffing reductions, as the biggest cost that is within the College’s control, although damaging the quality of the service to students and the ability to achieve the credit count, will be necessary.

- Reduction in Headcount

For the purposes of achieving a balanced budget by the end of the planning period, taking into account previous cash-backed surpluses have depleted to fund Voluntary Severance in 2021/22, the level of reduction in staff headcount required is estimated as:

Year	In year savings required £000's	FTE reduction	Cost of Voluntary Severance £000's
2022/23		40	£1,200
2023/24	£2,176	15	£450
2024/25	£831	16	£480
2025/26	£881	17	£510
2026/27	£935		
Total	£4,823	88	£2,640

Notes:

- a) any staff reduction is necessary in the year prior to the savings being realised
- b) the staffing reduction in a year reduces the deficit in future years

Whilst being unaffordable, the cost of any voluntary severance or redundancy payments, including strain costs, is assumed to be borne within existing resources. An additional estimated 50 FTE reduction would be required to fund the cost of voluntary severance.

Advantages:

- As the largest single budget area (by a significant margin) reductions in staff FTE generate significant and recurring financial savings.

Disadvantages:

- The College is an efficient and high quality education provider and reductions will have a significant and detrimental impact on the quality of the provision.
- The College will not be able to deliver its credit target, based on the current funding methodology.
- Further reductions in staff will impact negatively on our ability to deliver the services required to support regional economic recovery and growth.
- The current Voluntary Severance Scheme is not affordable to support future staff reductions.
- The level of strain costs for staff aged between 50 and 60 is unaffordable.
- The number of staff likely to be interested in voluntary severance options has reduced over recent years with the expectation that significant FTE reductions will require to be targeted and likely through compulsory redundancies.
- National bargaining 'Transfer to Permanence' arrangement continues to reduce any flexibilities.
- Particularly after the recent savings exercise our relationship with the unions will be severely tested.

- Flexible Use of the Capital Maintenance Monies

Advantages:

- Enables the necessary, ongoing and significant investment in ICT to support resilience and hybrid working/learning.
- Enables resources to be targeted to fund essential priorities in ICT, Estates and curriculum.

Disadvantages:

- Reducing investment in the estates infrastructure will prolong the time necessary to achieve fit for purpose campuses.
 - Apply to the Foundation
- The objects of the Foundation are to advance education and, in particular, to enhance the learning experience for students engaged in further and higher education in Dundee & Angus, by supporting
- a) the delivery of improved teaching accommodation, facilities and/or equipment
 - b) the development of teaching materials
 - c) the delivery of courses; and/or
 - d) the efficient and effective management of further and higher education in Dundee & Angus.

Advantages:

- Short term cash injection

Disadvantages:

- The Foundation are supportive of funding the college to achieve transformational change. The Foundation are being approached to partially fund the necessary replacement of the College network.
- The foundations resources (currently c£1.8m) continue to be depleted.

Whilst the financial position is dire, the College continues to optimise opportunities, which includes access to other sources of funding for local and national, new or ongoing initiatives:

- Continuation of the Flexible Workforce Development Fund (for levy payers and SMEs), , Young Persons Guarantee and Scottish Government's ongoing commitment to apprenticeships and prioritising young people.
- Michelin (Scotland) Innovation Parc
- Tay Cities Deal
- Eden project
- eSports Arena
- Energy Efficiency Grant and Scottish Green Public Sector Estate Decarbonisation Schemes
- As a high quality, respected, innovative and responsive College there will be new, yet to be identified, income streams, initiatives and alternative sources of funding. As with the majority of initiatives these require investment/expenditure to be incurred.

Based on the disastrous financial forecast the College, over the next year, will explore scenarios including:

- Closure of whole campus(es)
- Removal of services and provision
- Removal of least affordable / resource intensive curriculum

13. Risk

The [Coherence and Sustainability: Financial Sustainability of colleges and universities](#) report published in June 2021, identified the following most significant risk areas for Colleges:

- The continued impact of the COVID-19 pandemic and the potential consequential failure to achieve income targets.

- Changes to the funding model and colleges' ability to deliver regional outcome agreements and Government priorities.
- The impact of cost efficiencies, including reduced staff numbers and frontline student services, on both the quality of student experience and on the health and wellbeing of college staff.
- Future arrangements for funding Foundation Apprenticeships.
- The UK Government's policies designed to mitigate the effects of leaving the EU, in particular the development of the Shared Prosperity Fund.
- Additional staff costs arising from both cost of living pay awards and the outcome of the National Bargaining job evaluation exercise for support staff.
- Addressing backlog estates maintenance and ICT/digital requirements.
- Challenges of diversifying income and generating additional surplus.
- Delivering against fragmented funding streams and programme requirements.
- Meeting student support requirements.
- Increases in employer contributions to the Scottish Teachers Superannuation Scheme and Local Government Pension Schemes.
- Maintaining short-term liquidity.
[Whilst we reported in the 2021/22 FFR that short-term liquidity was not a significant risk for Dundee & Angus College at that time, liquidity has been and will be impacted by both the forecast deficits and funding of voluntary severances in 2021/22.

The above set of risks, whilst published in 2021 remain relevant and represent well the views of the College.

14. Conclusion

Notwithstanding the Board and the Executive's absolute commitment to ensuring the financial sustainability of the College, this will only be achievable in the long term where national policies and funding methodologies are supportive of the challenging decisions that will be necessary to ensure we continue to be a successful College for the benefit of our learners, our communities and Tayside Region.

Authors: Brian Ferguson, Head of Finance

Rhonda Bissett, Senior Management Accountant

Executive Sponsor: Jaki Carnegie, Vice Principal – Corporate Services

Appendix: FFR

Financial Forecast Return September 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 2026-27. Adequate explanations have been provided where requested on the return. The worksheets and their underpinning assumptions have been reviewed and approved by the Board of Management in accordance with their agreed practices. In preparing this financial forecast the College has fully considered the financial implications of all aspects of its strategy and has properly reflected these in the forecast.
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Signed:

Principal/Chief Executive Officer

Date:

Dundee and Angus College

STAFFING EFFICIENCIES (savings reflected in FFR)

- 1 FTE Staff reduction - vacancy management
 FTE Staff reduction - voluntary severance (related restructuring costs to be set out in section 2 below)
 FTE Staff reduction - compulsory redundancy (redundancy costs to be set out in section 2 below)
Staff reduction - total

	Forecast 2022-23 FTE	Forecast 2023-24 FTE	Forecast 2024-25 FTE	Forecast 2025-26 FTE	Forecast 2026-27 FTE
	6	6	6	6	6
	40	0	0	0	0
	0	0	0	0	0
	46	6	6	6	6

- 2 Voluntary severance costs
 Compulsory redundancy costs
Total

	£000	£000	£000	£000	£000
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0

CHECK - Staff restructuring costs per SOCIE

	0	0	0	0	0
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- 3 Staff cost savings - identified
 Staff cost savings - still to be identified
Staff cost savings - total

	1,620				
	0	2,176	832	881	936
	1620	2176	832	881	936

NON-STAFF COST SAVINGS (savings reflected in FFR)

- Non-staff cost savings - identified
 Non-staff cost savings - still to be identified
Non-staff cost savings - total

	600				
		201	171	171	171
	600	201	171	171	171

ADDITIONAL SENSITIVITY ANALYSIS

Forecast 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26	Forecast 2026-27
£000	£000	£000	£000	£000

Effect of each scenario before mitigating action

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

1	Adjusted operating surplus / (deficit) based on planning assumptions	-682	-2176	-3008	-3888	-4823
2	Increase in staff costs of 1%	341.7	347.91	354.87	361.96	369.2
	Restated adjusted operating surplus / (deficit)	-1023.7	-2523.91	-3362.87	-4249.96	-5192.2
	Restated cash position	3,213	667	-2,712	-6,971	-12,165

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

Additional staff reductions would be necessary but voluntary severance payments will become unaffordable without additional funding.

3	Increase in Employer's National Insurance contributions of 1%	211	215	219	223	227
	Restated adjusted operating surplus / (deficit)	-893	-2391	-3227	-4111	-5050
	Restated cash position	3,344	800	-2,576	-6,832	-12,023

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

As above.

4	Increase in pension costs of 1%	264	269	274	279	284
	Restated adjusted operating surplus / (deficit)	-946	-2445	-3282	-4167	-5107
	Restated cash position	4,501	3,460	925	-2,442	-6,689

Pension Assumptions	2020-21	2021-22	2022-23	2023-24	2020-21	2021-22	2022-23	2023-24
Employer Contributions	£000	£000	£000	£000	Details of Methodology and Valuation	Details of Methodology and Valuation	Details of Methodology and Valuation	Details of Methodology and Valuation
STSS								
SPF								
Other pension schemes - please state which scheme								
Other pension schemes - please state which scheme								
Total	0	0	0	0				

Dundee and Angus College

	Actual 2020-21	Forecast 2021-22	Forecast 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26	Forecast 2026-27	2020-21 - 2021-22	2021-22- 2022-23	2022-23 - 2023-24	2023-24 - 2024-25	2024-25 - 2025-26	2025-26 - 2026-27	Explanation for variance
	£000	£000	£000	£000	£000	£000	£000	%	%	%	%	%	%	
Statement of Comprehensive income and expenditure (Consolidated)														
INCOME														
Tuition fees and education contracts	5,532	5,210	4,342	4,445	4,553	4,666	4,785	-5.8%	-16.7%	2.4%	2.4%	2.5%	2.6%	Some price increases assumed beyond 22/23 for certain
Funding council/RSB grants	37,831	38,836	40,133	38,895	38,895	38,895	38,895	2.7%	3.3%	-3.1%	0.0%	0.0%	0.0%	Both C&M and FWDF income reduces beyond 22/23
Research grants and contracts	0	0	0	0	0	0	0							
Other income	3,305	6,773	4,097	2,542	2,542	2,542	2,542	104.9%	-39.5%	-38.0%	0.0%	0.0%	0.0%	Certain existing grant income ends during 22/23 along with associated expenditure
Investment income	1	3	1	1	1	1	1	200.0%	-66.7%	0.0%	0.0%	0.0%	0.0%	
Total income before donations and endowments	46,669	50,822	48,573	45,883	45,991	46,104	46,223	8.9%	-4.4%	-5.5%	0.2%	0.2%	0.3%	
Donations and endowments	0	0	0	0	0	0	0							
Total income	46,669	50,822	48,573	45,883	45,991	46,104	46,223	8.9%	-4.4%	-5.5%	0.2%	0.2%	0.3%	Refer also to Income tab
EXPENDITURE														
Staff costs	35,190	34,678	34,170	34,791	35,487	36,196	36,920	-1.5%	-1.5%	1.8%	2.0%	2.0%	2.0%	Increases of 2% p.a. assumed from September 2023
Staff costs - exceptional restructuring costs	255	1,204	0	0	0	0	0	372.2%	-100.0%					
Exceptional costs - non-staff	0	0	0	0	0	0	0							
Other operating expenses	9,201	10,239	12,181	10,370	10,634	10,938	11,288	11.3%	19.0%	-14.9%	2.5%	2.9%	3.2%	Grant funded reduction dominates in 23/24 and thereafter FDN utility assumptions result in a net increase. In all other respects inflation is deemed to be absorbed as an efficiency saving.
Donation to Arms Length Foundation	0	0	0	0	0	0	0							
Depreciation	3,706	3,906	3,906	3,906	3,906	3,906	3,906	5.4%	0.0%	0.0%	0.0%	0.0%	0.0%	
Interest and other finance costs	489	121	86	80	60	40	20	-75.2%	-29.0%	-7.0%	-25.0%	-33.3%	-50.0%	
Total expenditure	48,841	50,148	50,343	49,147	50,087	51,080	52,134	2.7%	0.4%	-2.4%	1.9%	2.0%	2.1%	Refer also to Expenditure tab
Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates	(2,172)	674	(1,770)	(3,264)	(4,096)	(4,976)	(5,911)	-131.0%	-362.6%	84.4%	25.5%	21.5%	18.8%	
Gain/(loss) on disposal of fixed assets	11	0	0	0	0	0	0	-100.0%						
Gain/(loss) on investments	0	0	0	0	0	0	0							
Share of operating surplus/(deficit) in joint venture(s)	0	0	0	0	0	0	0							
Share of operating surplus/(deficit) in associate(s)	0	0	0	0	0	0	0							
Surplus/(deficit) before tax	(2,161)	674	(1,770)	(3,264)	(4,096)	(4,976)	(5,911)	-131.2%	-362.6%	84.4%	25.5%	21.5%	18.8%	
Other taxation	0	0	0	0	0	0	0							
Surplus/(deficit) for the year	(2,161)	674	(1,770)	(3,264)	(4,096)	(4,976)	(5,911)	-131.2%	-362.6%	84.4%	25.5%	21.5%	18.8%	
Unrealised surplus on revaluation of land and buildings	0	0	0	0	0	0	0							
Actuarial (loss)/gain in respect of pension schemes	11,806	0	0	0	0	0	0	-100.0%						
Other comprehensive income	0	0	0	0	0	0	0							
Total comprehensive income for the year	9,645	674	(1,770)	(3,264)	(4,096)	(4,976)	(5,911)	-93.0%	-362.6%	84.4%	25.5%	21.5%	18.8%	

Dundee and Angus College

INCOME	Actual	Forecast	Forecast	2020-21 - 2021-	2021-22-	Explanation for variance
	2020-21	2021-22	2022-23	22	2022-23	
	£000	£000	£000	%	%	
1 Tuition fees and education contracts						
a) FE - UK	365	474	607	30%	28%	Assumed continued growth in part-time and commercial post COVID
b) FE - EU	0	0	0			
c) HE	2,976	2,574	2,265	(14%)	(12%)	Reflects trend of declining full-time student enrolments
d) Non-EU	66	188	150	185%	(20%)	
e) SDS contracts	1,217	1,229	500	1%	(59%)	No Foundation Apprenticeship income from SDS for 22/23
f) Education contracts	900	739	800	(18%)	8%	
g) Other	8	6	20	(25%)	233%	
Total tuition fees and education contracts	5,532	5,210	4,342	(6%)	(17%)	
2 SFC / RSB Grants						
a) SFC / RSB FE recurrent grant (including fee waiver)	30,731	32,871	32,044	7%	(3%)	Grant reduced as per confirmed allocation for 22/23
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 agreed but with no impact upon adjusted operating result
e) SFC capital grant	2,297	1,746	3,318	(24%)	90%	Limited use of FY22/23 allocations in AY21/22 and enhanced by Digital Poverty in AY22/23. Currently no further capital application predicted.
f) SFC grant for NPD	0	0	0			
g) Other SFC / RSB grants - FE provision	1,877	1,369	1,921	(27%)	40%	Net increase for 22/23 due to increased FWDF delivery and higher ESP funding.
h) Other UHI grants - HE provision	0	0	0			
Total SFC / RSB Grants	37,831	38,836	40,133	3%	3%	
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	581	756	470%	30%	Recovery continuing slowly but still below pre-COVID levels
b) Other European Income	149	55	21	(63%)	(62%)	Residual projects ending by 22/23
c) Other income generating activities	383	772	1,057	102%	37%	Renewed demand for site based activities
d) Grants from ALF	0	3,300	700		(79%)	Contribution towards cost of Kingsway development in 21/22
i) Revenue	0	0	700			
ii) Capital	0	3,300	0		(100%)	
e) Non-government capital grant	0	0	0			
f) Other grant income	1,311	1,753	1,386	34%	(21%)	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	171	73	84%	(57%)	High level of Kickstart funding in 21/22
Total other income	3,305	6,773	4,097	105%	(40%)	
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	3	1	200%	(67%)	
e) Net return on pension scheme	0	0	0			
Total investment income	1	3	1	200%	(67%)	
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	22,162	22,076	7%	(0%)	Higher variable costs incurred in 21/22 in response to COVID. All teaching and support pay includes PSPP for 22/23 but with minimum of 2%. All categories benefit from savings plan staff reductions.	
2 Teaching support services	694	743	659	7%	(11%)		
3 Other support services	0	0	0				
4 Administration and central services	8,461	9,295	9,142	10%	(2%)		
5 Premises	1,575	1,688	1,608	7%	(5%)		
6 Catering and residences	681	701	567	3%	(19%)		
7 Other income generating activities	0	89	118		33%		Resumption of subsidiary company activities
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	34,678	34,170	(1%)	(1%)		
10 Exceptional restructuring costs	255	1,204	0	372%	(100%)	VS costs may be incurred during 22/23 to secure further savings but neither currently budgeted.	
Total staff costs	35,445	35,882	34,170	1%	(5%)		
Additional breakdown of staff costs							
Salaries	25,027	26,928	26,392	8%	(2%)	NI surcharge introduced April 22	
Social security costs	2,312	2,625	2,745	14%	5%		
Pension contributions	4,750	5,125	5,033	8%	(2%)		
Non-cash pension adjustments - net service cost	3,105						
Non-cash pension adjustments - early retirement provision	0						
Severance payments	255	1,204	0				
Total staff costs	35,449	35,882	34,170	1%	(5%)		
NON-STAFF COSTS							
1 Exceptional costs - non-staff	0	0	0				
2 Other operating expenses							
a) Teaching departments	860	994	1,116	16%	12%	Practical courses resume during 21/22, increasing consumables etc.	
b) Teaching support services	114	130	158	14%	22%		
c) Other support services	0	0	0				
d) Administration and central services	3,272	3,884	4,715	19%	21%	Underspend 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	3,825	4,641	(0%)	21%		
(i) Maintenance	2,289	1,812	2,328	(21%)	28%		
(ii) Utilities	753	1,003	1,606	33%	60%	Increased consumption and, in particular, price for 22/23	
(iii) Other	790	1,010	707	28%	(30%)	Vehicle purchases in 21/22	
g) Catering and residences	80	318	395	298%	24%	Resumption of catering during 21/22	
h) Other income generating activities	25	63	98	152%	56%	Resumption of subsidiary company activities.	
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	1,025	1,058	1%	3%		
Total other operating expenses	9,201	10,239	12,181	11%	19%		
3 Depreciation							
a) Government funded assets	3,544	3,606	3,606	2%	0%	To be re-evaluated 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	121	86	(15%)	(29%)	Reducing balance.	
b) Finance lease interest	0	0	0				
c) Other	0	0	0				
d) Net charge on pension scheme	347	0	0	(100%)			
e) NPD interest	0	0	0				
Total interest	489	121	86	(75%)	(29%)		

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

Dundee and Angus College

	Actual 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000	Forecast 2023-24 £000	Forecast 2024-25 £000	Forecast 2025-26 £000	Forecast 2026-27 £000	2020-21 - 2021-22 %	2021-22 - 2022-23 %	2022-23 - 2023-24 %	2023-24 - 2024-25 %	2024-25 - 2025-26 %	2025-26 - 2026-27 %	Explanation for variance
ADJUSTED OPERATING RESULT														
Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates	(2,172)	674	(1,770)	(3,264)	(4,096)	(4,976)	(5,911)							
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	1,545	1,545	1,545	1,545	14.9%	0.0%	0.0%	0.0%	0.0%	0.0%	Please refer to SOCIE tab
Exceptional non-restructuring items (e.g. impairment costs)	0	0	0	0	0	0	0							
Donation to Arms-Length Foundation (<i>incorporated colleges only</i>)	0	0	0	0	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	0	0	0	0	-100.0%						
Exceptional income (if disclosed as exceptional in accounts) - PLEASE DO NOT INCLUDE CJRS INCOME HERE	0	0	0	0	0	0	0							
CBP allocated to loan repayments and other capital items (<i>incorporated colleges only</i>)	457	457	457	457	457	457	457	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
NPD payments to reduce NPD balance sheet debt	0	0	0	0	0	0	0							
Adjusted operating result	2,168	(1,538)	(682)	(2,176)	(3,008)	(3,888)	(4,823)	-170.9%	-55.7%	219.1%	38.2%	29.3%	24.0%	
Cash budget for priorities (<i>incorporated colleges</i>) :														
Revenue priorities														
Student support funding	0	0	0	0	0	0	0							
2015-16 pay award	473	473	473	473	473	473	473							
Voluntary severance	125	125	0	0	0	0	0							
Estates costs	0	0	0	0	0	0	0							
Other - unfunded pension payments	0	0	125	125	125	125	125							
Total impact on operating position	598	598	598	598	598	598	598							
Capital priorities														
Loan repayments	457	457	457	457	457	457	457							
NPD / PFI repayments	0	0	0	0	0	0	0							
Estates costs	0	0	0	0	0	0	0							
Provisions pre 1 April 2014	0	0	0	0	0	0	0							
Total capital	457	457	457	457	457	457	457							
Total cash budget for priorities spend	1,055	1,055	1,055	1,055	1,055	1,055	1,055							

Balance Sheet		Actual 2020-21	Forecast 2021-22	Forecast 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26	Forecast 2026-27	2020-21 - 2021-22	2021-22 - 2022-23	2022-23 - 2023-24	2023-24 - 2024-25	2024-25 - 2025-26	2025-26 - 2026-27	Explanation for variance
		£000	£000	£000	£000	£000	£000	£000	%	%	%	%	%	%	
1 Non-current assets	a) Intangible assets	0	0	0	0	0	0	0							
	b) Fixed assets	67,648	67,144	63,088	59,182	55,276	51,370	47,464	-0.7%	-6.0%	-6.2%	-6.6%			Only depreciation beyond 21/22 meantime
	c) Investments	0	0	0	0	0	0	0							
Total non-current assets		67,648	67,144	63,088	59,182	55,276	51,370	47,464	-0.7%	-6.0%	-6.2%	-6.6%			
2 Current assets	a) Stock	6	10	10	10	10	10	10	66.7%	0.0%	0.0%	0.0%			
	b) Debtors	4,243	3,809	4,353	4,997	5,641	6,285	6,929	-10.2%	14.3%	14.8%	12.9%			Both Debtors and Creditors are increasing annually by £676K for support job evaluation for sake of simplicity meantime
	c) Investments	0	0	0	0	0	0	0							
	d) Cash and cash equivalents	5,853	6,248	3,555	1,015	-2,357	-6,609	-11,796	6.7%	-43.1%	-71.4%	-332.2%			
	e) Other (e.g. assets for resale)	0	0	0	0	0	0	0							
Total current assets		10,102	10,067	7,918	6,022	3,294	(314)	(4,857)	-0.3%	-21.3%	-23.9%	-45.3%			
3 Creditors: amounts falling due within one year	a) Bank loans and external borrowing	453	453	453	453	453	453	457	0.0%	0.0%	0.0%	0.0%			
	b) Bank overdrafts	0	0	0	0	0	0	0							
	c) Lennartz creditor	0	0	0	0	0	0	0							
	d) Obligations under finance leases and service concessions	0	0	0	0	0	0	0							
	e) Payments received in advance	1,091	2,391	1,077	1,077	1,077	1,077	1,077	119.2%	-55.0%	0.0%	0.0%			High level of restricted funds at July 22 will partially reverse during 22/23
	f) Amounts owed to SFC	605	1,544	958	958	958	958	958	155.2%	-38.0%	0.0%	0.0%			
	g) Obligations under PFI/NPD	0	0	0	0	0	0	0							
	h) Deferred capital grant	2,361	2,361	2,361	2,361	2,361	2,361	2,361							
	i) Other creditors and accruals	4,586	4,237	4,916	5,592	6,268	6,944	7,620	-7.6%	16.0%	13.8%	12.1%			
Total creditors < 1 year		9,096	10,986	9,765	10,441	11,117	11,793	12,473	20.8%	-11.1%	6.9%	6.5%			
Share of net assets/(liabilities) in associate		0	0	0	0	0	0	0							
NET CURRENT ASSETS/LIABILITIES		1,006	(919)	(1,847)	(4,419)	(7,823)	(12,107)	(17,330)	-191.4%	101.0%	139.3%	77.0%			
TOTAL ASSETS LESS CURRENT LIABILITIES		68,654	66,225	61,241	54,763	47,453	39,263	30,134	-3.5%	-7.5%	-10.6%	-13.3%			
4 Creditors: amounts falling due after more than one year	a) Local authority loans	0	0	0	0	0	0	0							
	b) Bank loans and external borrowing	2,726	2,269	1,816	1,363	910	457	0	-16.8%	-20.0%	-24.9%	-33.2%			Bank term loan repaid during 2027
	c) Lennartz creditor	0	0	0	0	0	0	0							
	d) Finance leases and service concessions	0	0	0	0	0	0	0							
	e) Obligations under PFI/NPD	0	0	0	0	0	0	0							
	f) Deferred capital grant	24,487	22,227	19,866	17,505	15,144	12,783	10,422							
	g) Amounts repayable to Funding Council	0	0	0	0	0	0	0							
	h) Other creditors	0	0	0	0	0	0	0							
Total creditors >1 year		27,213	24,496	21,682	18,868	16,054	13,240	10,422	-10.0%	-11.5%	-13.0%	-14.9%			
5 Provisions	a) Pension provisions	17,954	17,556	17,156	16,756	16,356	15,956	15,556	-2.2%	-2.3%	-2.3%	-2.4%			
	b) Other	0	0	0	0	0	0	0							
Total provisions		17,954	17,556	17,156	16,756	16,356	15,956	15,556	-2.2%	-2.3%	-2.3%	-2.4%			
TOTAL NET ASSETS		23,487	24,173	22,403	19,139	15,043	10,067	4,156	2.9%	-7.3%	-14.6%	-21.4%			
9 Restricted Reserves	a) Endowment Reserve	0	0	0	0	0	0	0							
	b) Restricted Reserve	0	0	0	0	0	0	0							
10 Unrestricted reserves	a) Income and Expenditure Reserve	(2,370)	(989)	(2,065)	(4,635)	(8,037)	(12,319)	(17,536)	-58.3%	108.8%	124.5%	73.4%			
	b) Revaluation reserve	25,857	25,162	24,468	23,774	23,080	22,386	21,692	-2.7%	-2.8%	-2.8%	-2.9%			
11 Non-controlling interest		0	0	0	0	0	0	0							
TOTAL RESERVES		23,487	24,173	22,403	19,139	15,043	10,067	4,156	2.9%	-7.3%	-14.6%	-21.4%			

Dundee and Angus College

Cashflow	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	2020-21 -	2021-22 -	2022-23 -	2023-24 -	2024-25 -	2025-26 -	Explanation for variance
	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2021-22 %	2022-23 %	2023-24 %	2024-25 %	2025-26 %		
1 Cash flow from operating activities														
a) Surplus / (deficit) for the year	(2161)	673,957	170	3264	4096	4976	5911	(111%)	(363%)	84%	25%	21%	19%	
2 Adjustment for non-cash items														
a) Depreciation	3,706	3,906	3,906	3,906	3,906	3,906	3,906	5%	0%	0%	0%	0%	0%	
b) Amortisation of intangibles	0	0	0	0	0	0	0							
c) Benefit on acquisition	0	0	0	0	0	0	0							
d) Amortisation of goodwill	0	0	0	0	0	0	0							
e) Loss / (gain) on investments	0	0	0	0	0	0	0							
f) Decrease / (increase) in stock	11	(4)	0	0	0	0	0	(136%)	(100%)					
g) Decrease / (increase) in debtors	(636)	434	(541)	(641)	(641)	(641)	(641)	(200%)	(225%)	18%	0%	0%	0%	IE adds 6676K
h) Increase / (decrease) in creditors	259	1,897	(5,221)	676	676	676	676	632%	(164%)	(155%)	0%	0%	0%	IE adds 6676K. Restricted funds reduce in 21/22
i) Increase / (decrease) in pension provision	3,056	(988)	(400)	(400)	(400)	(400)	(400)	(113%)	1%	0%	0%	0%	0%	Unfunded payments
j) Increase / (decrease) in other provisions	0	0	0	0	0	0	0							
k) Receipt of donated equipment	0	0	0	0	0	0	0							
l) Share of operating surplus / (deficit) in joint venture	0	0	0	0	0	0	0							
m) Share of operating surplus / (deficit) in associate	0	0	0	0	0	0	0							
n) Other	0	0	0	0	0	0	0							
Total adjustment for non-cash items	6,996	5,835	1,741	3,538	3,538	3,538	3,538	(12%)	(70%)	103%	0%	0%	0%	
3 Adjustment for investing or financing activities														
a) Investment income	(11)	(3)	(1)	(1)	(1)	(1)	(1)	200%	(67%)	0%	0%	0%	0%	
b) Interest payable	142	121	86	80	60	40	20	(15%)	(29%)	(7%)	(25%)	(33%)	(50%)	
c) Endowment income	0	0	0	0	0	0	0							
d) Loss / (gain) on the sale of assets	(11)	0	0	0	0	0	0	(100%)						
e) Capital grant income	(2,361)	(2,361)	(2,361)	(2,361)	(2,361)	(2,361)	(2,361)	0%	0%	0%	0%	0%	0%	
Total adjustment for investing or financing activities	(2,331)	(2,243)	(2,276)	(2,282)	(2,302)	(2,322)	(2,342)	1%	1%	0%	1%	1%	1%	
4 Net cash inflow from operating activities	2,204	4,266	(2,305)	(2,008)	(2,866)	(3,760)	(4,715)	94%	(154%)	(13%)	42%	31%	25%	
5 Cash flow from investing activities														
a) Proceeds from sales of fixed assets	11	0	150	0	0	0	0	(100%)		(100%)				
b) Proceeds from sales of intangible assets	0	0	0	0	0	0	0							
c) Capital grants receipts	1,642	102	0	0	0	0	0	(94%)	(100%)					
d) Disposal of non-current asset investments	0	0	0	0	0	0	0							
e) Withdrawal of deposits	0	0	0	0	0	0	0							
f) Investment income	1	3	1	1	1	1	1	200%	(67%)	0%	0%	0%	0%	
g) Payments made to acquire fixed assets	(1,167)	(3,402)	0	0	0	0	0	192%	(100%)					
h) Payments made to acquire intangible assets	0	0	0	0	0	0	0							
i) New non-current asset investments	0	0	0	0	0	0	0							
j) New deposits	0	0	0	0	0	0	0							
Total cash flows from investing activities	487	(3,297)	151	1	1	1	1	(777%)	(105%)	(99%)	0%	0%	0%	
6 Cash flows from financing activities														
a) Interest paid	(142)	(121)	(86)	(80)	(60)	(40)	(20)	(15%)	(29%)	(7%)	(25%)	(33%)	(50%)	
b) Interest element of finance lease and service concession	0	0	0	0	0	0	0							
c) Endowment cash received	0	0	0	0	0	0	0							
d) New secured loans	0	0	0	0	0	0	0							
e) New unsecured loans	0	0	0	0	0	0	0							
f) Repayments of amounts borrowed	(453)	(453)	(453)	(453)	(453)	(453)	(453)	0%	0%	0%	0%	0%	0%	
g) Capital element of finance lease and service concession payments	0	0	0	0	0	0	0							
Total cash flows from financing activities	(595)	(574)	(539)	(533)	(513)	(493)	(473)	(4%)	(6%)	(1%)	(4%)	(4%)	(4%)	
7 (Decrease) / Increase in cash and cash equivalents in the year	2,096	395	(2,699)	(2,540)	(3,372)	(4,252)	(5,187)	(81%)	(782%)	(6%)	33%	26%	22%	
8 Cash and cash equivalents at beginning of the year	3,757	5,853	6,248	3,555	1,015	(2,357)	(6,609)	56%	7%	(43%)	(71%)	(332%)	180%	
9 Cash and cash equivalents at the end of the year	5,853	6,248	3,555	1,015	(2,357)	(6,609)	(11,796)	7%	(43%)	(71%)	(332%)	180%	78%	

Dundee and Angus College

Capital Expenditure Projects and Forecast Methods of Financing

	Actual 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000	Forecast 2023-24 £000	Forecast 2024-25 £000	Forecast 2025-26 £000	Forecast 2026-27 £000	2020-21 - 2021-22 %	2021-22- 2022-23 %	2022-23 - 2023-24 %	2023-24 - 2024-25 %
Expenditure:											
Land & Buildings	1402	3402	0	0	0	0	0	142.7%	-100.0%		
Equipment & Others	166	0	0	0	0	0	0	-100.0%			
	1,568	3,402	0	0	0	0	0	117.0%	-100.0%		
Financed by:											
Cash reserves	0	0	0	0	0	0	0				
ALF grants	0	3300	0	0	0	0	0		-100.0%		
Leasing	0	0	0	0	0	0	0				
SFC/RSB grant	1487	102	0	0	0	0	0	-93.1%	-100.0%		
Re-investment of proceeds from disposal of assets *	0	0	0	0	0	0	0				
Non-SFC/RSB grants	81	0	0	0	0	0	0	-100.0%			
PFI/NPD	0	0	0	0	0	0	0				
Other - please specify if material	0	0	0	0	0	0	0				
	1,568	3,402	0	0	0	0	0	117.0%	-100.0%		

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

	Actual 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000	Forecast 2023-24 £000	Forecast 2024-25 £000	Forecast 2025-26 £000	Forecast 2026-27 £000				
Capital disposals											
Disposal proceeds:											
Montrose Outreach Centre	11	0	150	0	0	0	0	-100.0%		-100.0%	
Asset description	0	0	0	0	0	0	0				
Asset description	0	0	0	0	0	0	0				
Asset description	0	0	0	0	0	0	0				
	11	0	150	0	0	0	0	-100.0%		-100.0%	
Gain/(loss) on disposal:											
Asset description	11	0	0	0	0	0	0	-100.0%			
Asset description	0	0	0	0	0	0	0				
Asset description	0	0	0	0	0	0	0				
Asset description	0	0	0	0	0	0	0				

11	0	0	0	0	0	0
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-100.0%

Dundee and Angus College

ALF Funding

	Actual 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000	Forecast 2023-24 £000	Forecast 2024-25 £000	Forecast 2025-26 £000	Forecast 2026-27 £000
Estimated balance of cash in ALF as at 1 August	5,150	5,150	1,850	1,150	1,150	1,150	1,150
Donation to Arms Length Foundation	0	0	0	0	0	0	0
Grant from Arms Length Foundation - capital	0	(3,300)	0	0	0	0	0
Grant from Arms Length Foundation - revenue	0	0	(700)	0	0	0	0
Estimated balance of cash in ALF as at 31 July	5,150	1,850	1,150	1,150	1,150	1,150	1,150

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	Forecast 2023-24 £000	Forecast 2024-25 £000	Forecast 2025-26 £000	Forecast 2026-27 £000
Grant from Arms Length Foundation - capital:							
Kingsway Development	0	3,300	0	0	0	0	0
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Total	0	3300	0	0	0	0	0

Grant from Arms Length Foundation - revenue

IT Network upgrade	0	0	700	0	0	0	0
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Total	0	0	700	0	0	0	0

Dundee and Angus College
FINANCIAL SUMMARY

Actual 2020-21	Forecast 2021-22	Forecast 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26	Forecast 2026-27
£000	£000	£000	£000	£000	£000	£000

Income ratios							
Total Income	46,669	50,822	48,573	45,883	45,991	46,104	46,223
Total Funding Council Grant (excluding release of deferred capital grant) as % of Total Income	81%	76%	83%	85%	85%	84%	84%
Total non-Funding Council Grant (including release of SFC DCG) as % of Total Income	19%	24%	17%	15%	15%	16%	16%
Total Education Contracts and Tuition Fees as % of Total Income	12%	10%	9%	10%	10%	10%	10%
Total Research Grants and Contracts as % of Total Income	0%	0%	0%	0%	0%	0%	0%
Total Other Income as % of Total Income	7%	13%	8%	6%	6%	6%	5%

Expenditure ratios							
Total Expenditure	48,841	50,148	50,343	49,147	50,087	51,080	52,134
Salaries as % of Total Expenditure	72%	69%	68%	71%	71%	71%	71%
Other operating costs as % of Total Expenditure	19%	20%	24%	21%	21%	21%	22%
Depreciation/amortisation as % of Total Expenditure	8%	8%	8%	8%	8%	8%	7%

Operating position							
Operating Surplus/(deficit)	(2,172)	674	(1,770)	(3,264)	(4,096)	(4,976)	(5,911)
Operating Surplus/(deficit) as % of Total Income	-5%	1%	-4%	-7%	-9%	-11%	-13%
Adjusted operating surplus/(deficit)	2,168	-1,538	-682	-2,176	-3,008	-3,888	-4,823
Adjusted operating surplus/(deficit) as % of Total Income	4.6%	-3.0%	-1.4%	-4.7%	-6.5%	-8.4%	-10.4%

Cash Position							
Cash and Current Asset Investments	5,853	6,248	3,555	1,015	-2,357	-6,609	-11,796
Overdrafts	0	0	0	0	0	0	0
Days Ratio of Cash to Total Expenditure	47	49	28	8	-19	-51	-89
Net cash inflow/(outflow) from operating activities	2,204	4,266	-2,305	-2,008	-2,860	-3,760	-4,715
Net cash inflow/(outflow) from operating activities as % of Total Income	4.7%	8.4%	-4.7%	-4.4%	-6.2%	-8.2%	-10.2%

Balance Sheet strength							
Unrestricted reserves	(2,370)	(989)	(2,065)	(4,635)	(8,037)	(12,319)	(17,536)
Current Ratio	1.11	0.92	0.81	0.58	0.30	-0.03	-0.39
Unrestricted reserves as % of Total Income	-5%	-2%	-4%	-10%	-17%	-27%	-38%
Total borrowing (Overdrafts, Loans, Finance Leases, PFI/NPD)	3,179	2,722	2,269	1,816	1,363	910	457
Interest cover	-3.44	6.57	-19.58	-39.80	-67.27	-123.40	-294.55

BOARD OF MANAGEMENT

Tuesday 27 September 2022



FINANCE & ESTATES ITEMS

D&A FOUNDATION BID

PAPER I

BOARD of MANAGEMENT bid to Dundee & Angus Foundation



Tuesday 27 September 2022

Strategic Investment: Network Replacement

For approval

1. INTRODUCTION

Since January 2020 the College has experienced very significant disruption from the cyber-attack closely followed by the COVID-19 global pandemic which has quickly and radically shifted the way in which the whole College operates.

One aspect of this disruption relates to the implementation of the College's Digital Strategy and future-proofing the ICT infrastructure.

The existing network switches are now 10 years old and at their end of life. The impact of this is that the switches will no longer receive security updates and the College would no longer receive support for the switches and replacement components for the switches will become increasingly difficult to source. The agreed good practice is to replace a network once it reaches end of life which is normally seven years.

The independent cyber-attack review report also recommended the upgrade to the Network Access Controls to limit access from those who have access to our internal network.

The College is seeking approval from the College's Board of Management to submit a bid for funding up to £700k, to Dundee & Angus Foundation to support the necessary investment to replace the College network.

2. RECOMMENDATION

Members are asked to approve that a bid for funding up to £700k is submitted to Dundee & Angus Foundation to fund the replacement of our network.

3. FUNDING CHALLENGES

The recent 2022/23 college sector funding allocation has been well publicised and means that, without any mitigating action, the College would be facing a £2,878k deficit in 2022/23.

Earlier in the year the College started a series of consultations with staff and unions to encourage ideas for savings, efficiencies and maximise income at the same time lobbying SFC and SG for more funding and making the most of the opportunities that

are available in the region. The outcome from these exercises is that the draft budget presented to the Board for approval is a deficit of £586k, a significant improvement from the £2,878k deficit.

The savings exercise has been undertaken in the context of the many opportunities that exist within our Region including; Tay Cities Deal, Michelin (Scotland) Innovation Parc, esports arena, Eden Project, Montrose Ports. The College will continue to explore and optimise the funding opportunities that exist being part of these projects, whilst recognising that securing the necessary investment to maximise the benefits of these projects will be challenging in the current economic climate.

Another significant factor, not previously envisaged to the extent that it is now, is inflation and the continuous decline in the value of the pound £ against the dollar \$. The quote received in January 2022, prior to the tender exercise being undertaken, indicated a replacement cost in the region of £760k. All prices for hardware are in dollars so the exchange rate has a substantial impact.

The official GBP to USD exchange rate over the last 9 months has declined as indicated below.

- January 1 2022: £1 = \$1.3532
- September 20 2022: £1 = \$1.139 (15.83% increase in price of goods bought in \$)

4. NETWORK REPLACEMENT

We continue to make excellent progress to implement the recommendations that resulted from the cyber-attack with 11 of 12 recommendations now closed/complete. The College has also maintained the annual Cyber Essential Plus accreditation since it was first achieved in 2019.

As part of our overall digital resilience our network infrastructure needs to be modernised and the services and functionality moved to the cloud. At its meeting in May 2022, the Finance & Property Committee approved the network replacement being tendered for. Based on the recent tender exercise an eye-watering **£979k investment** is necessary, The intention is to schedule the replacement of the network over 12-24 months.

The College's physical digital network consists of around 154 "edge" switches and 6 "core" switches. These switches are what allows workstations, servers and wi-fi access points to talk to each other. Edge switches are installed in data cabinets around campus and are cabled directly to network sockets. These edge switches are then connected to the core switches that are installed beside the external data lines that connect the campuses with each other and the outside world.

The switches on all our campuses are now past their end of life. The impact of this is:

- The switches will no longer receive security updates. If a vulnerability is found, the suppliers will no longer fix the vulnerability and as a result the College network will be less secure.
- We can no longer receive support for the switches. If anything breaks it is up to the College to fix.
- It will become increasingly difficult to source components to repair switches.

The agreed best practice is to replace a network once it reaches end of life (normally seven years). The College has done well as most of the network is now over ten years old.

In addition to the replacement of the hardware, the College need to take a “zero-trust” approach to all network connections. This means that by default everyone has no access to any services. To ensure this is manageable whilst also enabling staff and students to carry out their day-to-day activities, a network access control solution is required. This means that access to high value services (e.g. student management systems) is fully restricted. Only certain users on specific devices will be allowed to access services.

The detailed procurement specification for the network replacement has been tendered.

Investment Necessary: **£979k**

The £979k investment will pay for

- Replacement edge switches - £546k + VAT
- Replacement core switches - £59k + VAT
- Subscription support and maintenance for the solution for 5 years - £122k + VAT
- Next Day On-Site Support for Core Switches - £37k + VAT
- Network Access Control solution and subscription for 5 years - £32k + VAT
- High-Level and low-level network design - £5k + VAT
- Project Management - £3k + VAT
- Training required for new solutions - £6k + VAT
- Network Engineer to support initial implementation of Core and Network Access Control Solution - £6k + VAT

The proposal is to approach Dundee & Angus Foundation to support the investment in the network replacement up to £700k and the College would seek to identify alternative sources for the balance. If alternative funding was available that would further reduce the Foundation’s commitment to support the project, we would only seek to draw down the funds absolutely necessary.

5. LINK TO COLLEGE STRATEGIES

5.1. Regional Outcome Agreement

The key strategic direction and priority intentions for Dundee & Angus College are set out in our Regional Outcome Agreement with Scottish Funding Council for 2021-22.

We have six Priority Outcomes, with the proposed investment supporting the delivery of “progress our ambitious ~~estates~~ infrastructure strategy to meet regional curriculum needs, deliver on our Net Zero ambitions, and enhance the learning environment through the creation of a regional STEM centre, redevelopment of the Kingsway tower, and investment to meet regional skills needs.”

5.2. 2025 Strategy

There are 3 main themes in the 2025 Strategy, Effective Partnerships, Thriving Community and Future Focused. Our Future Focused Pledge includes “ensuring we are digitally enabled & developed.”

6. FINANCIAL SUMMARY

The development of the network infrastructure replacement that we are seeking up to £700k support from the Foundation consists of:

- Purchase of 164 edge switches
- Purchase of 6 core switches
- Purchase of subscription, updates and licensing for switches for 5 years
- Purchase, subscription and licensing for network access control solution for 5 years
- Next Day support for core switches
- Professional Services covering the implementation, project management, and training of all purchased devices

7. RISKS

The risk to the vulnerability of our network is high if funding to replace the network is not secured.

- Access to the switch could be compromised using any newly found vulnerabilities. Without security patches these issues won't be resolved leaving the College permanently open to attack. Impact of a compromised switch could be :-
 - Gaining access to devices that they should not have access to
 - Stealing sensitive data from any network traffic and removing the data from our network
 - Intercepting high value passwords to gain access to the network with a view to carrying out a ransomware attack
 - Monitoring network traffic to target high value services and potentially blocking access to digital services
- The switches will become unreliable if we are trying to use new technology over our network which the switches are not aware of.
- As we can't source replacement parts for the hardware, if devices were to break down then second-hand parts would need to be tracked down.
- If we were to replace network switches on a piecemeal basis, then the network will become fragmented and difficult to manage leading to mistakes being made in the configuration of our network
- By not implementing a Network Access Control solution, a user may be able to access digital services based on the device they are using. Users may get access to systems and data they should not be entitled to see. With Network Access Control, access is based on a device and a user's credentials.
- If we don't implement a zero-trust architecture with a Network Access Control solution, then devices may have an inherent trust rather that allows access when it shouldn't. Again, users could have access to systems and data that they potentially shouldn't see.

As a result of the above the College may be required to purchase many devices at short notice and potentially close down parts of a network while a replacement, supported solution is installed.

8. TIMESCALES

The timescale for the implementation of the replacement network is proposed as:

September 2022	– Approval from College Board of Management
November 2022	– Funding support agreed from Dundee & Angus Foundation
March 2023	– Implement Network Access Control
August 2023	– Replace Gardyne Network
August 2024	– Replace Kingsway and Arbroath Network

9. EVALUATING SUCCESS

The success of the investment we are seeking from the Foundation will be measured by the implementation of the new network infrastructure by 2024.

10. CONCLUSION

There are a number of significant and diverse opportunities and challenges facing the College over the next few years. The College is adopting a number of strategies to mitigate the identified financial risks and has already secured funding from alternative sources such as Skills Development Scotland, Scottish Funding Council, Seagreen, Matthew and Northwood Trusts and Tay Cities to support various investments necessary to maintain our position as the biggest high quality, successful and innovative skills provider in the region. This strategy will continue to be adopted and with the support of the Foundation to support the network replacement element of the investments required, will support the delivery of the College's 2025 Strategy.

Authors: Andy Ross, Head of ICT Services
Executive Sponsor: Jaki Carnegie, Vice Principal – Corporate Services

BOARD OF MANAGEMENT

Tuesday 27 September 2022



FINANCE AND ESTATES ITEMS

**FINANCE & PROPERTY COMMITTEE UPDATE – 2021/22 DRAFT
OUTTURN**

PAPER J

Finance & Property Committee

Monday 26 September 2022



Draft Outturn for the year to 31 July 2022

(Copy of paper presented to Committee)

Paper for information

1. Introduction

This report brings to the Committees attention the management accounts for the year to 31 July 2022.

2. Recommendation

Members are asked to note the draft Outturn.

3. Context

The original budget had predicted a cash-operating surplus of £215K, later revised in the next forecast to a deficit of £854K taking into consideration the expenditure planned the previous year spilling into this year due to supply problems. This position did not change significantly, with the latest quarterly forecast being £740K, albeit that the underlying performance improved sufficiently to absorb Voluntary Severance (VS) costs.

These Management Accounts now seek to report the final outturn for the academic year and reflect an improved operating position before absorbing a greatly increased VS charge. Whilst every effort is made to produce a reliable draft Outturn, we are continuing with our quality checks ahead of audit in October and further adjustments remain possible before determining a final position. Discussions with auditors around capitalisation of certain expenditure may revise both revenue funding and expenditure but should have little or no impact upon the net cash operating position.

4. Summary of results

The draft outturn for the year is a **cash-backed deficit of £1.13m** after a VS charge of £1.2m. There is however now a small operating surplus of £69K before VS, which compares to the previous forecast deficit in excess of £500K

A summary of the main movements, netted off where appropriate, from the last forecast is given in the table below and explained in more detail within the relevant sections where necessary. A high level analysis of both income and non-pay provides details of gross movements across the main categories.

	£000's
Forecast Deficit at Q3	(740)
SFC Credit Income: Young Persons Guarantee (YPG)/ National Transition Training Fund (NTTF)	(259)
SFC Flexible Workforce Development Fund (FWDF)	(60)
Tuition fees	28
Managing Agents	78
SDS Modern (MA) and Foundation (FA) Apprentice contracts	249
Pay - strike deductions	43
Pay - VS savings	45
Pay - other	92
VS charge	(982)
Consumables & Equipment	114
Exam fees	95
Property costs, net	(40)
ICT costs	92
Bad debt costs	(39)
Other net movements (including VAT)	149
Draft Actual Outturn	(1,135)

5. Income

Income is down by £593K due largely to SFC grants offset by increases in SVQ and apprenticeship contracts.

SFC Credit income suffers from the removal of £259K for YPG/NTTF income that, based upon current guidance, we are unable to retain because we have not generated credits beyond our core target, despite delivering activity under the schemes.

Other SFC grants are reduced by underspends of Capital & Maintenance grants and FWDF totalling £626K, with an associated reduction in expenditure. These are available to carry forward into 2022/23.

Non-core income exceeds forecast by £333K, attributable to increases in final apprenticeship outcomes. SDS contracts for both Modern and Foundation Apprenticeships have performed particularly well and the College has taken full advantage of prior year's carry forwards.

6. Pay Costs

Total pay costs increase by £665K but this is due to the anticipated VS charge rising by £982K to approx. £1.2m, with all severance costs provided for within 2021/22.

Payroll costs show a final saving from forecast of £170K, aided by a lower pay award settlement, vacancy savings and academic strike deductions.

7. Non Pay Costs

Non-pay costs finish £865K down on budget, benefiting from significant underspends from Consumables & Equipment, Exams, Property and ICT.

The underspend on property works was always likely when the lecture theatre refurbishment was removed from the Kingsway development project but this was fully funded and so has no net effect, with funding now moving into 2022/23 as noted previously. Similarly, unspent funded equipment has no impact and can carry forward into next year.

8. Subsidiary company

Gardyne Theatre Ltd had been forecast to break-even, with the help of a grant from Creative Scotland's Recovery Fund, and has returned only a small loss of £2K.

9. Student Support Funding

As previously highlighted, funding far exceeded demand and there remains a balance of funds to repay to SFC.

10. Capital Expenditure

Expenditure of £3.4m relating to the new Hair & Beauty School has been capitalised to date but is subject to adjustment pending confirmation of the final account. Whilst the build was substantively completed some months ago, practical completion was delayed pending resolution of some minor issues that have now concluded satisfactorily and the building now fully occupied.

11. Cash Flow Forecast

Cash held at year end, of £6.2m, was significantly stronger than envisaged, due both to an improved underlying operating outcome and a high level of creditors. Restricted or committed funds were circa £3.4m and this position will, all other things being equal, largely reverse during 2022/23.

12. Conclusion

The improvement in the operating outturn before VS of nearly £600K is very welcome and strengthens our cash reliance in the short to medium term. VS costs have been necessary to secure much-needed recurrent savings.

13. Link to Strategic Risk Register

Managing the budget and reporting to the Finance & Property Committee supports the mitigation of 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

Draft Actual Outturn 2021/22

	2020/21	Year to July 2022		
	Actual	Quarter 3 Forecast	Draft Outturn	Variance from Quarter 3 Forecast
	£000's	£000's	£000's	£000's
SFC Credit income	28,912	31,425	31,166	(259)
SFC ESF Credits	1,143	1,028	1,028	-
Other SFC grants	4,174	3,741	3,115	(626)
SFC Total	34,229	36,194	35,309	(885)
Tuition Fees	3,407	3,266	3,236	(30)
Non-Core income	3,544	3,449	3,782	333
Catering & other income	1,739	1,425	1,414	(11)
Total Income	42,919	44,334	43,741	(593)
Teaching Pay - established	15,628	16,681	16,571	110
Teaching Pay - variable	2,577	2,478	2,497	(19)
Invoiced Staff Costs	349	569	432	137
Teaching Support Pay	2,209	2,494	2,495	(1)
Support pay	10,984	12,021	11,941	80
Apprenticeship Levy	103	108	110	(2)
VS Scheme	255	222	1,204	(982)
Unfunded pension payments	396	398	386	12
Total Pay Costs	32,501	34,971	35,636	(665)
Staff related costs	193	254	283	(29)
Consumables & Equipment	921	1,744	1,553	191
Exam fees	707	879	784	95
Student related costs	163	205	161	44
Property cost	3,196	3,292	3,000	292
ICT & Telephony	1,394	1,757	1,665	92
Insurance	117	129	128	1
Marketing	48	144	142	2
Professional fees	180	151	178	(27)
General Overheads	228	258	263	(5)
Interest & Charges	182	140	145	(5)
VAT	936	1,150	936	214
Total non-pay costs	8,265	10,103	9,238	865
Cash-backed surplus/(deficit)	2,153	(740)	(1,133)	(393)
Add: subsidiary profit/(loss)	2	-	(2)	(2)
Consolidated Cash-backed surplus/(deficit)	2,155	(740)	(1,135)	(395)

Cash Flow Forecast

	2020/21	Year to July 2022		
	Actual	Actual July	Budget	Quarter 3 Forecast
	£000's	£000's	£000's	£000's
Cash backed surplus/(deficit)	2,155	(1,135)	215	(740)
Loan repayment	(457)	(457)	(457)	(457)
Capital Expenditure	(1,568)	(3,402)	(4,743)	(3,427)
Capital funding	1,568	3,402	4,743	3,427
Asset Disposals	11	-	-	
Working capital movements	386	1,987	(800)	(900)
Net Movement in cash balances	2,095	395	(1,042)	(2,097)
Opening cash balances	3,758	5,853	4,425	5,853
Closing cash balances	5,853	6,248	3,383	3,756

Note

We hold restricted or committed cash funds of approx. £3.4m at the end of July, including accrued VS costs of £800K

Summary Analysis - Income

	2020/21	Year to July 2022		
	Actual	Quarter 3 Forecast	Draft Outturn	Variance from Quarter 3 Forecast
	£000's	£000's	£000's	£000's
Teaching Grant	28,912	31,425	31,166	(259)
SFC ESF Credits	1,143	1,028	1,028	-
SFC Sustainability Funding	898	-	-	-
SFC Capital & Maintenance grants	2,297	2,154	1,746	(408)
SFC Digital Poverty as capital				-
SFC-Flexible Workforce Dev. Fund	286	1,072	854	(218)
SFC-Reducing Child Poverty	175	221	221	-
SFC-Funding for Councillors	150	152	152	-
SFC-Student Mental Health & Wellbeing	51	-	-	-
SFC: Students Association Funding	23	-	-	-
SFC-ESP Funding	120	120	120	-
SFC-Digital Support Fund	152	-	-	-
SFC - Access to sanitary products	23	22	22	-
Other SFC grants	4,175	3,741	3,115	(626)
HE Full-time	2,013	1,760	1,748	(12)
HE Associates & collaborations	826	707	682	(25)
Part-time Fees	247	272	242	(30)
Commercial and Leisure	254	314	357	43
Internal Re-charges	-	18	18	-
International Fees and Overseas contracts	67	194	188	(6)
Other fees	1	1	1	-
Tuition Fees	3,408	3,266	3,236	(30)
Commercial: Work-Based	311	240	345	105
Managing Agents	578	282	360	78
Skills Dev Scotland: MAs	378	477	655	178
SDS Foundation Apprentices L6	556	406	477	71
SDS Foundation Apprentices L4+5	154	76	76	-
Covid related funding contingency	56	-	-	-
Pathways to Apprenticeships	68	21	21	-
Other Public Sector contracts	10	83	34	(49)
Schools Senior Phase	150	165	163	(2)
Non-funded tuition	8	10	6	(4)
European Projects	149	63	55	(8)
Developing Young Workforce	435	350	350	-
Energy Skills Partnership (non-SFC)	382	405	402	(3)
SDS for MSIP	-	40	40	-
Mathew Trust	-	-	-	-
Northwood Trust	-	30	29	(1)
Seagreen funding	-	140	49	(91)

	2020/21	Year to July 2022		
	Actual	Quarter 3 Forecast	Draft Outturn	Variance from Quarter 3 Forecast
Tay City Deals	-	366	369	3
Misc. grants, funding and sponsorships	168	50	65	15
Other grants - ESP	90	224	246	22
Other misc. income	51	21	40	19
Non-Core income	3,544	3,449	3,782	333
Consultancy	20	40	37	(3)
Catering	102	535	562	27
Training Restaurants	-	18	19	1
Nursery	158	165	167	2
Retail shops	-	4	3	(1)
Salon revenues	-	5	-	(5)
Gardyne Sport facilities	34	205	189	(16)
General Lets & Incubator Hire	27	39	37	(2)
Staff secondments	2	6	6	-
Support cost grants	75	90	94	4
GTL revenue from LTO and SLA	-	18	18	-
Library charges	4	12	12	-
Photocopy charges	-	5	1	(4)
Sale of materials, produce, scrap etc.	32	28	28	-
Biomass RHI & EDFE FIT charges	38	40	40	-
Wage Subsidy/CJRS	1,180	166	163	(3)
Insurance Claims	47	8	8	-
Bank Interest	1	1	3	2
Other misc.	19	40	27	(13)
Catering & other income	1,739	1,425	1,414	(11)

Summary Analysis - Expenditure

	Prior Year	Year to July 2022		
	Actual	Quarter 3 Forecast	Draft Outturn	Variance from Quarter 3 Forecast
	£000's	£000's	£000's	£000's
Mileage	28	80	97	(17)
Travel & Accommodation	3	27	23	4
Overseas Travel	5	2	3	(1)
Staff welfare and other expenses	26	20	22	(2)
Recruitment	4	-	6	(6)
Organisational Development	128	125	132	(7)
Staff related costs	194	254	283	(29)
Course Consumables etc.	297	382	318	64
Project Materials, Equipment etc.	61	188	117	71
Catering supplies	108	407	378	29
Library	40	42	23	19
Stationery & Printing	14	17	11	6
Equipment purchase & maintenance	360	653	652	1
Other misc.	41	55	54	1
Consumables and Equipment	921	1,744	1,553	191
SQA Fees	530	585	532	53
Other fees	114	186	158	28
Accred/Regn/Assess/Verification	63	108	94	14
Exam Fees	707	879	784	95
Residentials, travel etc.	17	65	24	41
Foundation Apprentice travel	2	11	-	11
Student placement costs	3	5	5	-
Student Councelling	8	21	18	3
Student Support costs	22	30	30	-
Student Bursary materials	-	-	-	-
Miscellaneous costs (inc.PVG)	111	73	84	(11)
Student related costs	163	205	161	44
Maintenance, high priority works, etc.	1,860	1,786	1,461	325
Building rentals and rates	304	323	319	4
Utilities	722	944	961	(17)
Cleaning, wast management etc.	106	127	145	(18)
Transport costs	171	67	77	(10)
Health & Safety costs	21	25	22	3
Other	12	20	15	5
Property Cost	3,196	3,292	3,000	292
ICT hardware, software, etc.	693	948	916	32
ICT Maintenance & Licenses	597	704	643	61
Web Development	4	3	5	(2)
Telephony & data line rentals	99	102	101	1
ICT & Telephony	1393	1,757	1,665	92

	Prior Year	Year to July 2022		
	Actual	Quarter 3 Forecast	Draft Outturn	Variance from Quarter 3 Forecast
Consultancy (inc.projects)	48	32	33	(1)
Audit Services	41	48	46	2
Bad Debts and collection fees	68	45	84	(39)
Legal & other professional fees	18	26	15	11
Professional fees	175	151	178	(27)
Photocopying, copyright & postage	103	118	107	11
Sponsorship, subscriptions, Licences	104	104	115	(11)
Hospitality and events	5	17	20	(3)
Miscellaneous and other	16	19	21	(2)
General Overheads	228	258	263	(5)

BOARD OF MANAGEMENT

Tuesday 27 September 2022



GOVERNANCE ITEMS

MEMBERSHIP UPDATE & TU OBSERVERS ON BOARDS

PAPER K

BOARD OF MANAGEMENT

Tuesday 27 September 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.s

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.

A list of current board members is included as Appendix A.

3 Board Membership

The terms of office of three members of the Board are due to come to an end in December 2022 as follows:

Helen Honeyman
Kirsty Keay
Neil Lowden

With the term of office of a fourth, Donald Mackenzie, due to end in March 2023.

Under the terms of the ministerial guidance, all four members can have their term of office extended for a further 4 years without the need for further recruitment. Extension is at the discretion of the minister and requires prior approval of a request by the Board of Management and Board Chair.

Discussions with each Board member prior to the end of academic session 2021/22 confirmed their willingness to continue in their membership and approval for this is sought from the Board.

4 Trade Union Observers on Boards

The Scottish Government proposed within the 2016 College Governance Taskforce Report that trade union nominated places on college boards of management be created. This proposal was subject to consultation and the Scottish Government signalled in 2019 that they would make the relevant changes to the Post-16 legislation to enact this proposal and include trade union nominated members (one academic and one support) on the boards of management of incorporated colleges and regional boards.

The introduction of this change was delayed as a result of the pandemic but is now anticipated to be enacted by August 2023.

In readiness for this change, it has been recommended by the Good Governance Steering Group of Colleges Scotland that trade union observer roles be created on boards, and all colleges have been asked to consider this step in advance of the legislation being enacted (see Appendix b).

Given this sector ask, the board are asked to consider this request and decide if they wish to approve creation of observer roles on the D&A Board of Management.

5 Approvals

In summary, approval is sought for the following:

- Extension to the terms of office for four members of the Board of Management.
- Consider and approve (or otherwise) the recommendation to create trade union observer positions (academic and support) on the Board of Management

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 namely:

- 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 Membership and Skills Mix as at September 2022

Name	Appointment	Member Until	Profession/Specialism
1. Laurie O'Donnell	Regional Chair July 2022	Scottish Government Appointment until 10/07/2026	Learning & Teaching, Digital, Management
2. George Robertson	March 2015	31/03/2023	Finance, Management
3. Margo Williamson	June 2021	31/05/2025	Public Service Management, Education Management, Learning & Teaching
4. Donna Fordyce	April 2017	31/04/2025	Economic Development/ Enterprise, Fisheries, Retail Management
5. Helen Honeyman*	January 2019	31/12/2022	Risk, Governance, HR Management
6. Kirsty Keay*	January 2019	31/12/2022	Commercial, Governance, HR, Third Sector Management
7. Donald Mackenzie*	April 2019	31/03/2023	HR & OD, Corporate Communications Management
8. Neil Lowden*	January 2019	31/12/2022	Educational Management, Learning & Teaching, Educational Policy
9. Kevin Ditcham*	April 2021	31/03/2025	Community Learning & Engagement, Management, Third Sector
10. Sally Middleton*	June 2021	31/05/2025	HE Learning & Teaching, Management, Access, and Articulation
11. Brian Lawrie*	May 2022	31/04/2026	Finance, Public Service Management
12. Roy McLellan*	May 2022	31/04/2026	Business, Management, Enterprise
13. Vacancy			
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. Lenka Strukanova	August 2022	31/07/2023	Student Member
18. Amy Monks	August 2019	31/07/2023	Student Member
Michael Thomson	August 2019	31/12/2022	Co-opt member of Audit & Risk

* Eligible for reappointment



Trade Union Nominees on Boards (Incorporated Colleges and Regional Strategic Bodies)

Interim Guidance for Observer Status for Trade Union Members on Boards

In light of the Ministerial decision for two trade union nominated members (one nominated by support staff unions and the other nominated by the teaching staff union) to be added, in addition to the elected staff representatives, to the board composition for incorporated colleges and regional strategic bodies, and in keeping with the agreed Staff Governance Standard, the Good Governance Steering Group (GGSG) would encourage all boards, as an interim arrangement, to adopt observer status for these appointments.

This interim arrangement will also assist with any transition when the legislation passed by the Scottish Parliament.

While the GGSG supports this arrangement, it also has an expectation that all individuals with observer status will act accordingly when attending board meetings in this capacity and will adhere to the key principles, along with board members, from the *Code of Good Governance for Scotland's Colleges* and *Model Code of Conduct for Members of Devolved Public Bodies* which includes observing the highest standards of ethical conduct, respecting confidentiality at all times, and complying with all regulations.

While observers attending board meetings will receive information provided to other members of the board (including papers and minutes), they may not be permitted to formally vote on matters submitted for a vote however, they may be granted the right to speak at meetings, following permission by the chair. The chair would also determine if there were any reserved matters that it was not appropriate for an observer to receive papers or be included in discussion.

Updated June 2022

BOARD OF MANAGEMENT

Tuesday 27 September 2022



GOVERNANCE ITEMS

BOARD METRICS

PAPER L

BOARD OF MANAGEMENT

Tuesday 27 September 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

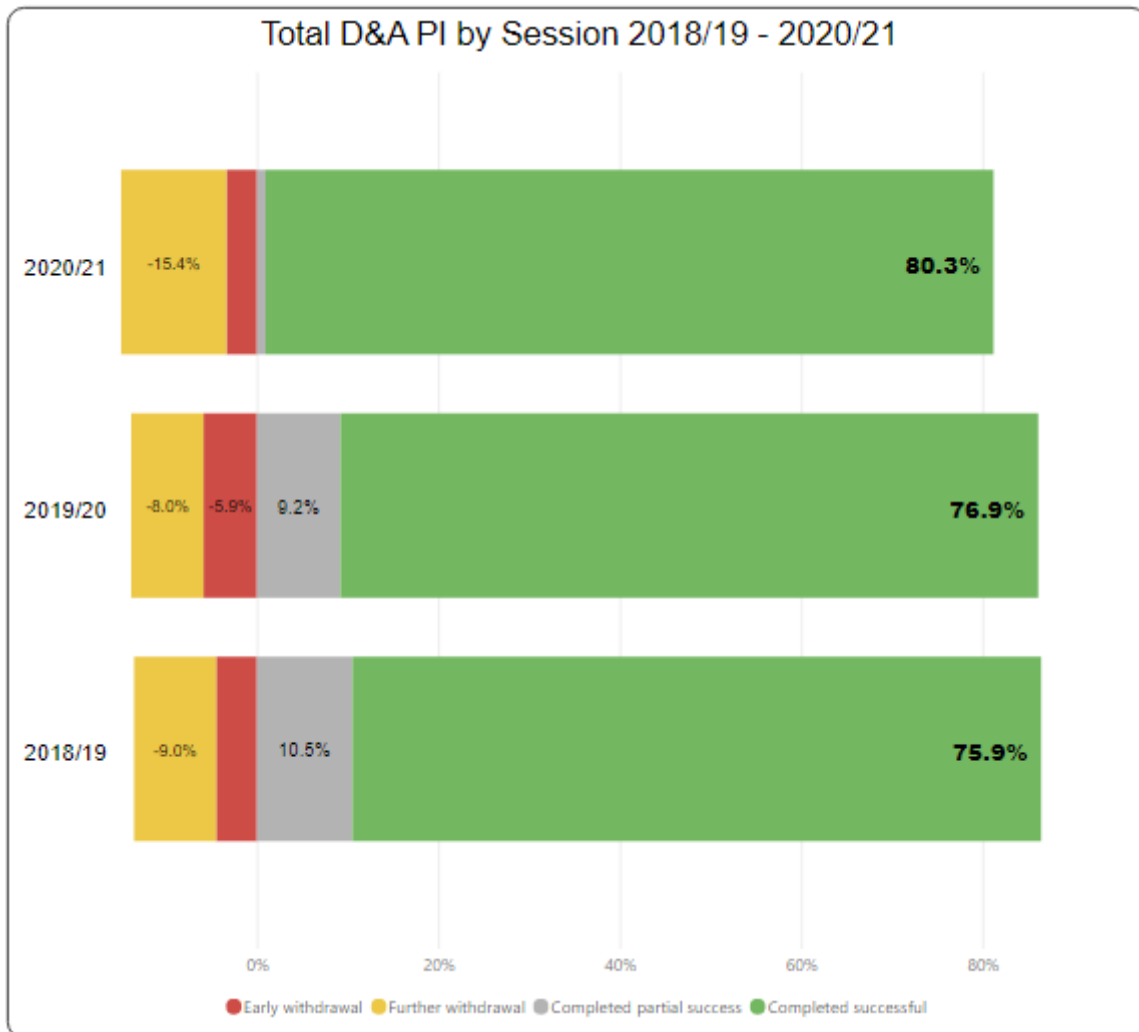
Information in this report is intended to provide Board members with reassurance that actions and activities are being progressed and addressed that support the mitigation of a range of risks identified within the Strategic Risk Register namely;

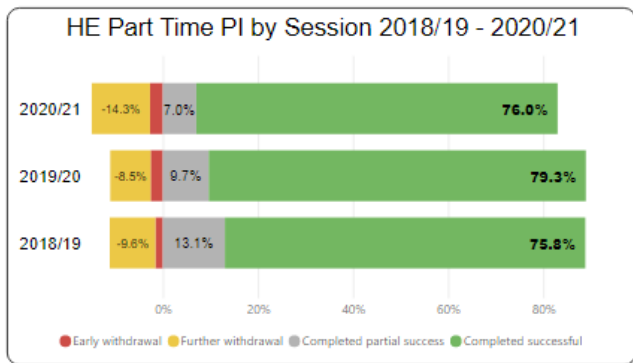
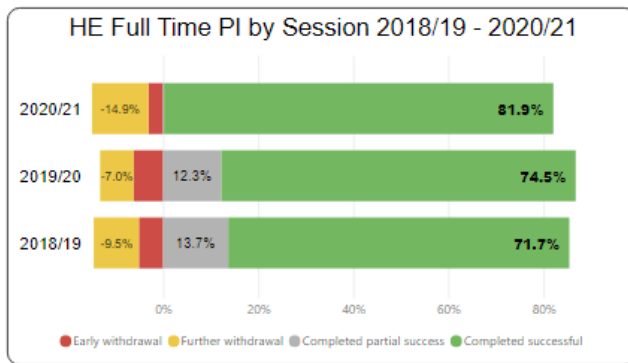
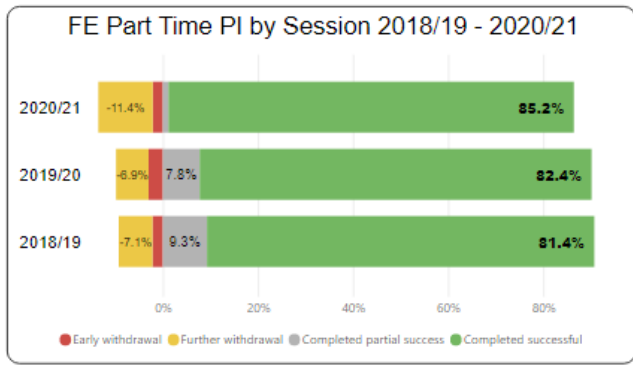
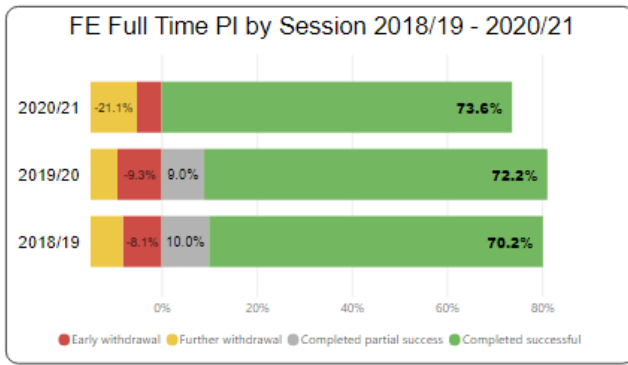
- 1.1 – Failure of College strategy to meet the needs of the D&A Region and/or national priorities (eg Employability, DYW, attainment, articulation)
- 2.2 – Failure to achieve institutional sustainability
- 3.1 – Failure to reach aspirational standards in learning, teaching and service delivery
- 3.3 – 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

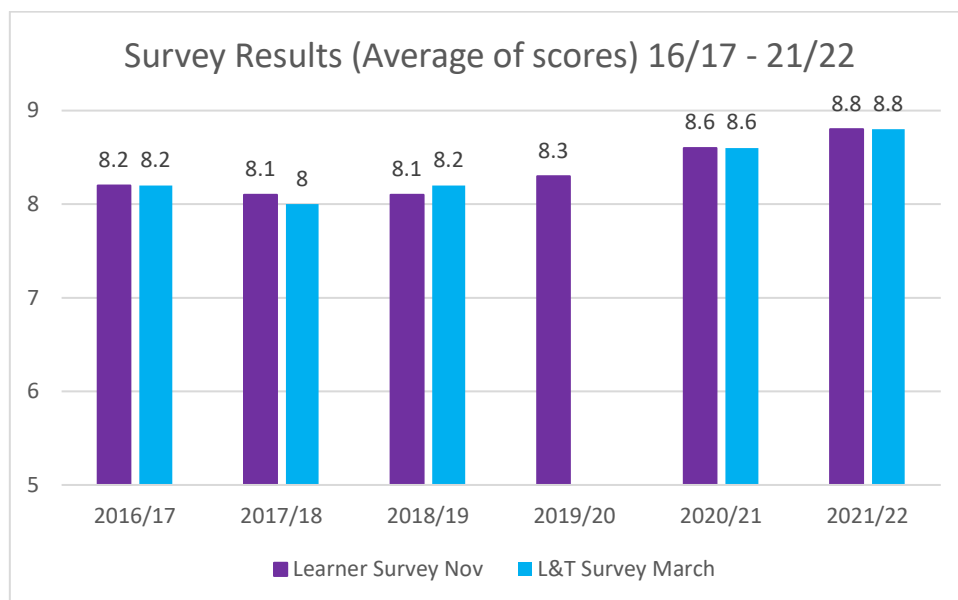
Performance Indicators

All data outlined below is up to date and final.





Student Survey Results

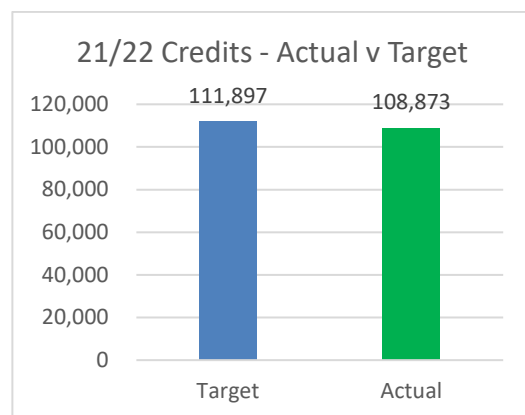
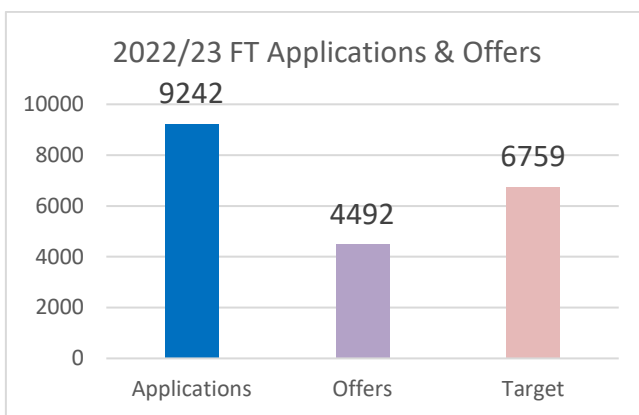


Note: The 2019/20 L&T Survey was not completed. The Learner Survey is now scored out of 5 but the results are scaled up to be consistent with prior years. The overall 2021/22 Spring survey score was 8.8 (4.4 out of 5).

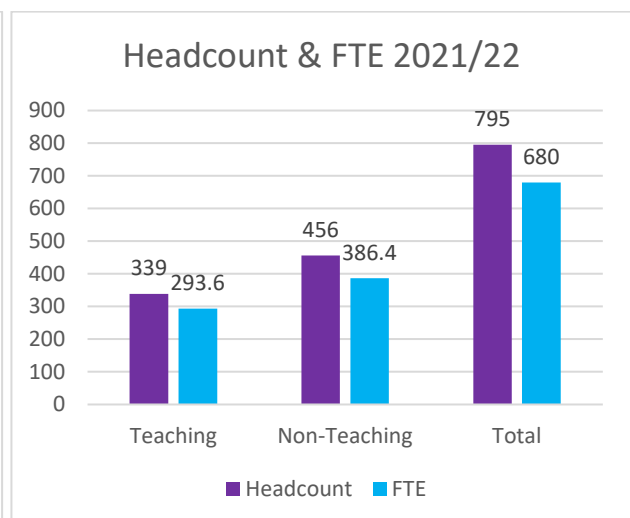
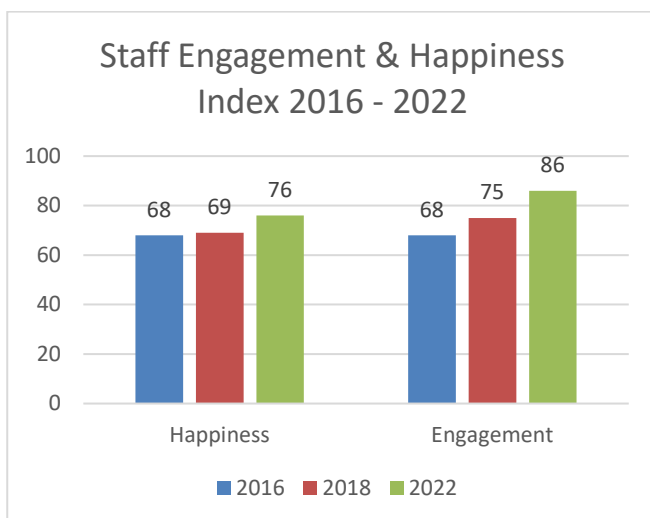
SFC Student Satisfaction & Engagement Survey – Positive response rate

	D&A	National
Overall Satisfaction 2018/19	91.4%	86.9%
Overall Satisfaction 2020/21	92.4%	85.9%
Overall Satisfaction 2021/22	96.3%	TBC

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

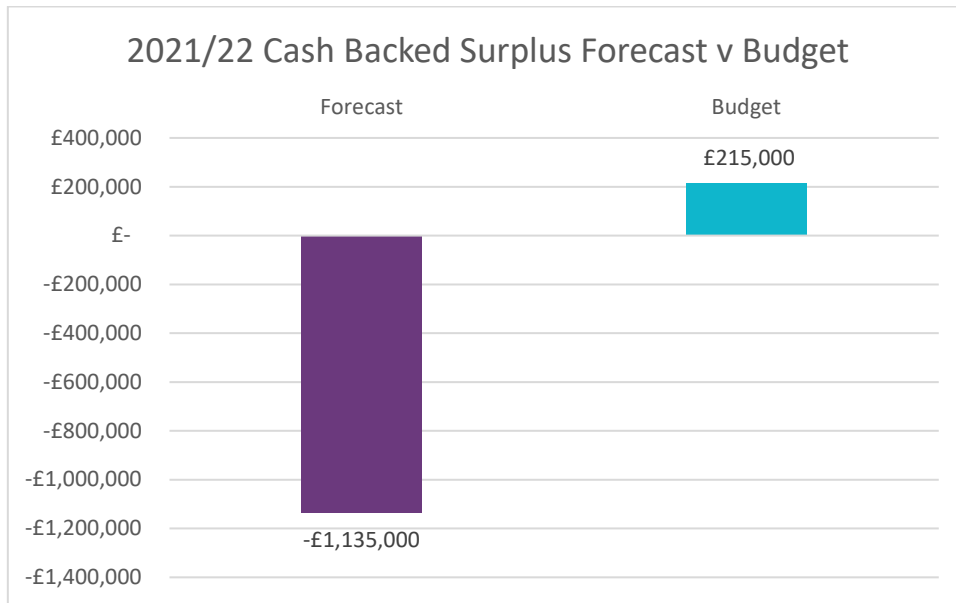


Staff – Engagement and Happiness Index, FTE & Headcount and Absence



	Staff Absence Rolling Year to 31/07/22	Staff Absence Rolling Year to 31/03/22
Average working days lost per headcount	8.15 days	6.99 days
Working time lost	3.13%	2.69%
Comparison with sector/national rates UK All Sector rate (CIPD 2016) UK Public Sector rate (Unison 2016)	3.3% (2.6% CIPD 2020) 3.4%	

Finance – Surplus/Deficit v Planned Budget out-turn



	2021/22	2020/21
RIDDOR – Reportable Accidents	8	3

There have been no RIDDOR reportable accidents to date in 2022/23

2021/22	Completed	Planned
Audits Completed v Planned	6	6

BOARD OF MANAGEMENT

Tuesday 27 September 2022



MINUTES OF COMMITTEE MEETINGS

PAPER M

- 14.1 Learning, Teaching & Quality – 14 September 2022**
- 14.2 Human Resource & Development – 15 September 2022**
- 14.3 Audit & Risk – 20 September 2022 (verbal update)**
- 14.4 Finance & Property – 26 September 2022 (verbal update)**

BOARD OF MANAGEMENT



Learning, Teaching and Quality Committee Wednesday 14 September 2022

Draft Confirmed by Chair

Minute of the Learning, Teaching and Quality Committee meeting held on Wednesday 14 September 2022 5.00pm in the Boardroom, Gardyne Campus and MS Teams.

PRESENT (In person)	M Williamson (Chair) S Hewitt N Lowden S Middleton A Monks L O'Donnell L Strukanova	PRESENT (Virtual)	B Carmichael K Ditcham H Honeyman
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**IN ATTENDANCE:
(In person)** J Grace (Vice Principal Curriculum and Attainment)
J Roscoe (Director of Curriculum and Attainment)
M Sanderson (Executive Secretary)

**IN ATTENDANCE:
(Virtual)** S Toms (Director of Curriculum and Attainment)

1. WELCOME

M Williamson welcomed Committee members, new Board Chair, L O'Donnell, and Student Vice President L Strukanova to their first meeting. K Ditcham joined at 5.30pm.

2. APOLOGIES

Apologies were received from D Fordyce, S Stirling, J Carnegie, S Taylor

3. DECLARATIONS OF INTEREST

There were no declarations of interest.

4. MINUTE OF PREVIOUS MEETING

The minute of the meeting held on Wednesday 27 April 2022 was approved as an accurate record.

5. MATTERS ARISING

There were no matters arising.

6. CURRICULUM REPORT – D&A STUDENT EXPERIENCE STRATEGY

J Grace presented the Curriculum Report on D&A Student Experience Strategy. J Grace reported on approaches taken to develop the strategy, provided an overview of the Community Experience and Learning Experience components within the Student Experience Strategy and the actions taken to date to embed the strategy into college operations.

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

M Williamson noted it was an excellent presentation to the Committee.

H Honeyman asked how successful the all-staff day was and how the themes would be maintained throughout the year. J Roscoe confirmed it had been well received, with staff including the implementation of key messages at Stop and Reflect self-evaluation sessions. J Roscoe noted the value of the building a learning community is featuring strongly Stop and Reflect sessions and staff are taking on board Simon's message.

A Monks noted a positive impact within the first week of term, from both students and staff.

N Lowden noted as positive the use of scripted language and conversations, especially with learning being back onsite. S Hewitt confirmed that the College is re-building from a strong foundation as a successful College.

H Honeyman asked about opportunities for teams to share practice across departments. J Roscoe gave examples of 2 communities of practice – Senior Phase and work-based learning. S Toms noted Esports project is a good example of collaboration between different departments.

L O'Donnell noted the importance of developing reflective practitioners and the benefit to staff as teaching professionals.

M Williamson asked if Academic staff have the chance to observe other teaching methods and classes and whether it is built into the CPD programme. J Roscoe confirmed this is embedded into the CPD programme through teaching squares/triangles and will be COVID. B Carmichael confirmed the team will revisit the observation model and reflect on the Learning Experience.

M Williamson thanked the team for a detailed presentation.

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 updates from team activities held over summer, for example, supporting groups of students to give them tours of campuses and introduce them to staff.

A Monks noted the team took part in the Kiltwalk for Cash for Kids and raised £650.

A Monks highlighted the concern of food insecurity for students. The team introduced a breakfast club this week and without advertising, 250 students attended over the course of a week. A Monks noted that food larders have been emptied across campuses and the Students' Association have a small budget to fund the breakfast clubs. S Hewitt noted there should be a joined-up approach internally and with local partners to the cost-of-living crisis.
S Hewitt to progress.

A Monks highlighted her recent attendance as a panel member at the College Development network (CDN) Poverty Symposium. S Hewitt praised A Monk's presentation at the event.

M Williamson thanked the team for their extensive report and noted the concern in the numbers of students (and staff) who have attended the breakfast clubs this week.

N Lowden asked how the breakfast clubs are being funded and how this will be sustained. A Monks confirmed this is being covered through the Student's Association budget but will present a challenge as the year progresses.

8. 2021/22 SQA NATIONAL 5 AND HIGHER 'EXAM' OUTCOMES

J Roscoe summarised the report and highlighted a return to a normal exam diet after two years. J Roscoe advised that results had increased by 5.8 percentage points compared to 2019. J Roscoe advised that the results may improve further as 3 priority appeals have been submitted, resulting in one upgrade and 23 nonpriority appeals have been submitted awaiting outcome.

L O'Donnell noted that teams need to be careful referring to percentage changes in results, as this can vary significantly if small numbers are presented.

N Lowden asked what presentations looked like in 2019 compared to 2022. J Grace confirmed it was significantly less now since a Highers review was undertaken and a new National Progression Award qualification in Psychology was written by D&A College and delivered as part of the School-College Partnership with Angus Council.

M Williamson noted last year, there was a concern around Higher Care. J Roscoe noted the sole purpose of this course, is for students to gain entry into nursing courses with Universities requiring applicants to hold 3 Highers for entry.

M Williamson asked the team for a short paper at the next LTQC identifying the improvement plan for Higher Care. **J Roscoe to progress.**

The report was noted.

9. 2021/22 LEARNER SATISFACTION SURVEY

J Grace summarised the survey and noted a good overall response from learners, considering College were still operating under COVID restrictions. J Grace highlighted a trend of increasing satisfaction rates rising from 80% in 2018 to the current 88% and provisional SFC results also showing increased satisfaction.

H Honeyman asked why the Performing Arts (PA) results were low. J Grace noted that the students were disadvantaged and unhappy at not being able to collaborate on performances and experience full on-campus learning due to COVID-19 restrictions. J Grace advised that the newly recruited Head of Curriculum and Quality is already making a positive impact. S Toms supported this statement having recently attended the team's Stop and Reflect session.

S Hewitt highlighted the PA team have excellent student outcomes despite the low scoring learner survey.

S Middleton stated that student satisfaction of 88% is an excellent achievement. N Lowden noted the need to celebrate the excellent results.

M Williamson noted for the positive survey results to be included in the minute.

10. VP CURRICULUM & ATTAINMENT REPORT

J Grace summarised the report advising that the decline in recruitment mirrors the sector as a whole. J Grace confirmed the focus is on student retention and highlighted the Stay@D&A campaign including use of the QR codes to enable students to access support. J Grace noted the range of positive curriculum developments, partnerships and contracts reflect the scale of activity the college is involved in with the business and wider community.

The report was noted.

11. STRATEGIC RISK REGISTER

M Williamson asked the committee to approve the strategic risk register and for approval of the recommendation for COVID risk register to be removed. Both items were approved by the Committee.

L O'Donnell asked if Recruitment and Partnerships should be included as separate risks on the Risk Register for this committee. H Honeyman noted the need to be clear about Strategic Board-level risks and college operational risks. M Williamson proposed this matter be discussed at Audit and Risk committee on Sept 20 rather than here.

12. COVID-19 UPDATE

S Hewitt noted that activity is returning to normal following the removal of COVID-19 restrictions but impacts will continue to be felt for some time including challenges around anxiety and mental health for students and staff returning to campus. J Grace noted classrooms have returned pre-COVID capacities and all students are now back on campus.

S Hewitt noted the reporting of COVID absence is transitioning back into the normal way of working in reporting any absence.

13. LT&Q METRICS

S Hewitt summarised the paper and highlighted the 21/22 results are being finalised currently with results looking positive.

14. DATE OF NEXT MEETING

Wednesday 2 November 2022, 5.00pm via MS Teams.

Action Point Summary

Action	Responsibility	Date
Agenda item 7 – A joined up approach to the cost-of-living crisis to be implemented internally and with external partners.	S Hewitt	2 November 2022
Agenda Item 8 – Improvement plan required for Higher Care	J Roscoe	2 November 2022

BOARD OF MANAGEMENT



Human Resources and Development Committee Thursday 15 September 2022

Draft confirmed by Chair

Minute of the Human Resources and Development Committee meeting held on Thursday 15 September 2022 at 5.00pm, room Y150 Gardyne Campus and MS Teams.

PRESENT:	D Mackenzie	VIRTUAL:	B Carmichael
	S Hewitt		N Lowden
	G Robertson		
	S Stirling		
	B Lawrie		

IN ATTENDANCE:	L O'Donnell (Regional Chair)	J Grace (Vice Principal)
	J Carnegie (Vice Principal)	M Sanderson (Executive Secretary)
	B Grace (Head of Estates)	A Mawhirt (Head of People and Organisational Development)

1. WELCOME

D Mackenzie welcomed members to the meeting.

2. APOLOGIES

Apologies were noted from K Keay and S Taylor.

3. DECLARATIONS OF CONNECTION & INTEREST

There were no declarations of interest.

4. MINUTE OF THE PREVIOUS MEETING – 5 May 2022

Minute of the previous meeting was approved as an accurate record.

5. MATTERS ARISING

There were no matters arising.

6. OPPORTUNITIES AND CHALLENGES PAPER

S Hewitt summarised the paper, highlighting that the target before the summer was to save 1.5 million and the College have managed to save 1.8 million. The latest paper has now been shared with Trade Unions, local Union officials and all staff. S Hewitt advised that the 3 Trade Union disputes remain open, but he is confident these can be resolved in the next few weeks.

S Hewitt noted that, due to staff departures, around 320 years of experience has left the College. The college could take some time to recover from the loss of knowledge and expertise.

D Mackenzie commended the team for avoiding compulsory redundancies and praised staff for working as a team.

S Hewitt noted this was an all-staff effort as many staff shared their ideas and suggestions of ways to make savings via the consultation email inbox. The suggestions contributed to amendments to approximately 50% of the original plans. S Hewitt noted that every VS application was scrutinised by the Executive team as a recurring saving was required.

D Mackenzie asked how staff who had had their application for voluntary severance declined were feeling and how motivated they are to continue working at the college. A Mawhirt noted conversations are ongoing with staff who weren't successful in applying for VS.

S Hewitt added the overall feedback from the all-staff event was positive and staff are taking the message seriously, around getting back to just being a College again. Staff are concerned around the long-term future of student recruitment and employment.

B Lawrie asked if there has been a demand in staff working reduced hours to save money. S Hewitt confirmed these types of options have contributed to the saving of 1.8 million, with some staff reducing hours or moving to term time contracts.

7. VP PEOPLE AND PERFORMANCE REPORT

A Mawhirt summarised the report, highlighting that VS is expected to open again at some point.

A Mawhirt confirmed the 2021/22 Support Staff pay offer was approved and negotiations are expected to start again on the 2022/23 pay offer.

A Mawhirt noted that there have been no further developments with the national job evaluation. Union Reps within support areas, have now left the College through retirement or VS and union officials will join the JCF meetings in the short term. A new teacher's union for staff is being launched in college - NASUWT - and B Carmichael has been involved in setting this up. Formal discussions around the new union will take place soon.

A Mawhirt noted that Gail Graham (Quality Manager) has been shortlisted in the College Development Network (CDN) awards for colleague of the year and Student Association for the work carried out around the retention calls.

Paper was noted.

8. NATIONAL BARGAINING UPDATE

S Hewitt noted he is hopeful the 2021/22 academic negotiations will be closed off in October.

S Hewitt noted the 2022/23 negotiations are asking for a 11% increase, which could lead to difficult negotiations as the budget only reflects a 2% increase. A Joint National Consultation meeting is scheduled later in the month.

9. HEALTH & SAFETY ANNUAL REPORT

B Grace provided an update on Health and Safety, noting the College have appointed Sandy Fowler as the Health and Safety Officer. B Grace noted that managing COVID-19 requirements has been the major Health and Safety focus over the last year. All mandatory requirements such as fire drills have continued to take place in an adapted manner due to hybrid working, but these will be back to normal once fire wardens are back on campus and in offices.

B Grace noted the number of near misses reported over the last two years, have been extremely low due to the lack of staff and students on campus. B Grace advised that he is keen to see these increase to support accident prevention measures. J Carnegie noted the team are looking at QR codes for staff and students to report near misses and record them.

D Mackenzie asked where Mental Health first aid is being captured and recorded. B Grace confirmed this is recorded through Student Services for students and the People Team for staff.

B Lawrie asked if there are enough qualified First Aiders back onsite. B Grace confirmed there have always been enough first aiders onsite with a rota in place for cover arrangements.

10. STRATEGIC RISK REGISTER

S Hewitt outlined the Risk Register and noted the proposal to remove the COVID-19 risk register as a stand-alone risk register with pandemic/major public health incident to be embedded into the main risk register. This will be taken to Audit and Risk Committee next week. HRDC committee approved for this to go to Audit and be removed.

L O'Donnell queried around the compulsory redundancy being featured within the register and what risk this is. **ACTION: S Hewitt to investigate.**

11. HR METRICS

HR Metrics were noted by the Committee.

A Mawhirt noted the staff turnover rate is too low, however the team are comfortable with where the College are with this.

L O'Donnell asked how Sector benchmarking looks. A Mawhirt confirmed the numbers are strong in comparison between other Colleges and the national HR strategic group will take forward formal benchmarking arrangements.

No further questions or comments.

12. COVID 19 UPDATE

S Hewitt noted this has covered within the Health and Safety report and Risk Register. B Grace noted every classroom and workshop have signs up reminding them to ventilate by opening windows etc.

S Hewitt noted staff are transitioning to being back on campus, however the College is faced with challenges of staff returning after two years working from home. S Hewitt noted flexibility is still there and staff can still work from home, where it's suitable.

A Mawhirt highlighted discussions are taking place with staff who are concerned about the impact of not getting the same amount of work done onsite and with other staff who are missing colleagues and feeling isolated working from home.

D Mackenzie asked if long covid is an issue. A Mawhirt confirmed not a huge issue within the College and not a lot of staff are off with long covid. S Hewitt noted national unions are keeping this up the agenda and looking across the sector.

13. MEETING MINUTES/UPDATES

These were noted.

14. DATE OF NEXT MEETING

Thursday 10 November 2022, 5.00pm via MS Teams

Action Point Summary

Action	Responsibility	Date
Agenda Item 10 – Compulsory Redundancy to be updated in Risk Register.	S Hewitt	15 September 2022

BOARD OF MANAGEMENT

Tuesday 27 September 2022



CORRESPONDENCE

PAPER N

BOARD OF MANAGEMENT
Tuesday 27 September 2022



Correspondence – SFC Communications

Paper for information

Reports and Publications Listing	
<p><u>Student Support funding audit guidance 2021-22</u> Ref: SFC/GD/20/2022 Issue Date: 16/08/2022</p>	<p>This guidance document describes SFC's audit arrangements for student support funds for academic year 2021-22.</p>
<p><u>FES return and audit guidance 2021-22</u> Ref: SFC/GD/19/2022 Issue Date: 16/08/2022</p>	<p>Guidance to colleges on the completion of their student activity data for Academic Year 2021-22 (FES return) and audit guidance for that year.</p>
<p><u>EMA audit guidance 2021-22</u> Ref: SFC/GD/18/2022 Issue Date: 15/08/2022</p>	<p>This publication gives guidance to colleges on the audit requirements for the operation of the EMA programme for the period 1 August 2021 to 31 July 2022.</p>
<p><u>College Financial forecast return 2021-22 to 2026-27</u> Ref: SFC/CI/05/2022 Issue Date: 11/08/2022</p>	<p>This Call for Information requests colleges to complete a medium-term financial forecast return for the period 2021-22 to 2026-27.</p>
<p><u>College Staffing Return Guidance 2021-22</u> Ref: SFC/GD/16/2022 Issue Date: 04/08/2022</p>	<p>Guidance notes for the completion of the aggregate Staffing Return: Academic Year 2021-22.</p>
<p><u>Education Maintenance Allowance Return 2021-22</u> Ref: SFC/GD/15/2022 Issue Date: 26/07/2022</p>	<p>This document provides guidance notes on the collection of the 2021-22 Education Allowance Maintenance return.</p>

<p><u>Accounts direction for Scotland's colleges 2021-22</u> Ref: SFC/GD/07/2022 Issue Date: 19/07/2022</p>	<p>To provide SFC's 2021-22 accounts direction for Scotland's colleges and Glasgow Colleges' Regional Board.</p>
<p><u>Education Maintenance Allowance Guidance 2022-23</u> Ref: SFC/GD/14/2022 Issue Date: 01/07/2022</p>	<p>Guidance on the Education Maintenance Allowance (EMA) programme for colleges in Academic Year 2022-23.</p>
<p><u>2022-23 National Policy: Childcare Funds for College Students</u> Ref: SFC/GD/13/2022 Issue Date: 01/07/2022</p>	<p>This guidance sets out the conditions for use of childcare funds for FE/HE college students in Academic Year 2022-23.</p>

Further details on the above Communications can be accessed via:

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

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