

# BOARD OF MANAGEMENT

## Finance & Property Committee



Tuesday 27 February 2024 at 5.00pm Room A625, Kingsway Campus (MS Teams option available)

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### AGENDA

1. **WELCOME**
2. **APOLOGIES**
3. **DECLARATIONS OF CONNECTION & INTEREST**
4. **MINUTE OF THE PREVIOUS MEETING** – 5 December 2023 Paper A for approval
5. **MATTERS ARISING** Paper B for noting
6. **FINANCE**
  - (i) Financial Sustainability Verbal update SH/ST
  - (ii) Management Accounts & Forecast Outturn Paper C for information BF/NA
7. **INFRASTRUCTURE**
  - (i) Future Infrastructure Vision Paper D for information SH
  - (ii) Estates Update Paper E for information BG
  - (iii) Post Project Evaluation – Kingsway Development Paper F for information BG/AR
8. **GARDYNE THEATRE REVIEW** Paper G for discussion SH/NA
9. **PROCUREMENT UPDATE** Paper H for approval NA
10. **STRATEGIC RISK REGISTER** Paper I for approval ST
  - (i) Risk Register Cover Paper
  - (ii) Strategic Risk Register
11. **CORPORATE SERVICES REPORT** Paper J for information ST/NA
12. **DATE OF NEXT MEETING** – Tuesday 28 May 2024 at 5.00pm in Room A625, Kingsway Campus

**FINANCE & PROPERTY COMMITTEE**

**Tuesday 27 February 2024**

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**MINUTE OF THE PREVIOUS MEETING**

**PAPER A**

# BOARD OF MANAGEMENT



## Finance & Property Committee

Tuesday 5 December 2023

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Minute of the Finance & Property Committee meeting held on Tuesday 5 December 2023 at 4.30pm in Room A605 Kingsway Campus and via Microsoft Teams

<b>PRESENT:</b>	D Fordyce B Lawrie C Cusick M Beattie	L O'Donnell S Hewitt D Smith
<b>IN ATTENDANCE:</b>	S Taylor (Vice Principal) J Grace (Vice Principal) A Ross (Director of Infrastructure)	Penny Muir (Board Administrator) B Ferguson (Vice Principal) B Grace (Head of Estates)

### 1. WELCOME

D Fordyce welcomed members to the Finance & Property Committee meeting.

### 2. APOLOGIES

Apologies were noted from R McLellan, D Rosie, and D Mackenzie

### 3. DECLARATIONS OF INTEREST OR CONNECTION

There were no declarations.

### 4. MINUTES OF PREVIOUS MEETING – 5 September 2023

The minute of the Finance and Property Committee meeting held on 5 September 2023 was approved as an accurate record.

### 5. MATTERS ARISING

D Fordyce confirmed that all outstanding Matters Arising were updated.

### 6. FINANCE ITEMS

#### 6.1. 2023/24 Management Accounts and Forecast Outturn

B Ferguson summarised the management accounts, highlighting that there were no changes to the budget set in May 2023, and a decision was still to be made regarding the allocation for FWDF for 2023/24.

With further 'flat cash' settlements predicted for the next two years, in keeping with Scottish Government's spending review and as directed by SFC for the Financial Forecast Return submitted in July, it is deemed prudent to introduce a voluntary severance contingency into this forecast to enable future cost reductions to be made. The adequacy of this provision will continue to be reviewed.

B Ferguson acknowledged that despite certain adverse movements, the outturn represents a significant improvement, amounting to circa £0.9M despite increasing provisions for both pay award and voluntary severance (VS) costs.

B Ferguson highlighted the pay award for 2022/23 is still unresolved. The provision of the college has increased by £100K for this outturn only to match the cost of the current offer of a flat £2,000 + £1500 (which has been rejected by unions).

B Ferguson stated that other SFC grants have increased, for example- Capital & Maintenance Funding by £150k brought forward from SFC's FY23-24 allocation along with an additional allocation of £300K following a successful bid to fund an Automatic Fire Alarm Systems Upgrade project, although these were matched with equivalent expenditure.

B Lawrie questioned if there are any savings made to the college for the Fire Alarm Systems. B Ferguson noted that this funding would allow other capital priorities to be progressed and meant that the limited capital budget could be stretched further.

B Ferguson noted increases in income and highlighted the potential increase in employer's pension contributions for the Teachers' scheme by 3% to 26% from April 2024, adding approximately £450K per annum to teaching pay. Conversely, it has been advised that a reduction in LGPS contribution rates, arising from the triennial Tayside Pension Scheme as of 31 March 2023, was likely. This would offset that increase to an extent and any change will be reflected in the half-yearly forecast.

The positive variance was welcomed and the management accounts and forecast were noted.

## **6.2. Draft Tuition Fees 2024/25**

J Grace highlighted the document and noted that the tuition fees will remain the same for the following academic year 2024/25, however there will be an increase to the commercial hourly rate in-line with current staffing costs from £75 to £80 and greater emphasis placed on setting fees relative to market demand to ensure that the contribution achieved was maximised.

The proposed fees were approved.

## **7. Estates Update**

B Grace summarised this report highlighting that the Estates Project team has completed the vast majority of planned projects across all 3 campuses over what has been an extremely busy year. B Grace highlighted The Isla Building Window replacement project has been deferred until next year, to allow the college to submit a funding application for the project via the Green Public Sector Estates Decarbonisation Scheme.

B Grace highlighted that all the RAAC panels within the Kingsway Construction and Engineering areas should be replaced within a 3–5-year period. A Quantity Surveyor provided the project estimate of replacing RAAC panels to be in excess of £7.2m. The RAAC survey reports and project estimate to replace the RAAC panels have been shared with the Scottish Funding Council, with a future SFC meeting arranged to discuss this.

B Grace highlighted that work on the Gardyne LED Lighting Project has progressed well with over 1000+ light fittings already replaced. This project will have a significant impact on our electrical energy consumption with a projected reduction of 260,000kwhrs/year, a carbon reduction of 155tCO<sub>2</sub>/year and a financial saving of £60k/year.

B Grace noted that the Fire alarm project is progressing well with new Fire alarm 'heads' to be installed in March 2024.

The update was welcomed.

## **8. GARDYNE THEATRE LIMITED UPDATE**

S Hewitt provided an update on the operation of GTL, stating that discussions have been continuing around the financial sustainability of the theatre. Conversations were had regarding the investment needs, understanding the underlying costs and how to make it more financially sustainable to meet the needs of the college. S Hewitt highlighted that this has progressed slowly, however it is being reviewed and a consistent approach to costing College input to Theatre activities was being worked on and would be implemented as part of the service level agreement for GTL and other College hosted activities.

S Hewitt confirmed that a more detailed paper on income, expenditures and options would be presented at the next Finance & Property committee meeting. **S Hewitt to progress.**

## **9. PROCUREMENT**

### **9.1. Annual Procurement Report**

B Ferguson introduced the annual report highlighting that this was predominantly a legislative requirement confirming adherence to the required procurement practices.

The College approach to invoice payment and any impact of costs associated with late payments was discussed and B Ferguson noted that invoices were paid as soon as possible (usually within 7 days) and that late payments only arose where there was a query around the invoice or good received. It was noted that late payment fees were very minimal.

B Lawrie queried the list of Regulated Procurements report page 272 and questioned if this was in the correct order (award date then start date) B Ferguson noted that he would investigate this with APUC and report back by email. **B Ferguson/S Taylor to progress.**

The annual report was approved.

### **9.2. Procurement Update**

B Ferguson summarised the update, highlighting the contracts awarded since the previous meeting in line with agreed procedures.

B Ferguson noted that there was approval needed from the committee for various estates work contracts in collaboration with Abertay University.

This procurement was discussed, and approval granted by the Committee.

### **9.3. Procurement Strategy**

B Ferguson summarised the document noting that this was a minor technical update to the strategy that was produced and published annually.

The strategy was approved for publication. **B Ferguson to progress.**

## **10. STRATEGIC RISK REGISTER (F&PC EXTRACT ONLY)**

S Taylor noted that the focus remained on the financial sustainability risk, with no change suggested at this point in time.

S Taylor confirmed that following discussion at the Audit & Risk Committee the Strategic Risk Register was being reviewed covering the institutional sustainability risk.

## 11. CORPORATE SERVICES REPORT

S Taylor acknowledged the report for noting but highlighted that the Angus Shared Apprenticeship Scheme in partnership with Angus Council has struggled financially since the COVID-19 pandemic and the SAL board has decided to wind up the company over the coming months. Recruitment of new apprentices has stopped, and the final remaining apprentices will be retained until their apprenticeships are completed (around April 2024). Whilst the winding up of SAL is regrettable, there is no financial risk to the College in respect of this.

The report was noted.

## 12. DATE OF NEXT MEETING – Tuesday 27 February 2024, 5.00pm A625, Kingsway Campus

### Action Point Summary

Action	Responsibility	Date
Update on GTL Operations and finances to be presented to F&P	S Hewitt	27 February 2024
Clarification of procurement contract award/start dates to be provided	B Ferguson	22 December 2023
Procurement Strategy to be published	B Ferguson	22 December 2023

**FINANCE & PROPERTY COMMITTEE**

**Tuesday 27 February 2024**

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**MATTERS ARISING**

**PAPER B**

**BOARD OF MANAGEMENT**  
**Finance & Property Committee**  
**Tuesday 27 February 2024**  
**Matters Arising**



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***Paper B for information***

The following actions were noted from the Tuesday 5 December 2023 Finance & Property Committee meeting.

<b>Agenda Item No</b>	<b>Action</b>	<b>Current status</b>	<b>Open / Closed</b>
8.0	Update on GTL Operations and finances to be presented to F&P <b>S Hewitt</b>	Scheduled for 27 <sup>th</sup> February 2024	Closed
9.1	Clarification of procurement contract award/start dates to be provided <b>B Ferguson</b>	Details shared	Closed
9.3	Procurement Strategy to be published <b>B Ferguson</b>	Strategy published	Closed



**FINANCE & PROPERTY COMMITTEE**

**Tuesday 27 February 2024**

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**FINANCE**

**6 (ii) MANAGEMENT ACCOUNTS & BUDGET  
FORECAST**

**PAPER C**

# Finance & Property Committee

Tuesday 27 February 2024



## Management Accounts & Forecast Outturn

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### *Paper C for information*

#### 1. Introduction

This report brings to the Committees attention the management accounts for Month 6 (August – January) which incorporates the budget approved in June 2023 together with both the subsequent and latest forecast for the year. The Outturn for the year to July 2023 is also reported for comparative purposes.

#### 2. Recommendation

Members are asked to note the Month 6 position.

#### 3. Context

The budget for 2023/24, and the savings exercise which had preceded it, was prepared in anticipation of a flat cash settlement coupled with a reduction in Credit Target. This was confirmed by The Scottish Funding Council (SFC) in May.

Assumptions regarding certain ancillary allocations were made when establishing the budget. Most of these had been confirmed when the previous quarterly forecast was reported in December but the most significant, the Flexible Workforce Development (FWDF) had not. Indications were that funding would be reduced and our expectations were downgraded accordingly. SFC have subsequently confirmed that there would in fact be no allocations for 2023/24, nor 2024/25, and consequently this is removed from this forecast, with net impact as shown below. It is possible that the activity may be resurrected for next year in credit generating form with no additional funding.

On a more positive note, we are confident that this year's reduced Credit Target will be achieved. The additional flexibilities allowed by SFC have also enabled us to demonstrate that had these been available for 2022/23 our Credit Target would have been achieved. As a consequence, SFC have confirmed there would be no clawback of grant funding for last year. The provision of £320K made at July 2023 is no longer required and the release will provide a non-recurrent boost to operating surplus this year.

Pay awards for both academic and support staff remain unresolved with industrial action by the academic union, EIS/FELA, about to commence at time of writing. The College continues to provide for an award in line with the current, and final, offer extending three years from September 2022 through to August 2025.

The previous forecast made no assumption of potential funding for the increase in SPPA pension contributions in April, from 23% to 26%, for the teachers' pension scheme. We now understand that this is very likely to be funded, as has been confirmed for England and Wales, from the Barnett consequentials. Funding equivalent to the estimated additional cost this year, unchanged at £150K, has been introduced in this forecast.

We still await confirmation from Tayside Pension Fund of any change to employer's pension contributions for support staff from April and, whilst a decrease has been signalled, no forecast adjustment has been made at this time. The positive impact upon current year is likely to be minimal but future annual savings could be significant.

The Voluntary Severance (VS) provision remains unchanged at £300K meantime. This will be re-evaluated as part of the 2024/25 budget preparations already underway but final estimates may not be possible until indicative funding allocations are published by SFC towards the end of March and the full extent of required savings determined.

The previous forecast benefitted from the additional clarity provided by several factors including the conclusion of the savings exercise, the final shaping of the curriculum and enrolments, and additional project activity. This forecast continues to benefit from greater clarity as we move into the second half of the year. We have secured final approval for our third Tay Cities Deal project 'Tay Cities Life Sciences, Biotechnology and Medical Technology' and all three are now fully reflected in this latest forecast. Additional project grants have also been secured, including more funding from UK Shared Prosperity Funds (UKSPF) and these are estimated to provide contribution to established costs.

The presence of Reinforced Autoclaved Aerated Concrete (RAAC) within the Construction and Engineering buildings at Kingsway campus, and the substantial remedial costs estimated, has acted as a catalyst for re-examining our vision for the college estate. Consultants have been commissioned to create a masterplan and, simultaneously, a conditions survey and energy assessment. Government energy efficiency funding had already been secured for the latter and, whilst attempts are being made to secure additional funding, the net cost is included in this forecast.

In terms of risks, a threat has emerged which may impact how the College chooses to apply Capital Maintenance funding it receives from SFC on a fiscal year basis. Considerable flexibility has been allowed in recent years and, for FY2023/24, SFC's allocation of £2.587m was no longer split between High Priority Backlog Maintenance and Lifecycle Maintenance, further reinforcing this trend. However, SFC are under pressure from Scottish Government to spend the entire sector allocation of £31m as capital expenditure (CDEL), rather than a mixture of both capital and revenue (RDEL). This had been communicated to college only via the monthly cashflow process, with SFC assuring colleges that they were engaging with government to secure necessary flexibility. In the current year, apart from our loan repayment of £457K, all funding is being expended as revenue. This is a sector wide issue, affecting all colleges to varying degrees, and is the subject of intense lobbying, led by Colleges Scotland.

In practical terms it is unlikely that flexibility could be removed for the FY2023/24 allocation without withdrawing funding retrospectively. The impact upon our finances would be substantive. However, the issue has now introduced a profound challenge to future budget setting. Capital Maintenance funding for FY2024/25 has been assumed to continue at the same level and this also impacts the current academic year in respect of the final four months. Our assumption that this can continue to be used to support revenue expenditure remains unaltered in this forecast but now attracts heightened risk and will be subject to ongoing review and discussion with SFC.

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

#### 4. Summary of results

This forecast predicts a **Cash-backed surplus of £523K**, an increase of £392K upon the last forecast of £131K, which in turn had improved from a budgeted deficit of £15K despite introducing a VS provision of £300K. The college requires to generate a surplus of at least £457K to service our annual loan repayment.

Actual operating performance to January is a surplus of £1.1m, almost £0.3m better than budget. This is partly due to the timing and recognition of income and expenditure but any permanent deviation is factored into the new forecast.

A summary of the main movements, with income and expenditure netted off where possible since the previous forecast is given in the table below and explained in more detail within the relevant sections. A high level analysis of both income and non-pay provides detail of gross movements across the main categories.

	<b>£000's</b>
<b>Cash-backed surplus per previous Forecast</b>	<b>131</b>
SFC: Clawback - release of provision	320
SFC: funding for pension increase	150
SFC: FWDF - removal of allocation	(152)
Fees - Full-time HE	(53)
Fees - other	35
Projects - Tay Cities Deal	73
Project & grant funding - other	141
Catering	(46)
Nursery	(77)
Pay costs (non-project)	213
Property costs, including professional services	(184)
Other net income, consumable and other costs	(28)
<b>Cash-backed surplus this Forecast for 2023/24</b>	<b>523</b>

## 5. Income

Income increases, once again, now by almost £0.9m in this forecast, to £46.1m, although a substantial portion of income attracts additional cost, of circa £0.5m.

SFC Credit income increases by £320K from the 2022/23 clawback reversal described above.

Other SFC grants suffers from the removal of the residual £221K estimate of FWDF allocation for 2023/24 but is offset by the anticipated grant allocation for pension increases of £150K to match estimated costs.

Tuition Fees have decreased by £30K due essentially to last quarters forecast increase in HE full-time proving to be slightly high, though it remains £90K above budget.

Non-core income has again risen substantially in this forecast, by £710K thanks to significant increases in project funding, and is now £1.35m higher than budget.

Project funding benefits from a range of successful new bids and will contribute to embedded costs to varying extent depending upon the nature of the activity supported. In other respects it allows investment in equipment and curriculum development that may otherwise be unaffordable, albeit with no direct impact upon operational performance. To a limited extent, additional expenditure is also being incurred within the Tay Cities Deal projects on behalf of project partners who would otherwise not have a ready route to market for equipment.

Nursery income reduces by £84K and a deficit of £115K is now forecast.

The performance metric 'Proportion of income that is SFC grant funded' continues to reduce and is now 77%, compared to a budget of 79% and a 2022-23 actual of 82%. A target of 79% had been established last year.

## 6. Pay Costs

Total pay costs are forecast to reduce by £331K. This follows an increase in the last forecast and now positions costs less than £300K over budget before factoring in the VS provision introduced last quarter.

This quarterly reduction to forecast is primarily due to lower teaching pay, both established and variable. The reasons are varied and include strike deductions, removal of certain contingent, reduction in Development Officers pay and removal of variable pay costs associated with the delivery of FWDF activity following the removal of this year's allocation.

Increases in student support pay is more than offset by other support category savings.

The additional cost of higher SPPA contributions for academic staff is included for the final four months of the year but no change has yet been reflected for an anticipated reduction in LGPS contribution for support staff, believed to be less than 2%.

The current VS scheme, launched last November, closes at the end of February and savings secured will be evaluated and taken into consideration when determining the adequacy of the current provision in tandem with the budget setting described above.

The performance metric 'Proportion of expenditure that is staff costs' is monitored. The latest forecast has reduced to 74%, down from 77% last year.

## **7. Non Pay Costs**

Non-pay costs have increased by £0.8m, of which more than £0.5m is directly related to additional project funding and the bulk of this is within consumables and equipment.

Property costs have increased due to the higher running costs, charged retrospectively, for the Saltire Sports Centre. Other increases in transport costs are offset by a reduction in utility costs. The reduction in both electricity and gas prices from April will benefit future year's budgets.

Professional fees are increased by £160K including vat for the additional costs of both the Estates Vision Masterplan and Conditions Survey. As mentioned above, alternative funding is being explored. Potentially we may also be able to divert a portion of Capital Maintenance funding, but it seems prudent to ignore this possibility meantime given the CDEL risk issue highlighted earlier.

## **8. Subsidiary Company**

Gardyne Theatre Limited continues to forecast a break-even position based on current costing models, with this approach maintained in this forecast. A surplus of £2K is reported for the first half-year. These reported values take no account of the net costs absorbed by the college in supporting its operations.

## **9. Student Support Funding**

Whilst SFC funding allocations exceed demand, reduced SAAS allocations for HE Discretionary funding is inadequate. The College assumed a similar level of funding and consequently over committed, potentially by approximately £40K. To avoid disadvantaging HE students and to safeguard enrolments, a decision was made to fund an overspend on this support funding of up to £50K. It is hoped that this can be vired from other budgets and so no forecast adjustment has been made at this time.

## **10. Capital Expenditure and Disposals**

Following normal practice, no capital expenditure is budgeted, with all property works and equipment 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. Ordinarily this this would have no net impact upon operating position but this flexibility is under threat as described above. The extent to which this threat can be mitigated by capitalising more expenditure is limited.

The cash flow forecast retains anticipated proceeds from the disposal of outreach centres at both Montrose and Kirriemuir. However, Montrose continues to attract little interest and marketing of Kirriemuir, to be sold jointly with Angus Council, has suffered delays. There appears significant risk that these funds will not be realised this year, thereby reducing projected cash balances at July 2024.

## **11. Cash Flow Forecast**

Cash held at 31 January is £6.2m and is boosted by the recent receipt of full-time HE fees from SAAS and the continuing high level of restricted cash funds of circa £4.3m. Unrestricted cash therefore represents only approximately 15 days cash, relative to forecast expenditure.

Cash balances predicted for July 2024 is now higher, thanks to the improved operating position, at circa £3.5m. Working capital movements from July 2023 to July 2024 is expected to be substantially negative and includes an anticipated reduction in restricted cash reserves to circa £1.2m.

## **12. Conclusion**

This forecast presents an improved position despite the strategic decision to introduce significant estates costs in support of the vision for a more economically sustainable and fit for purpose college estate. Whilst it is recognised that this forecast benefits from the release of last year's clawback provision, alternative potential funding sources are being successfully leveraged and solid progress has been made towards securing a more financially sustainable underlying position.

## **13. Link to Strategic Risk Register**

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

2.2 – failure to achieve institutional sustainability

**Authors:** Brian Ferguson, Head of Finance  
Rhonda Bissett, Senior Management Accountant

**Sponsor:** Nicky Anderson, Director of Finance

**Executive Sponsor:** Steven Taylor, Vice Principal Support Services and Operations

Dundee and Angus College  
Management Accounts for the year to 31 July 2024  
Income & Expenditure Report  
Month 6, January 2024

	2022/23	Month 6, January 2024			Full Year 2023/24			
	Actual	Q1 Forecast	Actual	Variance from Forecast	Budget	Q1 Forecast	Q2 Forecast	Variance from Previous Forecast
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
SFC Credit income	30,987	15,685	16,005	320	31,371	31,371	31,691	320
SFC ESF Credits	189	-	-	-	-	-	-	-
Other SFC grants	5,164	1,809	2,048	239	3,470	3,991	3,920	(71)
<b>SFC Total</b>	<b>36,340</b>	<b>17,494</b>	<b>18,053</b>	<b>559</b>	<b>34,841</b>	<b>35,362</b>	<b>35,611</b>	<b>249</b>
Tuition Fees	3,242	2,626	2,461	(165)	3,202	3,411	3,381	(30)
Non-Core income	2,703	1,272	1,425	153	3,066	3,710	4,420	710
Catering & other income	2,150	1,025	1,045	20	2,093	2,095	2,041	(54)
Donation from ALF (revenue)	-	-	-	-	700	700	700	-
<b>Total Income</b>	<b>44,435</b>	<b>22,417</b>	<b>22,984</b>	<b>567</b>	<b>43,902</b>	<b>45,278</b>	<b>46,153</b>	<b>875</b>
Teaching Pay - established	16,749	7,758	7,707	51	15,600	16,011	15,827	184
Teaching Pay - variable	2,410	954	928	26	2,506	1,835	1,771	64
Invoiced Staff Costs	284	87	70	17	229	222	165	57
Teaching Support Pay	2,414	1,246	1,268	(22)	2,538	2,615	2,696	(81)
Support pay	11,416	6,264	6,257	7	11,972	12,774	12,667	107
Apprenticeship Levy	102	52	49	3	108	108	108	-
VS Scheme	1,501	-	-	-	-	300	300	-
Unfunded pension payments	394	210	203	7	420	420	420	-
<b>Total Pay Costs</b>	<b>35,270</b>	<b>16,571</b>	<b>16,482</b>	<b>89</b>	<b>33,373</b>	<b>34,285</b>	<b>33,954</b>	<b>331</b>
Staff related costs	289	159	144	15	299	313	313	-
Consumables & Equipment	1,410	737	728	9	1,586	1,566	2,023	(457)
Exam fees	726	355	325	30	740	748	751	(3)
Student related costs	171	85	105	(20)	160	159	188	(29)
Property cost	3,602	1,728	2,145	(417)	3,935	4,348	4,371	(23)
ICT & Telephony	1,683	980	932	48	1,793	1,624	1,641	(17)
Insurance	154	82	81	1	171	163	163	-
Marketing	132	60	67	(7)	134	135	158	(23)
Professional fees	84	76	24	52	191	191	324	(133)
General Overheads	301	150	148	2	297	303	320	(17)
Interest & Charges	107	62	66	(4)	123	123	140	(17)
VAT	1,038	563	645	(82)	1,115	1,189	1,284	(95)
<b>Total non-pay costs</b>	<b>9,697</b>	<b>5,037</b>	<b>5,410</b>	<b>(373)</b>	<b>10,544</b>	<b>10,862</b>	<b>11,676</b>	<b>(814)</b>
<b>Cash-backed surplus/(deficit)</b>	<b>(532)</b>	<b>809</b>	<b>1,092</b>	<b>283</b>	<b>(15)</b>	<b>131</b>	<b>523</b>	<b>392</b>
<b>Add: subsidiary profit/(loss)</b>	<b>(21)</b>	<b>-</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Consolidated Cash-backed surplus/(deficit)</b>	<b>(553)</b>	<b>809</b>	<b>1,094</b>	<b>285</b>	<b>(15)</b>	<b>131</b>	<b>523</b>	<b>392</b>



Dundee and Angus College  
Management Accounts for the year to 31 July 2024  
Summary Analysis - Income  
Month 6, January 2024

	Prior Year	Month 6, January 2024			Full Year 2023/24			
	Actual	Q1 Forecast	Actual	Variance from Forecast	Budget	Forecast Q1	Forecast Q2	Variance from Previous Forecast
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<b>Teaching Grant</b>	<b>30,987</b>	<b>15,685</b>	<b>16,005</b>	<b>320</b>	<b>31,691</b>	<b>31,371</b>	<b>31,691</b>	<b>320</b>
<b>SFC ESF Credits</b>	<b>189</b>	-	-	-	-	-	-	-
SFC YPG 2022-23	190	-	-	-	-	-	-	-
SFC-Pension subsidy	0	-	-	-	-	-	150	150
SFC Capital Maintenance grants	3,055	1,350	1,550	200	2,588	3,038	3,038	-
SFC Digital Poverty as capital	182	183	183	-	-	183	183	-
SFC-Flexible Workforce Dev. Fund	1,109	164	81	(83)	493	301	80	(221)
SFC-Reducing Child Poverty	125	-	-	-	-	-	-	-
SFC-Funding for Counsellors	116	-	-	-	-	80	80	-
SFC-ESP Funding	350	100	233	133	350	350	350	-
SFC - Access to sanitary products	23	11	-	(11)	23	23	23	-
SFC: EMA Admin grant	14	1	1	-	16	16	16	-
<b>Other SFC grants</b>	<b>5,164</b>	<b>1,809</b>	<b>2,048</b>	<b>239</b>	<b>3,470</b>	<b>3,991</b>	<b>3,920</b>	<b>(71)</b>
HE Full-time	1,525	1,554	1,508	(46)	1,421	1,554	1,511	(43)
HE Associates & collaborations	652	364	237	(127)	639	741	742	1
Part-time Fees	268	205	225	20	268	272	279	7
Commercial and Leisure	635	345	336	(9)	700	686	694	8
Internal Re-charges	0	-	8	8	-	-	8	8
International Fees	162	158	146	(12)	174	158	147	(11)
Other fees	-	-	1	1	-	-	-	-
<b>Tuition Fees</b>	<b>3,242</b>	<b>2,626</b>	<b>2,461</b>	<b>(165)</b>	<b>3,202</b>	<b>3,411</b>	<b>3,381</b>	<b>(30)</b>
Commercial: Work-Based	255	135	150	15	180	180	181	1
Managing Agents	646	170	51	(119)	474	481	481	-
Skills Dev Scotland: MAs	696	253	204	(49)	450	520	520	-
SDS Foundation Apprentices L6	164	35	35	0	-	54	54	-
Other Public Sector contracts	23	14	8	(6)	40	30	30	-
Schools Senior Phase	162	0	14	14	162	162	171	9
Non-funded tuition	15	2	2	-	6	6	6	-
European Projects	49	-	-	-	-	-	-	-
Energy Skills Partnership (non-SFC)	282	121	55	(66)	258	251	238	(13)
SDS for MSIP	(2)	-	-	-	-	-	-	-
MSIP Management Fee	15	22	22	-	44	44	44	-
Northwood Trust	81	55	65	10	110	110	110	-
Seagreen funding	155	107	113	6	8	112	112	-
Tay City Deals	108	87	83	(4)	104	268	787	519
Multiply project (UKSPF)	-	259	259	-	-	417	417	-
MSIP Improvement Woks (UKSPF)	-	-	25	25	-	50	50	-
Data for Everyone (UKSPF)	-	-	-	-	-	-	100	100
Angus Council LEP Beyond Boundaries	-	-	-	-	-	-	45	45
SportScotland - Active Sports	-	-	40	40	-	40	40	-
Government Energy Efficiency grants	-	-	258	258	643	643	643	-
Misc. grants, funding and sponsorships	26	5	26	21	302	57	104	47
Other grants - ESP	7	-	-	-	270	270	270	-
Other misc. income	21	7	15	8	15	15	17	2
<b>Non-Core income</b>	<b>2,703</b>	<b>1,272</b>	<b>1,425</b>	<b>153</b>	<b>3,066</b>	<b>3,710</b>	<b>4,420</b>	<b>710</b>
Consultancy	40	-	-	-	-	-	-	-
Catering	903	513	545	32	1,033	935	944	9
Training Restaurants	37	17	14	(3)	40	40	27	(13)
Nursery	192	105	71	(34)	220	220	136	(84)
Retail shops	1	-	-	-	-	-	-	-
Salon revenues	24	12	16	4	40	28	38	10
Gardyne Sport facilities	264	118	136	18	234	268	268	-
General Lets hire of space	94	47	50	3	96	105	110	5
Staff secondments	21	-	1	1	13	13	14	1
Support cost grants	132	36	22	(14)	120	120	120	-
GTL revenue from LTO and SLA	20	5	5	-	20	20	20	-
Library charges	18	5	(1)	(6)	12	12	12	-
Photocopy charges	3	2	2	-	4	4	4	-
Sale of materials, produce, scrap etc.	68	12	17	5	20	20	21	1
Biomass RHI &EDFE FIT charges	37	23	13	(10)	52	52	52	-
Wage Subsidy/CJRS	133	66	78	12	115	149	147	(2)
Insurance Claims	4	-	-	-	-	-	-	-
Thrive@D&A Donations	38	-	-	-	-	-	-	-
Bank Interest	53	40	47	7	25	60	75	15
Other misc.	68	24	29	5	49	49	53	4
<b>Catering &amp; other income</b>	<b>2,150</b>	<b>1,025</b>	<b>1,045</b>	<b>20</b>	<b>2,093</b>	<b>2,095</b>	<b>2,041</b>	<b>(55)</b>

Dundee and Angus College  
Management Accounts for the year to 31 July 2024  
Summary Analysis - Expenditure  
Month 6, January 2024

	Prior Year	Month 6, January 2024			Full Year 2023/24			
	Actual	Q1 Forecast	Actual	Variance from Forecast	Budget	Forecast Q1	Forecast Q2	Variance from Previous Forecast
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Mileage	111	52	51	1	111	125	125	-
Travel & Accommodation	29	12	9	3	30	30	30	-
Overseas Travel	2	-	(7)	7	-	-	-	-
Staff welfare and other expenses	21	10	12	(2)	24	24	24	-
Recruitment	3	2	-	2	4	4	4	-
Organisational Development	124	83	79	4	130	130	130	-
<b>Staff related costs</b>	<b>290</b>	<b>159</b>	<b>144</b>	<b>15</b>	<b>299</b>	<b>313</b>	<b>313</b>	<b>-</b>
Course Consumables etc.	378	217	209	8	354	359	389	(30)
Project Materials, Equipment etc.	111	91	87	4	72	143	557	(414)
Catering supplies	574	253	291	(38)	575	476	481	(5)
Library	29	19	8	11	32	32	32	-
Stationery & Printing	15	10	5	5	22	21	21	-
Equipment purchase & maintenance	265	125	115	10	265	269	277	(8)
Other misc.	38	22	13	9	266	266	266	-
<b>Consumables and Equipment</b>	<b>1,410</b>	<b>737</b>	<b>728</b>	<b>9</b>	<b>1,586</b>	<b>1,566</b>	<b>2,023</b>	<b>(457)</b>
SQA Fees	453	185	189	(4)	447	447	447	-
Other fees	168	114	103	11	180	180	180	-
Accred/Regn/Assess/Verification	105	56	33	23	113	121	124	(3)
<b>Exam Fees</b>	<b>726</b>	<b>355</b>	<b>325</b>	<b>30</b>	<b>740</b>	<b>748</b>	<b>751</b>	<b>(3)</b>
Residentials, travel etc.	26	12	7	5	28	29	37	(8)
Student placement costs	6	2	1	1	6	6	6	-
Student Counselling	23	14	14	0	21	21	21	-
Student Support costs	31	14	23	(9)	30	30	40	(10)
Student Bursary materials	-	-	20	(20)	-	-	-	-
Miscellaneous costs (inc.PVG)	85	43	40	3	75	73	84	(11)
<b>Student related costs</b>	<b>171</b>	<b>85</b>	<b>105</b>	<b>(20)</b>	<b>160</b>	<b>159</b>	<b>188</b>	<b>(29)</b>
Maintenance, high priority works, etc.	1,567	632	1,040	(408)	1,765	2,176	2,176	-
Building rentals and rates	324	185	193	(8)	378	378	407	(29)
Utilities	1,383	806	797	9	1,575	1,575	1,555	20
Cleaning, waste management etc.	204	76	81	(5)	160	161	161	-
Transport costs	87	14	28	(14)	33	33	47	(14)
Health & Safety costs	20	8	2	6	10	10	12	(2)
Other	16	7	4	3	14	15	13	2
<b>Property Cost</b>	<b>3,601</b>	<b>1,728</b>	<b>2,145</b>	<b>(417)</b>	<b>3,935</b>	<b>4,348</b>	<b>4,371</b>	<b>(23)</b>
ICT hardware, software, etc.	976	617	566	51	1,087	906	895	11
ICT Maintenance & Licences	625	306	316	(10)	612	612	640	(28)
Web Development	8	6	1	5	15	15	15	-
Telephony & data line rentals	74	51	49	2	79	91	91	-
<b>ICT &amp; Telephony</b>	<b>1,683</b>	<b>980</b>	<b>932</b>	<b>48</b>	<b>1,793</b>	<b>1,624</b>	<b>1,641</b>	<b>(17)</b>
Consultancy (inc.projects)	26	9	4	5	22	22	22	-
Audit Services	60	33	2	31	66	66	66	-
Bad Debts and collection fees	-43	15	7	8	30	30	30	-
Legal & other professional fees	41	19	11	8	73	73	206	(133)
<b>Professional fees</b>	<b>84</b>	<b>76</b>	<b>24</b>	<b>52</b>	<b>191</b>	<b>191</b>	<b>324</b>	<b>(133)</b>
Photocopying, copyright & postage	98	60	64	(4)	114	114	104	10
Sponsorship, subscriptions, Licences	121	65	53	12	127	130	130	-
Hospitality and events	57	18	17	1	40	42	66	(24)
Miscellaneous and other	26	7	14	(7)	17	17	20	(3)
<b>General Overheads</b>	<b>302</b>	<b>150</b>	<b>148</b>	<b>2</b>	<b>298</b>	<b>303</b>	<b>320</b>	<b>(17)</b>

Dundee and Angus College

Management Accounts - latest forecast for the year to 31 July 2024

Risk Assessment of key volatile areas

Income/Expenditure Category	Latest Forecast(Q2) £000's	Possible Cash Deviations		Controllable?	Adverse Risk Assessment			Comments and mitigations
		Favourable	Adverse		Likelihood	Impact	Overall	
		£000's	£000's		£000's	£000's	£000's	
SFC Credit income	31,691	-	-	Controllable in terms of activity delivered but not fully in control of demand.	Low	Low	Low	Guidance for 2023/24 provides additional flexibilities and, combined with this year's lower Credit target, substantially reduces exposure to potential clawback. Current student data confirms with reasonable certainty that our target will be achieved.
SFC Capital Maintenance grants	3,038	-	500	Provision of funding is uncontrollable but College must manage grant conditions	Low	High	Mid	Allocated on an FY basis and apportioned AY with an assumption from FY24/25 funding that will remain unknown until indicative allocations are published for 2024/25. Also includes an in-year supplementary allocation. In practical terms it is difficult to quantify the adverse impact if CDEL only expenditure is allowed. For this purpose it is assumed that this extraordinary condition could only now apply for FY24/25.
Other SFC grants	882	50	150	Provision of funding is uncontrollable but College can stimulate demand or manage utilisation	Low	Low	Low	Following withdrawal of FWDF the remaining elements are largely fixed, The exception is funding for additional pension contributions yet to be formally confirmed and could fall short of cost.
Tuition Fees	3,381	100	100	Yes, in terms of marketing, recruitment delivery and retention but limited influence over demand.	Low	Low	Low	At this stage in the year income predictions are more assured. Attendance cut-off date for payment of full-time HE fees by SAAS was December.

Non-Core income	4,420	200	200	Partly; varies across such a disparate category ranging from apprentice income to Trust funding.	Low	Low	Low	This category contains a disparate range of activities. The most volatile elements in terms of gross movement are funding streams that will attract increased, often equivalent, marginal cost and so these are largely discounted in this assessment, although new projects will always attract some risk. Apprentice income and vocational courses are prudently estimated and thus offer scope for improvement.
Catering & other income	2,041	100	50	Yes	Low	Low	Low	Forecasts tend to be comparatively stable and we are unlikely to see material movements.
Total Pay (exc. VSS & unfunded pensions)	33,234	300	300	Largely yes but subject to pay and conditions negotiated centrally.	Low	Mid	Mid	We have more certainty at this half-way mark and risk of material underestimation is substantially reduced. Whilst contingency is now generally absent from the forecast, equally there is no allowance for vacancy savings and so favourable movement could be just as likely. Although the pay award is not settled, and there remains theoretical risk of higher cost, we believe that this is low and anticipate any further movement impacting only next year. The possibility of lower pension contributions for support pay from April offers further potential for savings.
VSS	300	-	500	Yes	Mid	High	High	A notional provision has been included in this forecast and the possible adverse movement merely continues to reflect the position predicted within the last FFR and a potential cost of £800K was identified. Any costs incurred before the end of the year are likely to yield in-year savings.

Property cost	4,371	200	200	Yes, whilst subject to inherent risks of the usual unpredictable factors exacerbated by inflation, every effort is made to manage within budget	Low	Low	Low	Property works inherently attract some risk of overspend but this would be managed in-year with careful monitoring and works budgets adjusted accordingly as far as possible so mitigate risk of material over spend. Utility costs account for a large portion of this budget but we have price certainty until March and reliable indications of reductions for both electricity and gas from April.
Non-pay costs excluding property	7,305	100	100	Yes, with limited exceptions, but inflationary pressures have increased risk of over spend.	Low	Low	Low	Departmental budgets are generally well controlled and, whilst inflationary pressures have impacted, the prospect of material unmanaged and <u>unfunded</u> over spend is unlikely. Effective budget monitoring and sound procurement practices will provide further mitigations.

Dundee and Angus College  
Management Accounts for the year to 31 July 2024  
Cash Flow Forecast

	2022/23	2023/24			
	Actual	Actual to January 2024	Budget - year	Forecast Q1 - year	Forecast Q2 - year
	£000's	£000's	£000's	£000's	£000's
<b>Cash backed surplus/(deficit)</b>	<b>(553)</b>	<b>1,094</b>	<b>(15)</b>	<b>131</b>	<b>523</b>
Loan repayment	(457)	(457)	(457)	(457)	(457)
Capital Expenditure	675	-	-	-	-
Capital funding	(675)	-	-	-	-
Asset Disposals		-	260	260	260
Working capital movements	294	36	(200)	(2,400)	(2,400)
<b>Net Movement in cash balances</b>	<b>(716)</b>	<b>673</b>	<b>(412)</b>	<b>(2,466)</b>	<b>(2,074)</b>
Opening cash balances	6,248	5,532	2,979	5,532	5,532
<b>Closing cash balances</b>	<b>5,532</b>	<b>6,205</b>	<b>2,567</b>	<b>3,066</b>	<b>3,458</b>

**Note**

We hold restricted cash funds of £4.3m at Month 6 (£3.2m at 31 July 2023), with an accrued provision for pay award representing a significant portion.

**FINANCE & PROPERTY COMMITTEE**

**Tuesday 27 February 2024**

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**INFRASTRUCTURE**

**7 (i) FUTURE INFRASTRUCTURE VISION**

**PAPER D**

**BOARD OF MANAGEMENT**  
**Finance & Property Committee**  
**Tuesday 27 February 2024**



## **Future Infrastructure Vision**

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### *Paper D for information*

#### **1. Introduction**

This paper outlines the current infrastructure challenges facing Dundee & Angus College, and the proposed approach taken by the Senior Leadership Team to deliver a future infrastructure vision that meets the aspirations of our students and is aligned to local, regional and national priorities.

#### **2. Recommendation**

Members are asked to note the contents of this paper.

#### **3. Current Infrastructure Challenges**

Whilst the College infrastructure is very well maintained and has received significant maintenance investment over recent years, the urgent need for more longer term, strategic investment is now critical across all three campuses to ensure that our estate meets the ambitions and aspirations for our learners, communities and industry partners.

Looking across the three campuses:

- **Gardyne Road:** Although the broader Gardyne Road estate was renovated and redeveloped in 2011, elements of the estate such as the North Annexe and the Sports block, both built in 1970, now need refreshed and modernised.
- **Arbroath:** In Arbroath, despite the age of the buildings, the estate has been maintained extremely well, however the overall condition of the Clova Building in particular, as well as elements of all seven buildings within the Arbroath estate, now also need modernised and future proofed.
- **Kingsway:** Lastly, even before the recent identification of RAAC in the Construction and Engineering blocks, the Kingsway Campus was already in urgent need of significant investment. The Committee will be aware of the Outline Business Case (OBC) produced in 2017 which detailed a vision for the Kingsway Campus and the steps needed to achieve this, however unfortunately due to COVID and the lack of a funding model for large scale College infrastructure projects, the OBC did not progress and needs to be revisited as part of a broader exercise.



Finally, with the shifts in both student and staff expectations, as well as the evolution of technology post-COVID, the current campus layouts and capabilities need to be reviewed and refreshed to ensure that they meet the needs of a modern and inspirational learning environment.

#### **4. College Sector Infrastructure Strategy**

Both the Scottish Government and the Scottish Funding Council (SFC) recognise the need for longer term, strategic investment across the whole college sector estate and subsequently launched the [College Infrastructure Strategy & Action Plan](#) in November 2022.

The Infrastructure Strategy & Action Plan describes the SFC's approach to determining future investment in Scotland's College estate and other college infrastructure, with D&A College represented on the Infrastructure Delivery Group.

Despite the launch in 2022, progress has been slow however, in December 2023, the SFC launched the [College Infrastructure Strategy Delivery Plan](#) which now outlines the series of steps that Colleges must go through over this calendar year (2024) to make the case for more longer term investment, should significant capital funds become available.

This will include undertaking a whole sector estates condition survey early in the process, through to working with the sector on a new funding model for strategic, college infrastructure investment.

#### **5. D&A 10 Year Infrastructure Vision**

Aligning the SFC's College Infrastructure Delivery Plan, the outcome of the Skills Delivery Landscape (Withers) Review and the development of a new, post 2025 College Board Strategy, it is important that the College develops a clear strategic vision of not just what we deliver, but how and where we deliver it.

The development of the D&A 10 Year Infrastructure Vision will be underpinned by, and tested against, four high-level principles that require our infrastructure to be:

- 1. Prominent and Inspiring:** The College aims to have a visible presence in both Dundee and Angus. It seeks to create inspirational facilities and equipment that meet industry standards. Consistency in branding and overall experience is a priority.
- 2. Inclusive and Supportive:** The College intends to enhance campus accessibility through strong public transport links. Inviting buildings will foster a caring D&A College community, encouraging people to visit and stay. On-site wrap-around services will provide support for learning and life.
- 3. Flexible & Collaborative:** The College recognises the importance of physical space tailored to the specific needs of learners, staff, and the curriculum. Collaboration with partners and stakeholders will be a core driver and will create a dynamic environment. Students, staff and stakeholders will actively participate in co-designing the college's future.

- 4. **Sustainable & Future-Proofed:** The College will embrace technology, ensuring it remains sustainable and contributes to a net-zero transition. Ownership and alignment with regional and national priorities are key considerations.

To support us with the development of the D&A 10 Year Infrastructure Vision, and to ensure we are in the best position possible to meet the SFC’s timelines, in January 2024 the College commissioned [Building Design Partnership \(BDP\)](#), who we worked with on the 2017 Kingsway OBC, to support us with building a high level vision and case for longer term strategic investment.

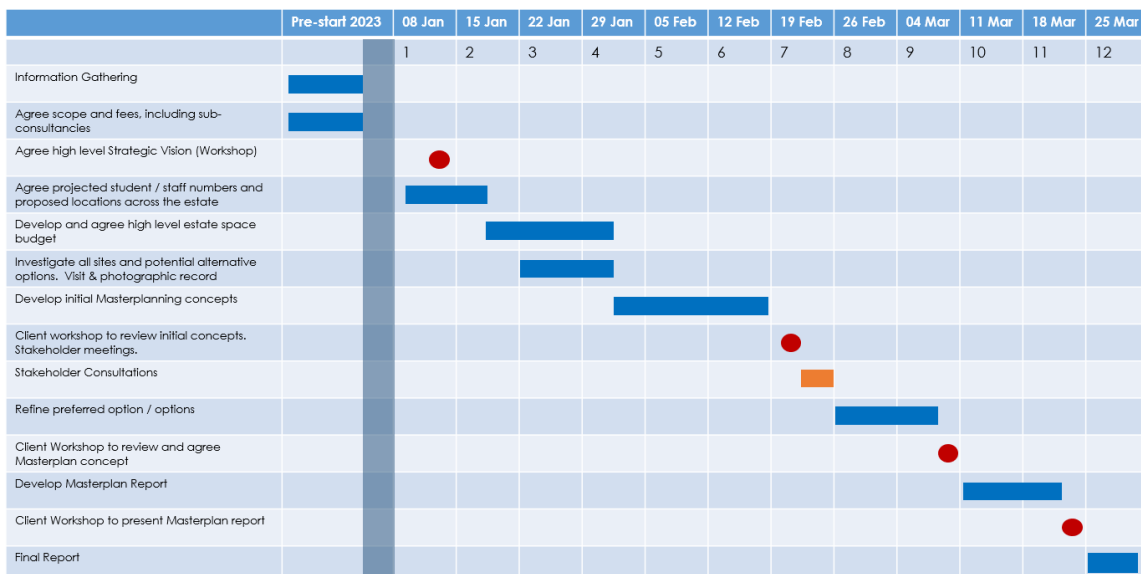
BDP will work with the College to develop and deliver a holistic vision for the overall regional College estate, in a way that can be delivered in logical and realistic phases over an estimated ten-year period. This initial scoping work will be completed by March 2024 and will include the following:

- Baselining information on the current estate and condition
- Energy performance survey across the current estate
- Development of an estates masterplan/vision for 2034

The output produced by BDP will act as the first initial step and will form the basis and beginnings of more detailed discussions and consultation with key stakeholders, including the Board of Management, staff and students, on the future direction of the College infrastructure.

## 6. Timeline

The key milestones for the BDP exercise are as follows:



## **7. Conclusion**

In conclusion, developing a Future Infrastructure Vision and addressing the pressing challenges within the current infrastructure is a significant strategic priority. The timing of this work is extremely important given the exercise underway within SFC, so it is important that the College is in the best position possible should significant capital funds become available. The call for strategic investment should be clearly aligned to a future direction and should be needs specific across all three campuses. On completion of this exercise, a series of concepts, options and ideas will be taken forward for further discussion and consultation with key stakeholders.

## **8. Link to Strategic Risk Register**

Consideration of the topics included in this paper will support the mitigation of a range of risks identified within the Strategic Risk Register, namely;

2.6 – Demands of capital developments / maintenance impacts on financial sustainability or delivery of learning and/or services

3.1 – Failure to reach aspirational standards in learning, teaching, and service delivery

4.5 – Lack of investment in ageing / beyond serviceable life infrastructure (inc RAAC, Asbestos and M&E failure concerns) impacts on financial sustainability and/or delivery of learning and/or services

**Author & Executive Sponsor:**  
Simon Hewitt, Principal

**FINANCE & PROPERTY COMMITTEE**

**Tuesday 27 February 2024**

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**INFRASTRUCTURE**

**(ii) ESTATES UPDATE**

**PAPER E**

**BOARD OF MANAGEMENT**  
**Finance & Property Committee**  
**Tuesday 27 February 2024**



**Estates Update**

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*Paper for noting*

**1. Introduction**

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

**2. Recommendations**

Members are asked to note the report.

**3. Capital Funding for Maintenance**

A reminder that the the SFC 5-year Capital Backlog Maintenance Grant funding project came to an end on the 31<sup>st</sup> March 2023 and was replaced with Capital Funding for Maintenance.

Previously there were 2 elements for the funding split between

- Backlog maintenance
- Lifecycle maintenance

For the current financial year there is no ringfenced allocation for Backlog maintenance, however we have still been tackling a number of Backlog maintenance projects over recent months.

The level of funding for Capital Funding for Maintenance for the period 1 April 2023 – 31 March 2024 is **£2,587,725.00**

The Estates Project team has now completed almost all of the planned projects across all 3 campuses over what has been an extremely busy year. The projects and their final status are listed below by campus -

## Arbroath Campus

Project	Campus	Estimated Value (inc VAT)	Current Status	Project Ref. No
CSW Building Refurbishment	Arbroath	£240k	Complete	PW586
CSW Electrical and Data infrastructure Upgrade	Arbroath	£120k	Complete	PW682
Isla/Esk Car Park Phase 2	Arbroath	£84k	Complete	PW635
CSW Replacement Lift	Arbroath	£60k	Complete	PW647
Isla 1 <sup>st</sup> Floor room changes	Arbroath	£12k	Complete	PW638
Create slabbed area outside CSW- wheelchair access	Arbroath	£16k	Complete	PW628
Demolition of Aviary	Arbroath	£5k	Complete	PW645
Replacement Lift Esk Building	Arbroath	£72k	Complete	PW646
Partition Wall between Esk 1.03/1.04	Arbroath	£7k	Complete	PW652
Esk – Big Hair Salon Upgrade – New chairs, stations and scaffold benching, painting	Arbroath	£36k	Complete	PW657
Esk – Small Hair Salon Upgrade - New chairs, stations, scaffold benching, new ceiling, flooring, lighting and painting	Arbroath	£35k	Complete	PW658
Esk – Creation of new Barber Salon – Room 0.01	Arbroath	£24k	Complete	PW659
Create new Learner Engagement Suite	Arbroath	£12k	Complete	PW680
Clova – Create new flexible workshop for Construction and Engineering (Old Catering Outlet)	Arbroath	£30k	Complete	PW666
Clova Roof Repairs	Arbroath	£36k	In progress	PW630
Clova - Existing Barber Salon to General Classroom	Arbroath	£6k	Complete	PW663
Isla Building Replacement Windows	Arbroath	£0k	Deferred	
Replacement Blinds CALC Building	Arbroath	£0k	Deferred	

## Gardyne Campus

Project	Campus	Estimated Value (inc VAT)	Current Status	Project Ref. No
Swimming Pool Roof Replacement	Gardyne	£60k	Complete	PW 639
Major Chiller 2 Repair	Gardyne	£18k	Complete	PW637
Replace corroded pipework, insulation, and trace heating which feeds Chiller 2	Gardyne	£36k	Complete	PW669
Create Esports Hub	Gardyne	£120k	Complete	PW641
Supported Ed Wheelchair Garden Access	Gardyne	£6k	Complete	PW642
Swimming Pool Toilets refurbishment	Gardyne	£60k	Complete	PW583
Y101 – demolish small rooms to create larger room – new vinyl flooring, lighting and painting	Gardyne	£18k	Complete	PW653
Y102 - Replace gas ovens with fan assisted electric ovens x 8	Gardyne	£3k	Complete	PW654
North Annexe key re-suite	Gardyne	£5k	Complete	PW670
NA31 Classroom refurb	Gardyne	£12k	Complete	PW671
Hardwire Testing	Gardyne	£30k	Deferred to 2024/25	

## Kingsway Campus

Project	Campus	Estimated Value (inc VAT)	Current Status	Project Ref No.
Engineering Workshop	Kingsway	£39k	Complete	PW576
Create Construction Workshop	Kingsway	£25k	Complete	PW578
Create new offices on Level 6	Kingsway	£50k	Complete	PW624
Create new Locker Space for H&B	Kingsway	£23k	Complete	PW639
Highlander EV Charging Pod	Kingsway	£18k	Complete	PW643
Student Services Window Replacement	Kingsway	£42k	Complete	PW644

Replacement Lift Space Building	Kingsway	£60k	Complete	PW648
Level 4 Refurbishment	Kingsway	£48k	Complete	PW649
Level 5 Refurbishment	Kingsway	£48k	Complete	PW650
Engineering Office refurb – install window, lights, flooring and painting	Kingsway	£7.2k	Complete	PW655
E033 Classroom refurb	Kingsway	£14k	Complete	PW661
Painting and Decoration Workshop – create storage and 3 additional booths	Kingsway	£18k	Complete	PW662
B050a/b – new joinery workshop requiring LEV system installed, new 110v supplies and floor levelling and installation of Mezzanine floor	Kingsway	£60k	Complete	PW664
Create new Marketing Office and new Meeting room	Kingsway	£12k	Complete	PW667
Electrical Booths	Kingsway	£10k	Complete	PW674
E018 – divide classroom	Kingsway	£12k	Complete	PW677
B001 upgrade	Kingsway	£26k	Complete	PW679
New Carpet – ground floor Space building	Kingsway	£15k	Contract awarded	PW668
Space – create IT Space for laptop use - furniture	Kingsway	£6k	Complete	
Install doors for pop-up shop space	Kingsway	£2.9k	Complete	

#### Other Projects

Project	Campus	Estimated Value (inc VAT)	Current Status
MSIP Improvement Works	MSIP	£50k	Nearing Completion
Equipment/Plant Replacement	All	£72k	In Progress
Building Management System Upgrade	All	£48k	Partially completed

#### 4. Update on the Reinforced Autoclave Aerated Concrete – RAAC issues at Kingsway

As previously reported, the presence of RAAC - **Reinforced Autoclave Aerated Concrete** was confirmed to be present in two of our buildings on our Kingsway Campus – the Construction block and Engineering block.



A full condition survey of the RAAC was carried out by the college appointed Structural Engineer – Christie Gillespie – and their final report submitted to the College which includes advice into the Stage 5 – **Management and Remediation Strategy**.

A reminder that both reports were similar in content highlighting in the main that the condition of the RAAC was in the low to medium risk category. However, a number localised areas were identified as being in the medium to high-risk category as defined in “Reinforced Autoclaved Aerated Concrete (RAAC) Estates Guidance”. All of the necessary repairs to the areas highlighted as being in the medium to high risk category have been completed and an update on the current status has been shared with staff and students.

The report concludes that all of the RAAC panels should be replaced within a 3-5 year period.

The College appointed Quantity Surveyor – WJR McKay has provided a project estimate for all of the works associated with replacement of all of the RAAC panels – the project estimate for these replacement RAAC panel works is approx. £11m.

The RAAC survey reports and project estimate to replace the RAAC panels have been shared with the Scottish Funding Council and dialogue is ongoing with them to identify potential solutions for the challenges that RAAC has now presented.

We will continue to keep the committee fully informed of any further developments in relation to the RAAC issues.

## **5. Scottish Green Public Sector Estate Decarbonisation Sceme**

As previously reported, the College submitted 2 successful bids in March 2023 to the Green Public Sector Estate Decarbonisation Scheme for -

- Pre-capital funding for Energy Audit and Feasibility work to identify potential decarbonisation and energy saving projects across the College estate. Bid value £36k + VAT
- Capital funding for a LED lighting replacement project for the Gardyne campus. Bid value - £500k + VAT

Work on the Gardyne LED Lighting Project is nearing completion with over 3000 of the 3500 fittings now replaced. This project will have a significant impact on our electrical energy consumption with a projected reduction of **260,000kwhrs/year**, a carbon reduction of **155tCO2/year** and a financial saving of **£60k/year**.

The Energy Audit and Feasibility study project has commenced with consultants currently working across all 3 campuses. The final report will be available in early April 2024. The outputs from the report will enable the College to apply for further funding via the Green Public Sector Estates Decarbonisation Scheme.

## **6. Projects 2024/25**

The Estates team are currently developing the project programme for the new financial year 1<sup>st</sup> April 2024 – 31<sup>st</sup> March 2025. This will be shared at the next Finance and Property meeting.

## 7. Link to Strategic Risk Register

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

- 3.1 – failure to reach aspirational standards in learning, teaching and service delivery
- 3.2 – failure to achieve/maintain compliance arrangements
- 3.3 – serious accident, incident or civil/criminal breach, legal action

**Author:** Billy Grace, Head of Estates

**Executive Sponsor:** Steve Taylor, Vice Principal Support Services and Operations

**FINANCE & PROPERTY COMMITTEE**

**Tuesday 27 February 2024**

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**INFRASTRUCTURE**

**(iii) POST PROJECT EVALUTION-KINGSWAY  
DEVELOPMENT**

**PAPER F**

# BOARD OF MANAGEMENT Finance & Property Committee

Tuesday 27 February 2024

## Estates Update

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### *Paper for noting*

#### 1. Introduction

This paper reviews the Hair, Beauty & Complementary Therapies (HBC) development project at the Kingsway Campus and forms part of a wider piece of work that ensures that the approving committee have detailed sight of the outcome of any approved project work

#### 2. Recommendations

Members are asked to note the report

#### 3. Project Overview

**Project Name:** Hair, Beauty, and Complementary Therapies Development at Kingsway Campus

**Project Duration:** June 2020 – April 2022

**Project Objectives:** To deliver a facility that gives our students in HBC courses access to state-of-the-art facilities that will promote real-life working experiences as part of their learning. Having modern facilities housed within the Kingsway Campus will help raise the profile of these career pathways and inspire more people into these industries to help service the growth of these industries in the local region.

#### 4. Review Agenda

##### 4.1 Achievements

The high-level project goals have been successfully delivered within the defined scope. This achievement is evident through four key performance indicators

- Student Satisfaction – In the November 2023 student survey, HBC students rated their overall satisfaction at 4.5 out of 5, making it the second highest rating in the College. This represents an improvement from the previous survey in November 2019, where the satisfaction score was 4.19 out of 5 (ranking sixth in the College) – the last pre-Covid survey

- Facility Ratings - Specifically focusing on the places students use, HBC students rated the facilities as 4.5 out of 5 in November 2023, again securing the second highest position in the College. This marks an increase from the November 2019 rating of 4.12 out of 5 (which was sixth highest in the College).
- Positive Feedback - Individual comments from HBC students in the survey included :-
  - “Amazing Workspaces”
  - “Beautiful Salon”
  - “I like the department as it looks nice and makes you feel like you are actually working in a salon”
- Commercial Success - From a commercial perspective, there has been a significant increase in revenue from the Kingsway HBC service, as reflected in the following table:

Session	HBC Kingsway revenue (ex VAT)
2018/19	£19,560
2019/20	£12,814 (COVID impacted)
2020/21	£0 (COVID impacted)
2021/22	£0 (COVID impacted)
2022/23	£25,096
2023/24	£32,000 (forecasted)

## 4.2 Scope Variation

The project was initially proposed as a refitting of the previous library space and a new replacement roof. However, during survey work prior to the commencement of the project, issues with the roof slab were discovered. Consequently, the Board of Management made the decision to continue the project but with a revised approach: the previous building would be demolished, and a new building would be delivered in its footprint

## 4.3 Challenges and Lessons Learned

During interviews with key stakeholders, challenges were identified throughout the project and valuable lessons learned

- **Roof Slab Challenge** – One of the most significant challenges we encountered was related to the roof slab. This unexpected issue necessitated demolishing the existing building and constructing a replacement in its place. Unfortunately, this change had a negative impact on both the project budget and the timeline. Budget impact can be seen in section 4.5. It should be noted that the Scottish Funding Council were supportive of the financial challenges this had on the project by providing additional funding for the demolition and new build design costs. While the initial proposal aimed for completion by December 2020, the fundamental shift in project scope delayed completion until April 2022. Importantly, the unforeseen roof slab issue provided no specific lessons for future reference.
- **Role of an Independent Quantity Surveyor (QS)** – Robertson Tayside were awarded the contract via the compliant SCAPE framework.

Within this framework, Robertson Tayside is responsible for assembling their own professional team including architects, structural engineers, and mechanical and electrical consultants. Additionally, they assumed the role of Quantity Surveyor for the project.

To enhance project outcomes, the College made a strategic decision: recruiting an independent Quantity Surveyor (QS) / Project Manager to represent the College's interests. This move had a positive impact on project timelines and costs. Looking ahead, any similar Infrastructure project utilising the SCAPE or a similar framework, with a budget exceeding £1 million, should include recruitment of an independent QS.

- **Snagging Challenges** – Ensuring thorough snagging (final inspection and rectification of defects) by Robertson Tayside proved challenging. 1.5% retention of the total project cost was withheld to ensure that all defects and snagging were dealt with to the College's satisfaction during the 1-year defect period.

The final retention amount was requested by Robertson Tayside in June 2023. Due to minor snagging being incomplete, £10k of the £87k retention monies requested was retained by the College as insurance. This minor snagging remains incomplete, and the College's independent QS has now requested that the £10k due to Robertson Tayside is now written off.

- **Facility Design and Stakeholder Requirements** – The facility design was collaboratively created with input from staff and students using Service Design techniques. This approach successfully ensured that the final product met and exceeded the requirements of all stakeholders. However, confusion arose regarding the location of reception area(s). Initially plans, included a downstairs reception for hairdressing treatments and upstairs reception for beauty treatments. After the project was delivered, the HBC team flagged that having a split reception would not be practical. Consequently, the decision was made to relocate the reception to the entrance of the new facility.

For future projects, it is crucial to engage all stakeholders and ensure their understanding and sign-off on final plans. This proactive approach will prevent any confusion regarding project elements.

- **Access to Subject Matter Experts** – during the design phase and project delivery it is important for the project team to have access to subject matter experts. This creates an issue during the summer months when academic staff are on leave for 6 weeks. For future projects, where input will be required from academic staff who will be on leave, an attempt should be made to schedule regular meetings and request the attendance of all staff where possible. This will ensure that decisions can be made quickly, and the project meets stakeholders' expectations.

#### **4.4 Risk Management**

Throughout the project, all risks were meticulously tracked using the contractor's risk register. This approach ensured that the project remained on schedule, within scope, and on budget. Aside from the initial adjustments made due to the roof slab issues, no other factors significantly impacted the project's timelines, scope, or budget. As a result, the project stakeholders believe that all risks were effectively managed.

## 4.5 Budget and Resources

The project summary timeline and budget at each stage is listed below:

March 2020 – The Finance & Property Committee (FPC) approved a budget of £2,190,000 for the new HBC facility. The proposed funding sources for the project were the Dundee & Angus College Foundation and the Capital Backlog Maintenance Grant provided by the Scottish Funding Council (SFC)

December 2020 – Due to the roof slab issue, adjustments were necessary. The project now required demolition costs and construction of a new building within the footprint of the existing one. An additional £2m was estimated for these changes, resulting in a revised total budget of £4,190,000. Funding continued to come from the Capital Backlog Maintenance Grant, the Dundee & Angus College Foundation, and now additional funding from SFC for the demolition of the existing building.

The budget for the works would be split into 2 components

**Demolition of current building = £246,940**

**New HBC Facility = £3,861,646**

**Total budget = £4,108,586**

April 2022 – All major work was completed by this date

The actual costs were as followed

**Demolition of current building = £250,631**

**New HBC facility = £3,889,696**

**Total cost = £4,140,327**

## 4.6 Communication and Collaboration

From the project's inception, collaboration has played a pivotal role. The goal was to create a facility designed by students for students. Leveraging Service Design techniques, successful outcomes were achieved throughout the project.

Communication has been strong between the subject matter experts in the HBC team, the Estates team, and the Contractor. Any issues identified during the construction were promptly addressed to ensure timely project delivery. This has meant that requirements changes were minimised and therefore project delivered close to budget.

## 4.7 Recommendations for Future Projects

This HBC project stands as an exemplary case of successful infrastructure delivery with three key teams fully engaged and closely collaborating throughout. These teams include

- Stakeholders (students, staff, and HBC customers),
- Estates team
- Contractors (Robertson Construction).

This collaborative model should serve as a blueprint for future projects.

In addition, collaboration should not be limited to the design stage; ongoing meetings and engagement with stakeholders are essential throughout the entire project lifecycle to ensure everyone is clear on what will be delivered and when. Therefore, visibility of any potential issues should be identified early in the process.

## **5. Link to Strategic Risk Register**

Consideration of the topics included in this paper will support the mitigation of a range of risks identified within the Strategic Risk Register, namely;

2.6 – Demands of capital developments / maintenance impacts on financial sustainability or delivery of learning and/or services

3.1 – Failure to reach aspirational standards in learning, teaching, and service delivery

**Authors:** Andy Ross, Director of Infrastructure & Billy Grace Head of Estates

**Executive Sponsor:** Steve Taylor Vice Principal Support Services and Operations



**FINANCE & PROPERTY COMMITTEE**

**Tuesday 27 February 2024**

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**PROCUREMENT UPDATE**

**PAPER H**

# BOARD OF MANAGEMENT

## Finance & Property Committee

Quarter 2 – November 2023 to January 2024



## Procurement Update

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*Paper H for both noting and approval.*

### 1. Introduction

The information included in this paper outlines the scheduled and recurring contracts and renewals, aligning with the delegated budget authority thresholds for approval as specified in the College's Financial Regulations. Coverage extends to 31<sup>st</sup> January 2024. In all cases, Planned Procurement Activity remains dependent on appropriate budget allocation as part of the annual budget approval process.

#### Section A - Contract Awards and Extensions (For Noting)

This section provides details on contracts anticipated to surpass £100k excluding VAT that were awarded between November 2023 and January 2024.

#### Section B – Non-Competitive Actions (Approval and/or Retrospective Approval)

This section outlines requests exceeding £25K excluding VAT for Approval of Non-Competitive Actions (NCA's).

#### Section C – Planned Contracting (Requiring Approval)

This section includes contracts where cumulative expenditure over the contract term is expected to exceed £100k excluding VAT. It encompasses call-off contracts under Framework Agreements from other authorities, such as APUC, Scottish Procurement, and Crown Commercial Services. This section may include contracts exceeding £500K therefore may require additional approval from the Board of Management.

It's important to note that this section exclusively features new contracts not previously included in the September report.

#### Section D – Other Procurement Activities (For Noting)

This section provides details on broader procurement activities for attention or consideration.

Please note that all values mentioned exclude VAT unless otherwise stated.

### 2. Recommendation

Members are asked to:

- i) note the recently awarded contracts (Section A)
- ii) approve Non-Competitive Actions (Section B)

- iii) approve anticipated procurements not already included in the Annual Planned Procurement Report submitted to the Finance & Property Committee in September 2023 (Section C)
- iv) note other activity (Section D)

**Author:** Amanda Walsh, Procurement Manager  
Nicky Anderson, Director of Finance

**Executive Sponsor:** Steve Taylor, Vice Principal - Support Services & Operations

### **Section A - Contract Awards and Extensions**

For Noting:

<b>Contract name</b>	<b>General Stationery and Office</b>
Route to Market	Call off from Framework
Successful Bidders	Lyreco
Contract Value	£200,000 (Estimated)
Owner	Head of Finance
Award Date	29 September 2023 (Retrospect)
Start Date	1 July 2023
Contract Period	48 Months

<b>Contract name</b>	<b>Life Science Equipment</b>
Route to Market	Call off from Framework
Successful Bidders	SciQuip Ltd & Wolf Laboratories
Contract Value	£72,032
Owner	Head of Curriculum and Quality (Science)
Award Date	29 January 2024
Start Date	1 February 2024
Contract Period	16 Months

### **Section B – Non-Competitive Actions**

Requiring Approval:

<b>Contract name</b>	<b>Timetabling Software</b>
Proposed Supplier	Celcat
Estimated Contract Value	£30,000
Owner	Director of Infrastructure
Intended Contract Start Date	1 April 2024
Proposed Contract Period	12 Months

For information (approved previously by e-mail):

<b>Contract name</b>	<b>Library Management System</b>
Proposed Supplier	Softlink

Estimated Contract Value	£36,000 (£12,000 per Annum)
Owner	Director of Infrastructure
Intended Contract Start Date	1 April 2024
Proposed Contract Period	36 Months

### **Section C – Planned Contracting**

Requiring Approval:

<b>Contract name</b>	<b>Condition and Feasibility Study</b>
Incumbent Suppliers	Not Applicable
Estimated Contract Value	£130,000
Owner	Head of Estates
Route to Market	Call-Off from Framework (Direct Award)
Intended Contract Start Date	February 2024
Proposed Contract Period	One-off Purchase
Rationale	The survey's objective is to attain a Condition B Rating for all structures on the Kingsway and Arbroath campuses, as well as sections of the Gardyne Campus. This entails a thorough examination of building components to identify heat losses and propose mitigation measures. Concurrently, the energy audit and feasibility study aim are to develop a comprehensive heat decarbonisation strategy. This strategy will assist the College in approving a detailed plan for feasibility and design, exploring alternative heating methods like heat pumps and biomass. The resulting report will concentrate on reducing carbon emissions and improving efficiency while outlining an action plan for replacing heating sources, specifying essential requirements and implications for implementation.

### **Section D – Other Procurement Activities**

For Noting:

#### 1. Procurement & Commercial Improvement Programme (PCIP)

As outlined in the December report, the College's Procurement and Commercial Improvement Programme (PCIP) assessment took place on 30 January 2024. The primary objective of the PCIP is to assess the guidance and procedures implemented by the college, focusing on their effectiveness rather than simply ensuring compliance with processes and procedures.

We are pleased to report that the College has achieved a commendable score of 77%. This represents a notable improvement of 10% compared to the results obtained in the previous PCIP assessment undertaken in 2019.

We believe this accomplishment reflects the dedication and efforts of the Tayside Region Procurement Team (TRPT) in implementing positive changes and enhancements since the last assessment. We view this progress as a testament to our ongoing commitment to best practices, efficiency, and excellence in procurement and commercial processes.

**FINANCE & PROPERTY COMMITTEE**

**Tuesday 27 February 2024**

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**STRATEGIC RISK REGISTER**

**PAPER I**

- (i) RISK REGISTER COVER PAPER**
- (ii) STRATEGIC RISK REGISTER**

# BOARD OF MANAGEMENT

## Finance and Property Committee 27 February 2024 Strategic Risk Register Update



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### *Paper 1 for approval*

#### 1. Allocation of Risks to Board Committees

Following discussion at the Audit and Risk Committee in May 2019, the Board of Management agreed at its meeting in September 2019 that key strategic risks be allocated to each Board Committee for regular review and consideration.

The Strategic Risk Register now highlights the allocation of risk areas across the range of Board Committees.

In identifying these delegated risks, it has been agreed that each Committee consider (and amend/update as appropriate) the key risk areas within their responsibility as a standing item at each future meeting.

Proposed changes arising from this consideration will be brought back to the next appropriate meeting of the Audit & Risk Committee for final approval.

In making these changes, it is important to reinforce that the overall responsibility for risk management will remain with the Board of Management, with delegated authority for the implementation and review of this to the Audit & Risk Committee. The further allocation of areas of risk oversight to Board Committees is intended to improve the awareness, oversight and consideration of risk, rather than amend the terms of the Board of Management scheme of delegation.

#### 2. Consideration of Risks to Board Committees

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

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

The draft March 2024 Strategic Risk Register is enclosed.

This has been subject to review following discussion at the December 2023 Audit & Risk Committee, with changes made to risks allocated to the Finance & Property Committee as follows.

Risk		Changes Made
2.1	Change in SFC Funding Methodology and Allocation – Reduction in Funding	Wording amended to reflect potential new funding body and/or funding arrangements arising from sector reform (Withers report)

Risk		Changes Made
2.2	Failure to achieve institutional sustainability	<p>Additional mitigations identified to reflect national discussions and changes (flexibilities) emerging through the Tripartite group.</p> <p>Additional monitoring identified to reflect change to mitigations and to clarify link between strategy and funding.</p> <p>Additional proposed monitoring point identified to reflect recommendation arising from Risk Management audit in respect of activity (credit) targets (subject to approval of the audit report by the audit &amp; Risk Committee).</p>
4.5	Lack of investment in ageing / beyond serviceable life infrastructure (inc RAAC, Asbestos and M&E failure concerns) impacts on financial sustainability and/or delivery of learning and/or services	Additional risk with mitigation and monitoring actions created following discussion with Audit & Risk Committee

#### 4. Major Risks

Risk 2.2: As outlined within the agenda and papers considered, the College has embarked upon a significant savings plan to deliver a sustainable budget and operating position for 2023/2024 in the light of the 'flat cash' settlements indicated for the foreseeable future.

Whilst the risk rating in respect of this remains as major, the savings plan activities have supported development of a better than breakeven budget at this time.

#### 5. Approvals

In respect of the above information approval is sought on the Strategic Risk Register as it relates to the operation of the Committee.

**Author and Executive Sponsor:** Steve Taylor, Vice Principal Support Services and Operations





# STRATEGIC RISK REGISTER

**2023 - 2024**

As at March 2024

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	DirSE	Director of Student Experience	2	Minor	Unlikely
	VPSO	Vice Principal Support & Operations	DirFin	Director of Finance	3	Significant	Possible
	VPCP	Vice Principal Curriculum & Partnerships	HoE	Head of Estates	4	Major	Probable
	DirInf	Director of Infrastructure	Chair	Chair of the Board of Management	5	Critical	Very Likely

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

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

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	DirSE	Director of Student Experience	2	Minor	Unlikely
	VPSO	Vice Principal Support & Operations	DirFin	Director of Finance	3	Significant	Possible
	VPCP	Vice Principal Curriculum & Partnerships	HoE	Head of Estates	4	Major	Probable
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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									

1.3 Board	Difficulties or over commitment arising within large scale/national College led initiatives or projects impact negatively on: <ul style="list-style-type: none"> <li>Ability of the College to meet key regional strategies/objectives</li> <li>Financial loss or unmanageable financial risk</li> <li>Reputational loss</li> </ul>	4	3	12	<ul style="list-style-type: none"> <li>Effective project/activity management in place</li> <li>Clear governance structures</li> <li>Project/initiative finances clearly incorporated within College financial strategy and plans</li> <li>End of project and exit/contingency planning</li> </ul>	3	2	6	<ul style="list-style-type: none"> <li>Regular project updates at Executive/Board level</li> <li>Monitoring of project activities, plans and outcomes</li> <li>Clear project Management arrangements in place</li> <li>Budget reporting and management</li> </ul>	Principal, VPCP
1.4 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"> <li>Negotiation/influence at national level</li> <li>Review of activities/projects and response to new opportunities</li> </ul>	4	1	4	<ul style="list-style-type: none"> <li>Robust monitoring via ROA</li> <li>Amendment of strategic direction/plans</li> <li>Rolling curriculum review</li> </ul>	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	DirSE	Director of Student Experience	2	Minor	Unlikely
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	VPCP	Vice Principal Curriculum & Partnerships	HoE	Head of Estates	4	Major	Probable
	DirInf	Director of Infrastructure	Chair	Chair of the Board of Management	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									
1.5 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"> <li>Robust CEAP in place</li> <li>Multiple strands of activity/action</li> <li>Embedding sustainable practices in normal activity and ways of working</li> <li>Clear links between strategy and practice</li> <li>Planned investment in carbon reduction</li> <li>Sustainable procurement</li> </ul>	4	2	8	<ul style="list-style-type: none"> <li>Robust monitoring and reporting of CEAP at SLT and Board level</li> <li>Clear performance metrics</li> <li>Amendment of strategic direction/plans</li> <li>Monitoring of scope 3 emissions</li> </ul>	VPSO, DirInf, HoE

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	Prin	Prin	Score	Impact	Likelihood
	SLT	Executive Leadership Team	DirC&A	1	Routine	Remote
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	VPCP	Vice Principal Curriculum & Partnerships	HoE	4	Major	Probable
	DirInf	Director of Infrastructure	Chair	5	Critical	Very Likely

Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT	POST MITIGATION EVALUATION					
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Responsibility
<b>2</b>	<b>Financial</b>									

<b>2.1</b> <b>F&amp;P</b>	Change in Funding Body and/or Funding Methodology and Allocation – Reduction or restriction in Funding  <b>Amended Wording to reflect potential new funding body/arrangements</b>	3	4	<b>12</b>	<ul style="list-style-type: none"> <li>Negotiation/influence at national level</li> <li><b>Contingency plans for amended funding levels or requirements</b></li> </ul>	3	3	<b>9</b> ↔	<ul style="list-style-type: none"> <li>Advance modelling of new funding requirements, methodologies, and allocations</li> <li>Monitoring impact of changes</li> <li>Amendment of strategic or operational direction / plans</li> <li>Financial strategy sensitivities</li> </ul>	VPSO
<b>2.2</b> <b>F&amp;P</b>	Failure to achieve institutional sustainability  <b>Additional mitigation and monitoring actions noted</b>	5	4	<b>20</b>	<ul style="list-style-type: none"> <li>Protection of funding through dialogue with SFC and SG</li> <li><b>Input to create sector ‘flexibilities’</b></li> <li>Robust annual budget-setting and multi-year financial strategic planning</li> <li>Effective budgetary control</li> <li>Where required, swift action to implement savings</li> </ul>	4	4	<b>16</b> ↔	<ul style="list-style-type: none"> <li>Monthly monitoring of budgets</li> <li>Regular review of financial strategy and non-core income sensitivity</li> <li><b>Effective use of sector ‘flexibilities’ to support sustainability</b></li> <li><b>Amendment of strategic priorities and timing to align with funding levels</b></li> <li><b>Review and amendment of activity and budget planning to address over/under performance against activity (credit) target</b></li> <li>Detailed monitoring of savings programmes</li> </ul>	VPSO
<b>2.3</b> <b>F&amp;P</b>	National outcomes on salaries and conditions of service outstrip ability to pay	4	4	<b>16</b>	<ul style="list-style-type: none"> <li>Influence within Employers Association</li> <li>Management of staffing expenditures</li> </ul>	4	3	<b>12</b> ↔	<ul style="list-style-type: none"> <li>Expenditure modelling</li> <li>On-going discussions with staff</li> <li>Financial strategy sensitivities</li> <li>Workforce planning</li> </ul>	VPSO

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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
<b>2</b>	<b>Financial (cont)</b>									

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

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<b>3</b>	<b>People and Performance</b>									

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

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<b>3</b>	<b>People and Performance (cont.)</b>									

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

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<b>3</b>	<b>People and Performance (cont.)</b>									

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

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<b>3</b>	<b>People and Performance (cont.)</b>									

<b>3.10</b> <b>HR&amp;D</b>	College arrangements do not minimise risk associated with Modern Slavery	4	3	12	<ul style="list-style-type: none"> <li>Clear and compliant procurement arrangements and procedures</li> <li>Staff identity checking arrangements and use of PVG.</li> </ul>	4	1	4 ↔	<ul style="list-style-type: none"> <li>Annual procurement monitoring/reporting</li> <li>Regular employee engagement monitoring</li> <li>Open communication with staff</li> </ul>	VPCP, VPSO
<b>3.11</b> <b>Board</b>	Failure to plan or respond adequately to future pandemic illness.	5	4	20	<ul style="list-style-type: none"> <li>Monitoring and rapid response to WHO and UK/Scottish Government information and alerts</li> <li>Maintenance of COVID-19 good practice approaches to inform future use</li> <li>Effective business continuity planning in place</li> </ul>	4	2	8 ↔	<ul style="list-style-type: none"> <li>Pandemic readiness / response included in business continuity plan reviews and testing</li> <li>COVID/Pandemic Response Group in place</li> <li>Active monitoring and rapid adoption of pandemic guidance / control measures</li> </ul>	Principal
<b>3.12</b>	Failure to attract, engage, retain or develop appropriately qualified staff.  <b>New Additional Risk</b>	4	3	12	<ul style="list-style-type: none"> <li>Clear People Strategy and Workforce Planning in place</li> <li>Positive Union relations and staff communication</li> <li>Effective management development &amp; CPD programmes</li> <li>Positive recruitment approaches and monitoring</li> </ul>	4	1	4	<ul style="list-style-type: none"> <li>Absence &amp; turnover monitoring</li> <li>Exit interviews</li> <li>Regular staff surveys 7 survey responding</li> <li>Monitoring and responding to staff concerns, union issues and employee relations concerns</li> </ul>	VPSO

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<b>4</b>	<b>Infrastructure</b>									
<b>4.1</b> <b>A&amp;R</b>	Major Disasters – eg Fire, MIS Failure, Failure of Emergency Procedures, RAAC or similar infrastructure failure	5	4	<b>20</b>	<ul style="list-style-type: none"> <li>Sound systems of administration</li> <li>Clear fire and disaster recovery arrangements</li> <li>Staff CPD</li> </ul>	5	1	<b>5</b> ↔	<ul style="list-style-type: none"> <li>Business Continuity Plan including scenario testing</li> </ul>	Principal, VPSO, DirInf
<b>4.2</b> <b>F&amp;P</b>	Failure to achieve ambitions of Digital strategy; strategy and development is ineffective	4	3	<b>12</b>	<ul style="list-style-type: none"> <li>Planning, careful phasing of changes to processes and systems</li> <li>Effective management of ICT arrangements</li> <li>Clear investment plan</li> </ul>	4	2	<b>8</b> ↔	<ul style="list-style-type: none"> <li>Regular review/reporting on milestones, systems effectiveness etc</li> <li>Regular CPD</li> </ul>	VPSO, DirInf
<b>4.3</b> <b>A&amp;R</b>	Significant breach of ICT/Cyber security resulting in loss of service sufficient to impact College student / staff outcomes	4	3	<b>12</b>	<ul style="list-style-type: none"> <li>Effective management of ICT arrangements</li> <li>Active ICT/data security monitoring and cyber security policy</li> </ul>	4	2	<b>8</b> ↔	<ul style="list-style-type: none"> <li>Staff CPD on cyber security issues</li> <li>Regular security monitoring/testing</li> <li>Cyber resilience plan</li> </ul>	VPSO, DirInf
<b>4.4</b> <b>A&amp;R</b>	ICT infrastructure fails to support effective data security / data protection	5	3	<b>15</b>	<ul style="list-style-type: none"> <li>Effective infrastructure and systems design and implementation</li> <li>Effective management of ICT arrangements and GDPR compliance</li> </ul>	4	2	<b>8</b> ↔	<ul style="list-style-type: none"> <li>Active data protection monitoring and auditing</li> <li>Effective information and data security policies in operation</li> <li>Regular data security monitoring/testing</li> </ul>	VPSO, DirInf

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<b>4</b>	<b>Infrastructure</b>									

<b>4.5</b>	Lack of investment in ageing / beyond serviceable life infrastructure (inc RAAC, Asbestos and M&E failure concerns) impacts on financial sustainability and/or delivery of learning and/or services	4	4	<b>16</b>	<ul style="list-style-type: none"> <li>Creation of long-term infrastructure principles and vision</li> <li>Multi-year estates strategy and capital planning</li> <li>Lobbying of SG and SFC on capital and backlog maintenance funding</li> <li>Identification of alternative funding routes</li> <li>Planning for D&amp;A Foundation bids</li> </ul>	3	4	<b>12</b> ↑	<ul style="list-style-type: none"> <li>Lobbying of SG and SFC on campus vision and needs</li> <li>Prioritization of capital plans and expenditures</li> <li>Regular review of capital plans/timescales relative to funds</li> </ul>	Principal VPSO
<b>F&amp;P</b>	<b>New Additional Risk</b>									

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**FINANCE & PROPERTY COMMITTEE**

**Tuesday 27 February 2024**

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**CORPORATE SERVICES REPORT**

**PAPER J**

# BOARD OF MANAGEMENT

## Finance & Property Committee

### Tuesday 27 February 2024



## Corporate Services Report

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### *Paper 1 for information*

#### 1. Introduction

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

#### 2. Recommendation

Members are asked to note the contents of this paper.

#### 3. Scottish Funding Council Update

The SFC announced the following in respect of financial and funding requirements since 5<sup>th</sup> September 2023.

Publication	Topic	Allocation
SFC/CP/01/2024	<a href="#">Financial Sustainability of Colleges and Universities</a> (04/01/24)	
SFC/CP/02/2023	<a href="#">College Infrastructure Strategy Delivery Plan</a> (14/12/23)	
SFC/GD/31/2023	<a href="#">Education Maintenance Allowance Guidance 2023-24</a> (21/11/23)	£16k
SFC/GD/30/2023	<a href="#">College Foundation Apprenticeship places 2023-24</a> (10/11/23)	2,500 places
SFC/AN/19/2023	<a href="#">Student Mental Health and Wellbeing Transition Fund 2023-24</a> (25/09/23)	£114,970

#### 4. Supporting Our Learners

24/25 Full-time recruitment is in full swing, with to date a 13% increase in applications received on the same time last year. We have implemented a new admissions system which is receiving positive feedback from our school partners and SDS on the simplified application and the facility for candidates to book their own selection appointment, this is resulting in better attendance at the selection events.

Work is underway to launch our part-time portfolio opening for applications in March and the commercial programmes in May.

We have offered cost of living payments to all full-time FE students with a household income of less than £25K, scheduled for payment in March we have just short of 900 students who have applied at a cost of just over £125,000.

We have also been working with SDS to enhance our data sharing portal, providing real-time attendance and application data to SDS and school guidance staff. This enables them to target students that are hitting attendance triggers and liaise with college staff on how we support them to return to classes. We are now including the contact and emails addresses we hold for students, which tend to be more up to date than the information SDS hold.

The early feedback from SDS and school staff is this is a great enhancement to the portal and allow them easy of identification and providing up to date data meaning they are tending to use this now as first source for information.

Currently, our credit target for 24/25 has been achieved, work will be ongoing to capture the activity still to take place and liaise with Curriculum Directors and SFC to continue to review the portfolio offered by the college to ensure we are not over-delivering.

## 5. Service Design Academy Update

### 23/24 Open Courses

- Funding for 16 places has been secured again from the **Data Skills for Work at The Data Lab through the Tay Cities Deal Digital Skills Project** to repeat the 2-day course Service Design for Data Professionals in March 24.
- [5-day Service Design for Innovation and Impact](#) 2 cohorts completed and 2 to run by June 24. 50 places are projected to be filled in total.
- [Welcome to Service Design](#) Competitive pricing is used tactically as an engagement tool for prospective corporate customers for more long term training programmes.
- [Professional Development Award](#) has three cohorts with **40** delegates. This is down 23% from **52** in 2022/23. The PDA had 14 FWDF funded places in 22/23 - the withdrawal of FWDF has impacted recruitment. Applications are increasing from self-funding students who are less able to make a financial commitment. New ways to overcome funding barriers will include the Tay Cities SME fund.

### 23/24 new projects

- Dumfries and Galloway Stranraer pilot was completed successfully in December 2023. A 4<sup>th</sup> contract awarded with D&G will run February – June 2024 for a community-based project and to train a Lived Experience Panel in participatory budget design
- Department of Health and Social Care Digital Transformation team prototyping face to face training delivered in London February 2024.
- A contract with Zero Waste Scotland will be completed in early May 24 with the development of two new workshops for circular economy focused businesses.

These three new projects will contribute income of over £110,000

### Business Development:

- Support from Your Due North continues to improve reach and engagement on social media.
- An engagement plan with non-specialists including HR and Change and Transformation Managers including direct mail and events is being scoped for April-June delivery.
- Early internal discussions with Quality about the development of new accredited course to meet need for an impactful alternative option to the PDA.

## Team

5.9 consultants FTE vs 4.9 FTE 22/23

Sickness has impacted on delivery and business development capacity. The Business Manager supports the day-to-day running of the team which has stretched their capacity to meet financial targets. A temporary restructuring of the team is being planned to share responsibilities.

## Management Accounts

The following shows the **draft** management accounts to January 2024

	Prior Year	Year to Date Cumulative	Full Year	
	Actual	Actual	Budget	Forecast
	£	£	£	£
Income	571,390	252,879	568,704	552,171
Pay Costs	354,083	209,404	361,182	417,534
Total non-pay costs	9,467	3,830	21,818	22,396
<b>Contribution/ (net cost)</b>	<b>207,840</b>	<b>39,645</b>	<b>185,704</b>	<b>112,241</b>

**All invoices in 2023/24 will relate to delivery to be completed by the end of the academic year.**

Our core markets in the public and charity sector are universally being affected with unprecedented budget cuts. Our private sector customers (e.g. IT Services and Consultants) have a public sector customer base, with the knock-on effect of budget pressures.

Increased staff costs reflect an investment in building the consultant team's capability and capacity for more flexible delivery schedules.

**To meet income target of £552k with £300k to go:**

Confirmed customised training being delivered February – June to be invoiced: **£90,750**

Customer current pipeline of £152,500 with 75% conversion to sale: **£114,375**

March PDA completing in August: (accrual £8,400 to 24/25): **£42,000**

Short courses March – July: **£67,500**

**Total: £314,625**

- There is some risk attached to achieving this due to public sector spending pressures.
- There is confidence that the team has capacity to fulfil an additional £100k value of customised work if it is secured by early April.



## **6. Gardyne Theatre**

The Theatre's hire fees have been raised to match the rise in Real Living Wage for casual staff, this has been met with no resistance from regular clients or new clients.

Theatre bookings are up from last year with 69 shows booked in from August to end of December compared to last year's 28, the majority of these are hire contracts at the new hire fee amount.

## **7. Business Partnership Team**

### **SME Skills (D&A delivery Income)**

Dundee and Angus College will see around 50% of the income delivered through training as part the SME Skills Fund.

The fund only kicked off in January 2024 and works to a fiscal financial year and pays out on completion of training therefore we only have a very short window of time to generate income in this financial year however the team had a waiting list of courses to deliver to SME businesses as part of the Flexible Workforce Development Fund, now that this has been cut we have transitioned them over to the SME Skills Fund and this means that between January and March 2024 will see us bring in around £66,000 of income for training delivered by D&A. Full details of the fund will be provided in the Board Report

### **Partnerships**

#### **Coast Training Services**

Coast have now moved into the Skills Academy as our first tenants on site. They deliver a wide range of GWO courses including Wind Technician, Safety and Advanced First Aid. They also offer working at heights, rope access and fire safety. We worked together to secure funding to install a mock Wind Turbine in the building as well as kit out three different classrooms for delivery.

This partnership has been set in line with our tenancy at MSIP and is an incremental rental to allow the business to raise their brand and generate footfall.

1 December 2023 to 31 August 2024 = £2250 pm

1 September 2024 to 31 March 2026 = £3000pm

The business has got off to a great start and are seeing weekly courses running.

#### **Beyond Boundaries**

We have partnered with Angus Council to deliver a brand new initiative called Beyond Boundaries. This is 9 to 12 month course designed to take low income parents on a growth journey to see them progress in their careers. Intergenerational poverty is continuing to impact our economy through the Child Poverty Fund we have secured £45,000 to design and deliver this brand new course.

Because of our strong links to industry in Angus we will targeting individuals through their employers are using this as an incentive for employers to invest in and upskill their workers so that they have a stronger workforce and at the same time it helps that employee to progress in their work ultimately helping them change their whole families lives out of work.

The course starts in March 2024 and the £45,000 will be paid on commencement.

### **Journeycall (The ESP Group) Employability Academy**

We have teamed up with Angus Council and The ESP Group to design and deliver another employability academy for Journeycall.

The business has recently secured another multimillion pound contract that requires them to mass recruit. We have secured £15,000 to run a 4 week intensive academy that will take unemployed people through customer service training coupled with growth mindset and employability support.

Those who complete the course will be guaranteed an interview and those who successfully secure a role in the business will then be eligible for further training through D&A to ensure they are supported to stay in the job.

The academy kicks off on 19th February and the £15,000 will be invoiced and received by 31st March 2024.

### **Commercial Bespoke Courses**

Historically commercial courses have been costed and organised by multiple people across the college. We are working hard to try and centralise this where possible and have recently adapted an internal app so we can have a centralised management system to record, cost and organise all bespoke commercial costings.

We will also monitor enquiries that come in and that do not progress to help us start to learn more about our conversion rates and why training doesn't progress.

We have worked hard over the past year to raise our profile in the business sector and to encourage businesses to pay for training through D&A College. We are now starting to see enquiries and conversions pick up and at the moment, we have £69,460 worth of short bespoke commercial courses being delivered that are paid for direct from the business. This will all be delivered and invoiced within this financial year.

### **Gardyne Sports Centre**

We have now transitioned the running of the sports centre over to the business side of the college. An internal audit last year highlighted that our financial position on paper wasn't a fully accurate reflection of the financial status of the business. The main reasons for this were weaknesses in some business processes and financial management of the centre, including oversight of management of the invoicing of the space and related contracts.

Some quick fixes did allow us to recover around £50,000 of income before this became an issue and did allow us to report a better position at the end of the financial year however we are working on some longer term solutions to position the centre in a much stronger operational position. At present we are ahead of our income target as we have been working on really identifying our customer markets, making targeted approaches to selling our offer and working on some long term strategic partnerships.

Our staffing costs do, however, remain high relative to overall activity and if continued at this rate will exceed the budget.

A business process review is underway as part of the College's internal audit plan (conducted by Henderson Loggie) to help inform decisions on how best to operate the sports centre out with teaching times so that it can ensure a financial contribution is made to the college.

The finding of the review will be presented to the May meeting of the Audit & Risk Committee, with follow-up to the Finance & Property Committee as required.

## 8. 2024/25 Budget setting and beyond

We have started work on our 2024/24 draft budget. A draft timetable and budget guidance is being prepared and work has begun to identify our staffing needs to support our 2024/25 course offer.

Finance will work with budget holders to identify the funding they need to deliver our operational plans. The aim is to build the budget incrementally to identify our baseline costs (essentially what it costs to keep the College running) and then identify the cost of delivering our operational plans. This will allow the Senior Leadership Team to prioritise and identify any savings required to balance our 2024/25 budget. Alongside this work we will begin work on indicative budgets for the following three years.

## 9. Management Accounts Review

Monthly profiled budget information is presented to the Senior Leadership Team (SLT) for the months of September to July each academic year. Each quarter, the projected year end position is presented to the SLT alongside the profiled information. This is then reviewed by Finance and Property Committee and the Board of Management.

Our annual is budget broken down across the year to identify expected income/expenditure for each period (profiled budgets). The aim of profiling budgets over the year is to reflect the timing of income/expenditure to allow comparison of the actual position to date, versus what we expected when we set the budget.

Variances can point towards potential under or overspends and highlight potential delays in operational projects. However, budget profile variances do not take account of the full year impact, profiling is time consuming, difficult to predict and data tends to be quickly out of date.

Financial information for SLT currently focuses on monthly profiled budget variances with the projected year-end income and expenditure position produced quarterly (as at 31 July).

Finance is reviewing the monthly management accounts data we produce with a view to shifting the focus to the projected the year-end position. This aims to provide more accurate and up to date information for decision makers to allow issues to be identified quickly, providing more time to consider and act on solutions. Finance will need more time and support from budget holders to inform the budget setting process, as well as review monthly outturn projections.

## 10. Regular Updates

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

Subject	Comment
Bad debt reporting and debt write-off	No individual bad debts over £3,000 were written off during the period September 2023 and January 2024.

## **11. Link to Strategic Risk Register**

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

- 2.2 – failure to achieve institutional sustainability
- 3.2 – failure to achieve/maintain compliance arrangements

**Authors:** Maralyn Boyle, Business Manager SDA  
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Nicky Anderson, Director of Finance

**Executive Sponsor:** Steve Taylor, Vice Principal Support services and Operations

**FINANCE & PROPERTY COMMITTEE**

**Tuesday 27 February 2024**

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**DATE OF NEXT MEETING**

Tuesday 28 May 2024 at 5.00pm in Room A625, Kingsway Campus