

BOARD OF MANAGEMENT

Finance & Property Committee



Tuesday 28 May 2024 at 5.00pm **Room A625, Kingsway Campus** (MS Teams option available)

AGENDA

1. **WELCOME**
2. **APOLOGIES**
3. **DECLARATIONS OF CONNECTION & INTEREST**
4. **MINUTE OF THE PREVIOUS MEETING – 27 February 2024** 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 NA
 - (iii) 2024/25 Draft Budget Paper D for approval NA
 - (iv) Financial Forecast Return (FFR) Verbal update NA
7. **INFRASTRUCTURE**
 - (i) Future Infrastructure Vision Presentation & discussion SH
 - (ii) Estates Update Paper E for information BG
8. **GARDYNE THEATRE REVIEW** Paper F for approval SH/NA
9. **PROCUREMENT UPDATE** Paper G for approval NA
10. **STRATEGIC RISK REGISTER** Paper H for approval ST
 - (i) Risk Register Cover Paper
 - (ii) Strategic Risk Register
11. **CORPORATE SERVICES REPORT** Paper I for information NA
12. **DATE OF NEXT MEETING – Tuesday 10 September 2024 at 5.00pm in Room A625, Kingsway Campus**

FINANCE & PROPERTY COMMITTEE

Tuesday 28 May 2024



MINUTE OF THE PREVIOUS MEETING

PAPER A

BOARD OF MANAGEMENT



Finance & Property Committee

Tuesday 27 February 2024 at 5.00pm Room A625, Kingsway Campus and via MS Teams

Minute of the Finance & Property Committee meeting held on Tuesday 27 February 2024 at 5.00pm in Room A625 Kingsway Campus and via Microsoft Teams

PRESENT:

D Fordyce	L O'Donnell
B Lawrie	S Hewitt
C Cusick	D Rosie
M Beattie	R McLellan

IN ATTENDANCE: S Taylor (Vice Principal Support Services and Operations)
J Grace (Vice Principal Curriculum and Partnerships)
A Ross (Director of Infrastructure) B Grace (Head of Estates)
N Anderson (Director of Finance) B Ferguson (Head of Finance)
P Muir (Board Administrator)

1. WELCOME

D Fordyce welcomed everyone to the meeting and welcomed N Anderson as the new Director of Finance.

2. APOLOGIES

Apologies were received from D Smith.

3. DECLARATIONS OF CONNECTION & INTEREST

No declarations were noted.

4. MINUTE OF THE PREVIOUS MEETING – 5 December 2023

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

5. MATTERS ARISING

S Taylor confirmed that all matters arising had been progressed and closed.

FINANCE

(i) Financial Sustainability

S Hewitt summarised updates since the previous meeting and noted that the overall Scottish budget showed an 8.4% reduction in sector funding compared with the previous year. This had, however, to be adjusted for the removal of the £26 million never received and resulted in a c4.7% overall reduction.

S Hewitt stated that allowing for changes in student support funds and the removal of the Flexible Workforce Development Fund (FWDF) it was anticipated that the funding available for main teaching grant would be flat cash for 2024/25.

In respect of the FWDF, J Grace highlighted that the college is working with the Tay City Deals SME project to seek to mitigate some of the funding lost to companies. Other discussions were progressing with both local Economic Development teams to seek support for company training that was already committed or planned.

D Fordyce asked if the loss of the Flexible Workforce Development Fund would impact on the College staffing involved in managing this. J Grace informed the Committee that the withdrawal of the fund had resulted in the removal of a current vacancy, but that employer engagement work would progress using College advisors and through the advisors employed as part of the Tay Cities project.

D Rosie asked if there was a difference in funding between the Flexible Workforce Development Fund and the Tay Cities Deal funds. J Grace clarified that the contribution from both funds was the same and stated that there was a change request in process for the Tay Cities Deal project to help to better support companies given the loss of the Flexible Workforce Development Fund.

S Hewitt acknowledged that the upcoming academic year 2024/25 is expected to be financially challenging, but that – whilst still looking at opportunities to make savings - the College was in a good position.

S Hewitt highlighted that the Voluntary Severance (VS) scheme was open, operating under an enabling framework. It was noted that the VS scheme has yielded some savings, consequently improving the colleges financial standing.

R McLellan asked about any progress on pay negotiations. S Taylor stated there had been no progress so far but that conversations are ongoing with trade unions, emphasising that an agreement must be reached by all parties.

D Fordyce thanked S Hewitt and others for the update.

(ii) Management Accounts & Forecast Outturn

B Ferguson provided a summary of the Management Accounts & Forecast Outturn. It was highlighted that the Scottish Funding Council (SFC) confirmed there would be no further funding for the Flexible Workforce Development for both 2023/24 and 2024/25.

B Ferguson confirmed that the Scottish Funding Council (SFC) will not initiate a clawback of grant funding for the previous year. Consequently, the provision of £320K allocated in July 2023 is deemed unnecessary, thus, will result in a non-recurrent boost to the operating position for this year, bringing the forecast up to a surplus of £538k.

B Ferguson highlighted the unresolved pay awards for both academic and support staff with industrial action imminent from the academic union, EIS/FELA. Dundee & Angus college intends to provide for an award in line with the current, and final, offer extending three years from September 2022 through to August 2025. It was noted that the Voluntary Scheme (VS) provision remains unchanged at £300K.

B Ferguson stated the Scottish Funding Council (SFC) will provide funding allocations towards the end of March 2024, and then the full extent of required savings will be determined.

B Ferguson highlighted to the Committee of a potential threat which has emerged regarding the allocation of Capital Maintenance funding received from the Scottish Funding Council (SFC) who have said that they are under pressure from the Scottish Government to utilise the entire sector allocation of £31m as capital expenditure (CDEL) rather than a combination of capital and revenue (RDEL). Discussions are ongoing with SFC assuring colleges of engagement with the Government to secure necessary flexibility around this matter. B Ferguson highlighted this risk is a sector wide concern impacting all colleges to varying extents. The removal of this flexibility could, however, be significant in respect of the future funding of maintenance and improvement works. Efforts are underway which are led by College Scotland to address this through intense lobbying.

B Ferguson noted that an error had been identified within the Management accounts paper and he will update the document and reissue. **B Ferguson to progress.**

S. Hewitt expressed appreciation and recognition for the dedication and hard work exhibited by the team and staff across the college in maintaining its financial sustainability.

D Fordyce praised the report and the improved forecast.

INFRASTRUCTURE

(i) Future Infrastructure Vision

S Hewitt highlighted his paper giving an outline of work currently progressing to inform and create a long term infrastructure vision for the College and emphasised that the infrastructure plan aims to not only meet the aspirations of Dundee & Angus College students / staff but also to align with local, regional, and national priorities.

S Hewitt stated that in December 2023, the SFC introduced the College Infrastructure Strategy Delivery Plan and noted that the work progressing would also align with this national strategy.

S Hewitt highlighted the importance of a Future Infrastructure Vision and tackling the immediate challenges within our current infrastructure as well as creating a vision and plan to move forward with should substantial capital funds become accessible.

The report was welcomed by the Committee.

(ii) Estates Update

B Grace summarised this report highlighting that 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.

B Grace highlighted a comprehensive survey of the RAAC which was conducted by the college appointed Structural Engineer- Christie Gillespie. Their final report submitted to the college illustrated the RAAC survey now includes recommendations for Stage 5- Management and Remediation Strategy.

D Fordyce asked if there was a sector assessment of issues and costs associated with the RAAC issue. In response, B Grace clarified that this information was starting to become available on the [Scottish Funding Council website](#).

B Grace highlighted the progress on the Gardyne LED Lighting Project, which is nearing completion, with more than 3000 out of the 3500 fittings already replaced.

This project is poised to make a substantial difference in the electrical energy consumption of Dundee & Angus College, with an estimated reduction of 260,000 kWh/year. Furthermore, it is expected to result in a carbon reduction of approximately 155 tons of CO2 per year and generate a financial saving of £60,000 annually.

L O'Donnell commended the Estates Team for their dedication and hard work.

(iii) Post Project Evaluation – Kingsway Development

A Ross provided a positive update on the Hair & Beauty Project, highlighting the provision of state-of-the-art facilities aimed at enhancing student's real-life working experiences as part of their learning. The project was successfully completed within the revised budget and timeline back in April 2022.

A Ross also shared the outcomes of the Student Satisfaction Survey finalised in November 2023. Hair & Beauty rated their overall satisfaction at 4.5 out of 5 marking it as the second-highest rating in the college. This represents an improvement from the previous survey in November 2019.

Although A Ross acknowledged the financial challenges encountered during the refurbishment of the project, he reassured the Committee that these challenges were effectively managed and kept within the allocated revised budget. D Fordyce commended the Estates Team for their efforts in overcoming the numerous challenges within the project.

D Rosie asked how the new facility and the opportunities it offered were being marketed. J Grace highlighted that student recruitment in the area was very buoyant and that the focus on marketing and promotional activity was focused more on the utilisation of the Hair & Beauty Salon from industry and its status as a facility for hire.

S Hewitt noted that there was on-going employer stakeholder engagement in all areas of the curriculum.

The Committee welcomed this paper and the approach to post project evaluation that it covered.

6. GARDYNE THEATRE REVIEW

S Hewitt presented the paper to the Committee for noting. He provided an update on the operation of Gardyne Theatre Limited (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.

N Anderson summaries the financial position and what future steps would be taken to support a more sustainable operating position. Further information on future options would be brought to the May meeting. **N Anderson to progress.**

The paper was noted by the Committee and it was agreed that this was not for publication given the commercial details included in it.

7. PROCUREMENT UPDATE

N Anderson provided an update on procurement, confirming recent awards made and highlighting awards requiring Committee approval.

The Committee confirmed their approval for the relevant items.

The improved score for the College in the recent Procurement and Commercial Improvement Programme (PCIP) assessment was noted.

8. STRATEGIC RISK REGISTER

S Taylor summarised the Risk Register paper for approval, highlighting amendment to the risk associated with credit activity and the additional risks that have been added to the Strategic Risk Register as per the recommendations from the Audit & Risk Committee and recent risk management audit.

The amendments were approved for final consideration by the Audit & Risk Committee.

9. CORPORATE SERVICES REPORT

N Anderson provided a summary of the report, acknowledging the excellent work being carried out by various teams across the College. She informed the Committee that work has commenced on the draft budget for academic year 2024/25, accompanied by a draft timetable and budget guidance.

The aim of this budgeting process is to incrementally build the budget to identify baseline costs and assess the cost implications of delivering operational plans. This approach will enable the Senior Leadership Team to better prioritise initiatives and identify any necessary cost-saving measures to ensure a balanced budget for 2024/25.

N Anderson stated that it would be useful to get feedback from the Committee on developments and proposals and it was agreed that a short session be organised before the next meeting to engage Committee members in the proposed changes. **N Anderson to progress.**

The committee noted the paper.

10. DATE OF THE NEXT MEETING

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

Action Point Summary

Action	Responsibility	Date
Correction to minor error in management accounts to be made and paper reissued.	B Ferguson	22 March 2024
Options paper on GTL to be discussed	N Anderson	28 May 2024
Discussion session on revised budget process to be arranged	N Anderson	28 May 2024

FINANCE & PROPERTY COMMITTEE

Tuesday 28 May 2024



MATTERS ARISING

PAPER B

BOARD OF MANAGEMENT
Finance & Property Committee
Tuesday 28 May 2024
Matters Arising



Paper B for information

The following actions were noted from the Tuesday 27 February 2024 Finance & Property Committee meeting.

Agenda Item No	Action	Current status	Open / Closed
5.2	Correction to minor error in management accounts to be made and paper reissued. B Ferguson	Updated and corrected for Board papers	Closed
6.0	Options paper on GTL to be discussed. N Anderson	Included in agenda	Closed
9.0	Discussion session on revised budget monitoring process to be arranged. N Anderson	Completed 28 May 2024	Closed

FINANCE & PROPERTY COMMITTEE

Tuesday 28 May 2024



FINANCE

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

PAPER C

Finance & Property Committee

Tuesday 28 May 2024



Management Accounts & Forecast Outturn

Paper C for information

1. Introduction

This report brings to the Committees attention the management accounts for Month 9 (August – April) 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 9 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.

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.

Staff pay

Pay awards for both academic and support staff remain unresolved with industrial action by the academic union, EIS/FELA taking place. At the time of writing this report, Unison is balloting their members. We expect the ballot result at the end of May. 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 Voluntary Severance (VS) provision remains unchanged at £300K. 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.

Projects

We have secured final approval for our third Tay Cities Deal project 'Tay Cities Life Sciences, Biotechnology and Medical Technology' and all three are reflected in this forecast. Additional project grants have also been secured, including more funding from UK Shared Prosperity Funds (UKSPF) and these are expected to provide contribution to established costs.

RAAC

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, 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.

Capital

In recent years we were allowed considerable flexibility in how we use our capital maintenance funding. This funding was specifically for lifecycle and high priority backlog maintenance, but this expenditure by its very nature is not always capitalised. As a result, we have capitalised very little of our capital budget spend over the years.

In February we reported an emerging risk around the way we must use our capital budget. Scottish Government and the SFC indicated that from 1 April 2024, all college sector capital funding must all be capital spend rather than the previous mix of capital and revenue expenditure. In 2023/24, apart from our loan repayment of £457k, all spend from our capital budget is expected to be revenue by nature. Capital funding is allocated on a fiscal year basis and we estimated the change from 1 April 2024 would mean a risk to circa £800k of our capital funding in 2023/24.

The SFC have since agreed flexibility for 2023/24. However considerable challenges remain around our 2024/25 capital budget of £2.530m (indicative). We have been working with SFC, the Finance Director's Network and our auditors to identify ways to mitigate this risk. We plan to review our Capitalisation Policy and thresholds for the 2023/24 annual accounts and we will apply a more aggressive capitalisation policy. We are currently working with auditors on this and the reviewed policy will be presented to this Committee alongside the 2023/24 Draft Annual Report and Accounts for approval.

4. Summary of results

This forecast predicts a **Cash-backed surplus of £549K**, an increase of £26K upon the last forecast of £523K, 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 April is a surplus of £1.413k. This is £0.69k below budget. This is likely due to the timing and recognition of income and expenditure.

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.

Main movements to forecast:	£000's
Cash-backed surplus - January 2024 forecast	523
Other SFC grants – capital maintenance grant	(200)
Tuition fees	(98)
Non-core income	196
Catering and other income	148
Staff pay	207
Property costs, including professional services	(135)
Other net income, consumable and other costs	(92)
Cash-backed surplus - April 2024 forecast	549

5. Income

Other SFC grants – We have reduced the capital maintenance grant projection by £200k for the period 1 April 2024 to 31 July 2024. This is based upon our expectation of capital expenditure during this period.

Tuition Fees - The projection for income relating to Service Design Academy commercial short courses reduced by £98k as there are fewer courses planned than expected.

Non-core income – This projection increased by £196k mainly due to reprofiling of the Tay Cities Deal £50k and Multiply £105k projects. UK Shared Prosperity Funding – Bridging the Coding Gap of £35k was approved.

Catering and other income – This projection increased by £148k overall. Key movements relate to Thrive £55k, secondment of staff to other organisations £49k and bank interest £25k.

The performance metric 'Proportion of income that is SFC grant funded' continues to reduce and remains at 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 have reduced by £207k. This is primarily due to lower than expected established teaching, teaching support and support pay, £345k. This is offset by a £138k increase to variable teaching pay. The reasons for this underspend include strike deductions and a reduction in Development Officers pay.

Tayside Pension Fund has confirmed a reduction in employer contributions from 17% to 15.7% from 1 April 2024. This is included in the projection.

Teacher's pension scheme contributions increased from 23% to 26% from 1 April 2024. We expect Scottish Government to fund the additional cost of £150k (April to July 2024) and this is included in the projection.

The Voluntary Severance Scheme is open until Friday 21 June 2024. Approved voluntary severance applications are included in the projections.

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

7. Non-Pay Costs

Non-pay costs have increased by £208k overall. 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 net reduction in utility costs.

8. Subsidiary Company

Gardyne Theatre Ltd is expected to generate a £20k loss in 2023/24 based on current costing models. This projection takes no account of the net costs absorbed by the college in supporting the Theatre's 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

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 30 April is £5.05m 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 £3.3m. Unrestricted cash therefore represents only approximately 16 days cash, relative to forecast expenditure.

Cash balances predicted for July 2024 circa £3.3m. 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
Income and Expenditure Report
Month 9, April 2024

	2022/23	Month 9, April 2024			Full Year 2023/24			
	Actual	Q3 Forecast	Actual	Variance from Forecast	Budget	Q2 Forecast	Latest Q3 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	23,848	23,848	-	31,371	31,691	31,691	-
SFC ESF Credits	189	-	-	-	-	-	-	-
Other SFC grants	5,164	3,038	2,844	(194)	3,470	3,920	3,720	(200)
SFC Total	36,340	26,886	26,692	(194)	34,841	35,611	35,411	(200)
Tuition Fees	3,242	3,199	3,135	(64)	3,202	3,381	3,283	(98)
Non-Core income	2,703	2,981	3,235	254	3,066	4,420	4,616	196
Catering & other income	2,150	1,731	1,761	30	2,093	2,041	2,188	147
Donation from ALF (revenue)	-	700	700	-	700	700	700	-
Total Income	44,435	35,497	35,523	26	43,902	46,153	46,198	45
Teaching Pay - established	16,749	11,658	11,658	0	15,600	15,827	15,684	143
Teaching Pay - variable	2,410	1,601	1,570	31	2,506	1,771	1,909	(138)
Invoiced Staff Costs	284	118	125	(7)	229	165	192	(27)
Teaching Support Pay	2,414	1,931	1,931	0	2,538	2,696	2,558	138
Support pay	11,416	9,309	9,309	0	11,972	12,667	12,585	82
Apprenticeship Levy	102	83	75	8	108	108	108	-
VS Scheme	1,501	-	146	(146)	-	300	300	-
Unfunded pension payments	394	315	305	10	420	420	412	8
Total Pay Costs	35,270	25,015	25,119	(104)	33,373	33,954	33,748	206
Staff related costs	289	214	216	(2)	299	313	286	27
Consumables & Equipment	1,410	1,180	1,438	(258)	1,586	2,013	2,006	7
Exam fees	726	661	568	93	740	751	775	(24)
Student related costs	171	145	140	5	160	188	194	(6)
Property cost	3,602	3,776	3,728	48	3,935	4,381	4,527	(146)
ICT & Telephony	1,683	1,327	1,268	59	1,793	1,641	1,630	11
Insurance	154	123	122	1	171	163	163	-
Marketing	132	96	88	8	134	158	164	(6)
Professional fees	84	103	82	21	191	324	325	(1)
General Overheads	301	214	195	19	297	320	322	(2)
Interest & Charges	107	107	109	(2)	123	140	143	(3)
VAT	1,038	1,018	1,035	(17)	1,115	1,284	1,348	(64)
Total non-pay costs	9,697	8,964	8,989	(25)	10,544	11,676	11,883	(207)
Cash-backed surplus/(deficit)	(532)	1,518	1,415	(103)	(15)	523	567	44
Add: subsidiary profit/(loss)	(21)	-	(3)	(3)	-	-	(20)	(20)
Consolidated Cash-backed surplus/(deficit)	(553)	1,518	1,412	(106)	(15)	523	547	24

Dundee and Angus College
#REF!
Summary Analysis - Income
#REF!

	Prior Year	Month 9, April 2024			Full Year 2023/24			
	Actual	Q3 Forecast	Actual	Variance from Forecast	Budget	F'cast Q2	F'cast Q3	Variance from last forecast
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Teaching Grant	30,987	23,848	23,848	-	31,371	31,691	31,691	-
SFC ESF Credits	189	-	-	-	-	-	-	-
SFC YPG 2022-23	190	-	-	-	-	-	-	-
SFC-Pension subsidy	-	-	-	-	-	150	150	-
SFC Capital Maintenance grants	3,055	2,438	2,238	(200)	2,588	3,038	2,838	(200)
SFC Digital Poverty as capital	182	183	183	-	-	183	183	-
SFC-Flexible Workforce Dev. Fund	1,109	80	80	-	493	80	80	-
SFC-Reducing Child Poverty	125	-	-	-	-	-	-	-
SFC-Funding for Counsellors	116	80	80	-	-	80	80	-
SFC-ESP Funding	350	233	233	-	350	350	350	-
SFC - Access to sanatory products	23	17	23	6	23	23	23	-
SFC: EMA Admin grant	14	7	7	-	16	16	16	-
Other SFC grants	5,164	3,038	2,844	(194)	3,470	3,920	3,720	(200)
HE Full-time	1,525	1,511	1,509	(2)	1,421	1,511	1,511	-
HE Associates & collaborations	652	672	681	9	639	742	742	-
Part-time Fees	268	249	264	15	268	279	278	(1)
Commercial and Leisure	635	532	527	(5)	700	694	597	(97)
Internal Re-charges	0	8	8	-	-	8	8	-
International Fees	162	146	146	-	174	147	147	-
Other fees	-	-	-	-	-	-	-	-
Tuition Fees	3,242	3,118	3,135	17	3,202	3,381	3,283	(98)
Commercial: Work-Based	255	166	181	15	180	181	191	10
Managing Agents	646	274	110	(164)	474	481	481	-
Skills Dev Scotland: MAs	696	386	370	(16)	450	520	507	(13)
SDS Foundation Apprentices L6	164	35	35	-	-	54	54	-
Other Public Sector contracts	23	22	10	(12)	40	30	30	-
Schools Senior Phase	162	162	153	(9)	162	171	168	(3)
Non-funded tuition	15	4	10	6	6	6	16	10
European Projects	49	-	-	-	-	-	-	-
Energy Skills Partnership (non-SFC)	282	173	199	26	258	238	229	(9)
SDS for MSIP	(2)	-	-	-	-	-	-	-
MSIP Management Fee	15	33	33	-	44	44	44	-
Mathew Trust	-	-	-	0	0	0	0	-
Northwood Trust	81	95	95	-	110	110	110	-
Seagreen funding	155	110	113	3	8	112	113	1
Tay City Deals	108	570	597	27	104	787	838	51
Multiply project (UKSPF)	-	417	427	10	-	417	522	105
MSIP Improvement Woks (UKSPF)	-	50	50	-	-	50	50	-
Data for Everyone (UKSPF)	-	100	50	(50)	-	100	100	-
Angus Council LEP Beyond Boundaries	-	45	45	-	-	45	45	-
SportScotland - Active Sports	-	40	40	-	-	40	40	-
Government Energy Efficiency grants	0	643	640	(3)	643	643	643	-
Misc. grants, funding and sponsorships	26	51	64	13	302	104	143	39
Other grants - ESP	7	-	-	-	270	270	270	-
Other misc. income	21	11	13	2	15	17	22	5
Non-Core income	2,703	3,387	3,235	(152)	3,066	4,420	4,616	196
Consultancy	40	-	-	-	-	-	-	-
Catering	903	807	842	35	1,033	944	952	8
Training Restaurants	37	21	31	10	40	27	32	5
Nursery	192	104	111	7	220	136	136	-
Retail shops	1	-	-	-	-	-	1	1
Salon revenues	24	29	27	(2)	40	38	28	(10)
Gardyne Sport facilities	264	176	210	34	234	268	268	-
General Lets hire of space	94	79	80	1	96	110	109	(1)
Staff secondments	21	1	2	1	13	14	14	-
Support cost grants	132	112	106	(6)	120	120	120	-
GTL revenue from LTO and SLA	20	8	8	-	20	20	20	-
Library charges	18	9	4	(5)	12	12	12	-
Photocopy charges	3	3	3	-	4	4	3	(1)
Sale of materials, produce, scrap etc.	68	17	27	10	20	21	28	7
Biomass RHI &EDFE FIT charges	37	37	14	(23)	52	52	52	-
Wage Subsidy	133	118	122	4	115	147	196	49
Insurance Claims	4	-	-	-	-	-	-	-
Thrive@D&A Donations	38	-	48	48	-	-	55	55
Bank Interest	53	64	77	13	25	75	100	25
Other misc.	68	38	49	11	49	53	62	9
Catering & other income	2,150	1,623	1,761	138	2,093	2,041	2,188	148

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Dundee and Angus College
Management Accounts for the year to 31 July 2024
Summary Analysis - Expenditure
Month 9, April 2024

	Prior Year	Month 9, April 2024			Full Year 2023/24				Year 2024/25	
	Actual	Q3 Forecast	Actual	Variance from Forecast	Budget	F'cast Q2	F'cast Q3	Variance from last forecast	Budget	Variance from latest 23/24 forecast
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Mileage	111	77	87	(10)	111	125	107	18	102	5
Travel & Accommodation	29	16	17	(1)	30	30	25	5	26	(1)
Overseas Travel	2	7.00	(7)	0	-	-	(7)	7	7	(14)
Staff welfare and other expenses	21	23	20	3	24	24	28	(4)	24	4
Recruitment	3	3	-	3	4	4	4	-	5	(1)
Organisational Development	124	102	99	3	130	130	129	1	143	(14)
Staff related costs	290	214	216	(2)	299	313	286	27	307	(21)
Course Consumables etc.	378	299	289	10	354	389	383	6	366	17
Project Materials, Equipment etc.	111	142	426	(284)	72	557	477	80	281	196
Catering supplies	574	500	521	(21)	575	481	582	(101)	615	(33)
Library	29	18	10	8	32	32	26	6	23	3
Stationery & Printing	15	13	8	5	22	21	17	4	13	4
Equipment purchase & maintenance	265	177	151	26	490	492	479	13	318	161
Other misc.	38	31	33	(2)	41	41	42	(1)	46	(4)
Consumables and Equipment	1,410	1,180	1,438	(258)	1,586	2,013	2,006	7	1,662	344
SQA Fees	453	422	413	9	447	447	447	-	440	7
Other fees	168	151	121	30	180	180	177	3	147	30
Accred/Regn/Assess/Verification	105	87	34	53	113	124	151	(27)	162	(11)
Exam Fees	726	660	568	92	740	751	775	(24)	749	26
Residentials, travel etc.	26	27	15	12	28	37	39	(2)	36	3
Student placement costs	6	2	1	1	6	6	1	5	1	-
Student Counselling	23	15	14	1	21	21	17	4	17	-
Student Support costs	31	35	40	(5)	30	40	40	-	35	5
Student Bursary materials	-	-	16	(16)	-	-	-	-	-	-
Student Funds subsidy	-	-	-	-	-	-	20	(20)	-	20
Miscellaneous costs (inc.PVG)	85	66	54	12	75	84	77	7	70	7
Student related costs	171	145	140	5	160	188	194	(6)	159	35
Maintenance, minor works, etc.	1,567	2,033	1,971	62	1,765	2,186	2,311	(125)	1,294	1,017
Building rentals and rates	324	302	299	3	378	407	410	(3)	424	(14)
Utilities	1,383	1,260	1,272	(12)	1,575	1,555	1,569	(14)	1,567	2
Cleaning, waste management etc.	204	118	126	(8)	160	161	158	3	173	(15)
Transport costs	87	44	45	(1)	33	47	54	(7)	44	10
Health & Safety costs	20	10	4	6	10	12	12	-	12	-
Other	16	8	11	(3)	14	13	13	-	14	(1)
Property Cost	3,601	3,775	3,728	47	3,935	4,381	4,527	(146)	3,528	999
ICT hardware, software, etc.	976	769	723	46	1,087	895	890	5	504	386
ICT Maintenance & Licenses	625	478	475	3	612	640	640	-	634	6
Web Development	8	11	1	10	15	15	15	-	-	15
Telephony & data line rentals	74	69	69	0	79	91	85	6	71	14
ICT & Telephony	1683	1,327	1,268	59	1793	1,641	1,630	11	1,209	421
Consultancy (Inc. Projects)	26	16	7	9	22	22	24	(2)	17	7
Audit Services	60	0	3	3	66	66	62	4	72	(10)
Bad Debts and collection fees	-43	23	22	1	30	30	29	1	30	(1)
Legal & other professional fees	41	65	50	15	73	206	210	(4)	42	168
Professional fees	84	104	82	22	191	324	325	(1)	161	164
Photocopying, copyright & postage	98	73	76	(3)	114	104	89	15	96	(7)
Sponsorship, subscriptions, Licences	121	99	75	24	126	130	130	-	126	4
Hospitality and events	57	27	24	3	40	66	83	(17)	80	3
Miscellaneous and other	26	15	20	(5)	17	20	20	0	18	2
General Overheads	302	214	195	19	297	320	322	(2)	320	2

Dundee and Angus College
Latest Forecast for the year to 31 July 2024
Risk Assessment of key volatile areas

Income/Expenditure Category	Latest Forecast £000's	Possible Cash		Controllable?	Adverse Risk Assessment			Comments and mitigations
		Favourable £000's	Adverse £000's		Likelihood £000's	Impact £000's	Overall £000's	
SFC Credit income	31,691	-	-	Controllable in terms of activity delivered but not fully in control of demand.	Low	Low	Low	Credit Target has been achieved and will be surpassed, leaving a margin for any possible reduction at audit.
SFC Capital Maintenance grants	3,038	-	300	Provision of funding is uncontrollable but College must manage grant conditions	Mid	Mid	Mid	SFC continue to advise that funding provided for FY24/25 can only be used for capital expenditure. Our budget assumed that £800K, now reduced to £600K, would be recognised as income to cover revenue expenditure. If no flexibility is provided efforts will be made to capitalise as much expenditure as possible. Whilst potential may have limitations, the supportive approach from auditors provided a high degree of reassurance.
Other SFC grants	682	50	50	Provision of funding is uncontrollable but College can stimulate demand or manage utilisation	Low	Low	Low	Grant funding for increased pension costs of circa £150K has not been confirmed but any shortfall is likely to be low value.
Tuition Fees	3,283	50	50	Yes, in terms of marketing, recruitment delivery and retention but limited influence over demand.	Low	Low	Low	The bulk of this year's fees are now received or invoiced and any further movement should be minimal.
Non-Core income	4,616	100	100	Partly; varies across such a disparate category ranging from apprentice income to Trust funding.	Low	Low	Low	Within such a broad range of activities, some volatility remains possible but the larger movements, particularly within project activity, are usually matched by equivalent costs and net impact therefore limited.
Catering & other income	2,188	50	50	Yes	Low	Low	Low	Forecasts are relatively stable and material movements unlikely.
Total Pay (exc. VSS & unfunded pensions)	33,036	100	100	Largely yes but subject to pay and conditions negotiated centrally.	Low	Mid	Mid	Although the final pay offer made to both teaching and support staff has yet to be accepted, it is unlikely to be increased and savings made in this quarter appear secure. Given that the pay forecast is now reliant upon only a further three months, the scope for substantial deviation is reduced.
VSS	300	50	300	Yes	Mid	High	High	With a further enabling scheme recently opened to applicants, significant favourable movement is unlikely. Significant adverse movement is yet possible depending upon both potential for savings and budget predictions.
Property cost	4,527	100	100	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	This quarterly update has produced some over spend and consequently further significant adverse movement by July is unlikely. Similarly, substantive savings are also unlikely given commitment to planned projects. Utility costs account for a large portion of costs but less so within the final months, and we now have price certainty from April 24 through to following March.
Non-pay costs excluding property	7,356	100	100	Yes, with limited exceptions, but inflationary pressures have increased risk of over spend.	Low	Low	Low	We have seen a relatively small net adverse movement in this forecast. At this stage in the year, the risk of exceeding the latest forecast is limited.

Dundee and Angus College
Income and Expenditure Report
Cash Flow Forecast

	2022/23	2023/24					2024/25
	Actual	Actual to April 2024	Budget - year	Q1 Forecast - year	Q2 Forecast - year	Q3 Forecast - year	Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Cash backed surplus/(deficit)	(553)	1,412	(15)	131	523	547	(981)
Loan repayment	(457)	(457)	(457)	(457)	(457)	(457)	(457)
Capital Expenditure	675	-	-	-	-	(400)	
Capital funding	(675)	-	-	-	-	400	
Asset Disposals		-	260	260	260	35	
Working capital movements	294	(1,438)	(200)	(2,400)	(2,400)	(2,400)	
Net Movement in cash balances	(716)	(483)	(412)	(2,466)	(2,074)	(2,275)	(1,438)
Opening cash balances	6,248	5,532	2,979	5,532	5,532	5,532	3,257
Closing cash balances	5,532	5,049	2,567	3,066	3,458	3,257	1,819

Note

We hold restricted cash funds of £3.3m at Month 9 (£3.2m at 31 July 2023), due primarily to the provision for pay award backdated to September 2022. This net value could be enhanced by the £457K loan repayment falling due on 1st August.

FINANCE & PROPERTY COMMITTEE

Tuesday 28 May 2024



FINANCE

6 (iii) 2024/25 DRAFT BUDGET

PAPER D

Finance & Property Committee

Tuesday 28 May 2024



2024/25 Draft Budget

Paper D for approval

1. Introduction

The College's new financial year starts on 1 August 2025. Our Articles of Governance set out the responsibilities of this Committee and the Board in relation to approval of the annual budget. The Finance and Property Committee is required to consider the draft budget and make recommendations to the Board for final approval.

2. Recommendation

The Finance & Property Committee is asked to consider the attached draft budget and recommend approval to the Board of Management.

3. Context

College Indicative Funding Allocations and Credit Thresholds were published by the Scottish Funding Council on 28 March 2024. Our indicative credit threshold remains unchanged from 2023/24 at 98,307.

Our indicative Teaching Funding remains at the same level as 2023/24 £31.371m (excluding the Job Evaluation Funding set-aside). This 'flat cash' settlement represents a real terms cut to our funding.

Final SFC allocations are expected to be published on Friday 24th May so an update will be provided to Members at the Committee meeting if there are any substantive changes.

At the time of writing this report no pay settlement has been reached with either academic or support unions for the 2022/23, 2023/24 or 2024/25 national pay award. Provision for the 2024/25 pay offer is included in this budget.

4. Overview of 2024/25 Draft Budget

The 2024/25 draft budget is a deficit of £464k. We require a surplus of £457k to meet our annual loan repayment.

Movement between April 2024 projected outturn and 2024/25 Draft Budget	Projected	Draft Budget	Movement	
	outturn 2023/24 £000	2024/25 £000	£000	%
Income				
Total SFC Grants	35,411	34,830	(581)	(2)
Total Tuition Fees	3,283	3,125	(158)	(5)
Total non-core income	4,616	3,789	(826)	(18)
Total catering and other income	2,188	2,526	338	15
Total ALF Income	700	0	(700)	(100)
Total Income	46,198	44,270	(1,927)	(4)
Expenditure				
Total Pay Costs	33,747	35,317	(1,570)	(5)
Total non-staff costs	11,882	9,417	2,465	21
Total Expenditure	45,629	44,734	894	2
Cash-backed surplus/(deficit)	569	(464)		
GTL Surplus/(deficit)	(20)	0		
Consolidated cash-backed surplus/(deficit)	549	(464)		

As always at this point in the cycle, there are elements of the budget that require more analysis and management will continue to work towards a more sustainable position. An update on progress with this work will be provided to the Committee at the Autumn meeting.

Appendix A shows the Draft 2024/25 budget compared to our projected outturn at 30 April 2024. Further detail on income and expenditure is included as Appendix B.

The following sections explain the main movements between our 2023/24 projected outturn and 2024/25 Draft Budget.

5. Income

Overall, our income is expected to reduce by £1.927m in 2024/25 compared to the April 2024 forecast outturn.

SFC Grant Income

SFC Grants remain consistent with 2023/24 at £31.371m. £320k of 2022/23 clawback was not taken back by the SFC in 2023/24.

We have received indications that SFC will fund the cost of the SPPA pension increase in 2023/24 and 2024/25. Though not yet confirmed in writing, we have assumed £300k in the 2024/25 draft income budget.

We received one off funding in 2023/24 from SFC for infrastructure enhancements of £300k; Digital poverty £183k and Flexible Workforce Development Fund £80k. This funding is not expected to continue into 2024/25.

Tuition Fee Income

Overall, budgeted tuition fee income is expected to reduce by £158k compared to the 2023/24 projected outturn. This is based on current HE numbers, which are down by 7% compared to targets for 2023/24.

We expect fewer international students in 2024/25 and have based our budget on 15 students. We are forecasting 1,044 HE students, 80 less than in the current year.

Non-core Income

Non-core income has reduced by £826k compared to the April projected outturn. This is due to some projects ceasing after 2023/24 as well as reprofiling of some on-going project income. We have included some income relating to projects that we expect will be approved and the position will be updated once final funding decisions are known.

Catering and Other Income

There is an increase to catering and other income totalling £338k. This is mainly due to additional income expected from Gardyne Fitness Suite £251k, catering sales £84k and our Arbroath nursery £73k. This is offset by a reduction in bank interest £50k and other small movements.

6. Staff Pay

Budgeted staff pay has increased by £1.57m compared to 2023/24. The following pay adjustments have been included in the budget:

- 2024/25 pay award of £1,500 per FTE, circa £1.1m
- Additional Scottish Public Pensions Scheme costs resulting from the increase to employer contributions from 23% to 26%, (circa £300k)
- Savings of circa £100k from the reduction in Local Government Pension Scheme employer contributions (17% reduced to 15.7%)
- Provision for continued Voluntary Severance Scheme £300k.

7. Non-staff expenditure

Non-Staff expenditure has reduced by £2.465m in 2024/25. Our utility suppliers have indicated a reduction to costs in 2024/25 and we expect this to save approximately £400k compared to 2023/24 charges. We received £700k in 2023/24 from the Arms-Length Foundation towards one off digital and infrastructure costs.

Finance staff met with all budget holders to identify their non-staff budget requirement for 2024/25 and budget holders responded well to this process by reducing non-staff expenditure by more than £192k.

We have budgeted for a net cost of £185k for our three campus kitchens. We are planning to undertake a review of our catering provision across the three campuses during the 2024/25 financial year.

A net deficit of £20k is included in the 2024/25 budget relating to the Arbroath Nursery. We are currently working on a business plan which aims to bring the Nursery closer to a break-even position.

8. Contributions to the College

We have included a net contribution of £238k from strategic projects in the 2024/25 draft budget. This will be updated once we know the outcome of project bids.

Net contributions will be achieved from the activities of the Service Design Academy, with a small contribution to management and administration costs received from the Energy Skills Partnership of £20k in 2024/25.

The review of the operation of the Sports Centre is currently underway and we anticipate we will generate a net contribution of £12k to the College in 2024/25.

9. Subsidiary company – Gardyne Theatre Limited

Work on a five-year business plan for the Theatre is in hand and there is an update on progress elsewhere on this agenda. We have included a break-even budget in the projections for 2024/25.

10. Capital Expenditure

In recent years we were allowed considerable flexibility in how we used our capital maintenance funding. This funding was specifically for lifecycle and high priority backlog maintenance, but this expenditure by its very nature is not always capitalised. As a result, we have capitalised on a small proportion of our capital budget (CDEL) spend for a number of years.

In February we reported an emerging risk around the way we must use our capital budget. Scottish Government and the SFC now require all college sector capital funding to be capital spend rather than the previous mix of capital (CDEL) and revenue (RDEL) expenditure.

Our 2024/25 indicative capital budget is £2.530m. We have been working with SFC, the Finance Director's Network and our auditors to mitigate this risk. Following on from this work, steps are in place to review our Capitalisation Policy and thresholds with a view to applying a more aggressive capitalisation policy. We are currently working with auditors on this matter and anticipate that a reasonable resolution will be achieved to offset the initial risk.

11. Cash Flow Forecast

Current predictions are for an opening cash position of almost £3.3m to fall to circa £1.7m by July 2025 after the loan repayment due in August and with disposal proceeds off-setting potential negative working capital movements. Cash, free of restrictions, could fall as low as £0.4m, which continues to represent a risk.

Cash Flow Forecast	2023/24 April Forecast £000	2024/25 Draft Budget £000
Cash backed surplus/(deficit)	511	(464)
Loan repayment	(457)	(457)
Capital Expenditure	(400)	(2,530)
Capital funding	400	2,530
Asset Disposals		185
Working capital movements	(2,400)	(1,290)
Net Movement in cash balances	(2,346)	(2,026)
Opening cash balances	5,532	3,257
Closing cash balances	3,257	1,231

12. Conclusion and next steps

The 2024/25 draft budget was developed at a high level for the most part. Over the coming months we will refine the budget as new data and information is known. We are currently working to transition to a more 'bottom up' budget process, particularly in terms of building our staffing budget from individual employee level. As this work progresses, this data will be used to review the 2024/25 budget.

Work will continue in the coming months to take steps to reduce the budget deficit of £464k. This will be presented as part of the management accounts and forecast reports to future meetings.

Analysis and updating will continue through until the final budget is presented to the June 2024 Board meeting. This will include an updated risk register reflecting the final known position in respect of SFC funding.

13. Link to Strategic Risk Register

Consideration of the options suggested in this report will support the mitigation of our financial risk identified within the Strategic Risk Register namely;

2.2 – failure to achieve institutional sustainability

Author: Nicky Anderson, Director of Finance
Executive Sponsor: Simon Hewitt, Principal

Movement between April 2024 projected outturn and 2024/25 Draft Budget	Projected outturn 2023/24	Draft Budget 2024/25	Movement	
	£000	£000	£000	%
SFC Credit income	34,229	33,901	(328)	(1)
Other SFC grants	1,182	929	(253)	(21)
SFC Total	35,411	34,830	(581)	(2)
Tuition Fees	3,283	3,125	(158)	(5)
Non-Core income	4,616	3,789	(826)	(18)
Catering & other income	2,188	2,526	338	15
Donation from ALF (revenue)	700	0	(700)	(100)
Total Income	46,198	44,270	(1,927)	(4)
Staff Pay				
Teaching Pay - established	15,684	16,507	(823)	(5)
Teaching Pay - variable	1,909	2,169	(261)	(14)
Invoiced Staff Costs	192	268	(76)	(39)
Teaching Support Pay	2,630	2,730	(100)	(4)
Support pay	12,513	12,805	(293)	(2)
Apprenticeship Levy	108	108	0	0
VS Scheme	300	300	0	0
Unfunded pension payments	412	430	(18)	(4)
Total Pay Costs	33,747	35,317	(1,570)	(5)
Non-staff costs				
Staff related costs	286	307	(21)	(7)
Consumables & Equipment	2,006	1,662	344	17
Exam fees	775	749	25	3
Student related costs	194	159	35	18
Property cost	4,527	3,398	1,130	25
ICT & Telephony	1,630	1,059	571	35
Insurance	163	188	(25)	(15)
Marketing	164	329	(165)	(101)
Professional fees	325	161	164	50
General Overheads	322	321	1	0
Interest & Charges	143	101	42	30
VAT	1,348	985	363	27
Total non-pay costs	11,882	9,417	2,465	21
Total Income	46,198	44,270	(1,927)	(4)
Total expenditure	45,629	44,734	894	2
Cash-backed surplus/(deficit)	569	(464)	1,033	
GTL Surplus/(deficit)	(20)	0		
Consolidated cash-backed surplus/(deficit)	549	(464)		

Appendix B

SFC Grants	Projected outturn 2023/24	Indicative funding 2024/25	Movement	
	£000	£000	£000	%
Teaching funding	31,691	31,371	(320)	(1.0)
Capital maintenance	2,538	2,530	(8)	(0.3)
Other SFC grants:				
SPPA pensions increase funds	150	450	300	200
Estates - additional in year	300	0	(300)	(100)
Digital poverty as capital	183	0	(183)	(100)
Funding for mental health	80	90	10	13
EMA Admin Grant	16	16	0	0
Access to sanitary products	23	23	0	0
Energy Skills Partnership	350	350	0	0
Flexible Workforce Development Fund	80	0	(80)	(100)
Total SFC Grants	35,411	34,830	(581)	(2)

Tuition Fees	outturn 2023/24	Draft Budget 2024/25	Movement	
	£000	£000	£000	%
FE Fees - Non Advanced	0	0	0	0
Part Time Fees - FE	127	125	(2)	(1)
Part Time Fees - HE	151	143	(8)	(5)
Distance Learning - Advanced	1	0	(1)	(100)
Part-time Leisure	4	2	(2)	(61)
Commercial Short Course Fees	593	732	139	23
Internal delivery recharges	8	0	(8)	(100)
International Student Fees	147	118	(29)	(20)
HE Fees	1,462	1,342	(121)	(8)
HE - own Degrees	49	73	24	48
HE - Franchising	725	573	(151)	(21)
HE Degree Collaboration fees	18	18	0	0
Total Tuition Fees	3,283	3,125	(158)	(5)

Non-core income	outturn	funding	Movement	
	2023/24 £000	2024/25 £000	£000	%
Managing Agents - SNIPEF	71	71	0	0
Managing Agents - Construction Skills	305	305	0	0
Managing Agents - SECTT	105	105	0	0
Skills Dev Scotland: S/S & Mas	507	510	3	1
SDS Foundation Apprentices L6	54	0	(54)	(100)
FITA (Non-Funded Tuition) School Programme	6	8	2	33
Commercial: Work-Based	191	180	(11)	(6)
Aberdeenshire Council Care	30	30	0	0
SFC: ESP income non-cash adjustment	229	209	(20)	(9)
DCC: Senior Phase	73	68	(5)	(7)
Angus & Aberdeen: Senior Phase	94	94	0	0
Performing Arts Tours	22	22	0	0
Esports Kidsclub	10	10	0	0
Sports Scotland	40	40	0	0
SDS: Michelin Skills Academy	0	0	0	0
TCD: TCEP	338	412	75	22
TCD: Life Sciences	197	311	114	58
TCD: SME	235	472	237	101
TCD: Digital Skills	68	48	(20)	(29)
SG Energy Efficiency funding-works	600	0	(600)	(100)
SG Energy Efficiency funding-fees	43	0	(43)	(100)
MSIP Skills Academy Management Fee	44	44	0	0
Multiply Project (UKSPF)	522	190	(332)	(64)
Data is everyone's business (UKSPF)	100	0	(100)	(100)
Greenskills (UKSPF)	0	200	200	0
SME Upskills (UKSPF)	0	350	350	0
MSIP Improvement Works funding (UKSPF)	50	0	(50)	(100)
Angus Council LEP Beyond Boundaries	45	0	(45)	(100)
Northwood Trust Revenue grants	110	110	0	0
Grant Funding - Seagreen	113	0	(113)	(100)
Miscellaneous Trust Revenue grants	2	0	(2)	(100)
Sponsorship/Awards	1	0	(1)	(71)
Other Grants-Miscellaneous	140	0	(140)	(100)
Other Grants - ESP	270	0	(270)	(100)
Total non-core income	4,616	3,789	(826)	(18)

Catering and other income	Projected		Movement	
	2023/24	2024/25	£000	%
	£000	£000		
KC'S Cafe	18	13	(5)	(26)
Training Restaurant - Dundee	8	8	0	0
Training Restaurant - Angus	7	7	0	0
Catering Sales - Meals	693	777	84	12
Catering - Isla Takings	176	185	9	5
Gardyne Cafe Bar	2	2	0	0
Vending Services	22	22	0	0
Catering - Commercial	2	3	0	23
School Meal Tickets	33	33	0	0
Cross College Hospitality	23	23	0	0
Theatre - Liquor Sales	1	1	0	0
Theatre - Soft drinks	1	1	0	0
T&D Performances & Community Classes	24	9	(15)	(63)
Beauty Prods - Kingsway	1	5	4	413
Treatments- Kingsway	24	22	(2)	(9)
Treatments - Arbroath	3	3	0	0
Leamer Engagement - Misc.Income	1	2	0	31
Library Charges	11	11	0	0
Library Sales	1	1	1	83
Photocopying Charges	3	2	(0)	(12)
Sale Of Course Materials	19	11	(8)	(43)
Sale of Produce	2	1	(1)	(67)
Sale Of Equipment	1	13	13	2,500
Sale Of Scrap	7	7	(1)	(7)
Income - Sale of Recycle Materials	0	1	1	0
Retail Shop Sales	1	1	0	0
Gardyne General Lets	1	1	0	0
Gardyne- Fitness Suite(non-staff)	166	260	94	57
Gardyne- Fitness Suite (staff)	6	4	(2)	(36)
Gardyne Sports Facilities(Hall,Gyms,Pool)	89	246	157	178
Gardyne Sports - DFC membership	8	0	(8)	(100)
Gardyne Sports - DFC lets	0	0	0	0
DFC Lease	60	60	0	0
MSIP space rental	18	27	9	50
Arbroath Lets	1	1	0	0
Arbroath SDS Rental	16	16	0	0
DYW Lease	5	7	2	50
Kingsway Lets	0	1	1	1,000
The Space Lets	8	21	13	173
Lets: Gardener's Cottage Kingsway	5	5	(0)	(2)
BIOMASS RHI	40	40	0	0
EDFE FIT Gen Solar Panels	12	15	3	25
EV Charging Point income	17	18	1	6
Staff Secondments	14	0	(14)	(100)
Support for Learning	120	120	0	0
Misc recharges	10	10	0	2
Sales - nursery	136	209	73	54
GTL: Gardyne Theatre LTO	10	10	0	0
GTL: Gardyne Theatre SLA	10	10	0	0
Wage Subsidy	196	177	(20)	(10)
Thrive@D&A Donations	55	55	(0)	(0)
Purchasing Rebates (Apuc)	1	1	0	0
Miscellaneous Income	4	2	(2)	(47)
Bank Interest Received - General	100	50	(50)	(50)
Total catering and other income	2,188	2,526	338	15

Staff costs	Projected	Draft Budget	Movement	
	outturn	2024/25	£000	%
	2023/24	2024/25	£000	
Teaching Pay - established	15,684	16,507	(823)	(5)
Teaching Pay - variable	1,909	2,169	(261)	(14)
Invoiced Staff Costs	192	268	(76)	(39)
Teaching Support Pay	2,630	2,730	(100)	(4)
Support pay	12,513	12,805	(293)	(2)
Apprentice Levy	108	108	0	0
VS Scheme	300	300	0	0
Unfunded pension payments	412	430	(18)	(4)
Total Pay Costs	33,747	35,317	(1,570)	(5)

Non-staff costs	Projected	Draft Budget	Movement	
	outturn	2024/25	£000	%
	2023/24	2024/25	£000	
Staff related costs	286	307	(21)	(7)
Consumables & Equipment	2,006	1,662	344	17
Exam fees	775	749	25	3
Student related costs	194	159	35	18
Property cost	4,527	3,398	1,130	25
ICT & Telephony	1,630	1,059	571	35
Insurance	163	188	(25)	(15)
Marketing	164	329	(165)	(101)
Professional fees	325	161	164	50
General Overheads	322	321	1	0
Interest & Charges	143	101	42	30
VAT	1,348	985	363	27
Total non-staff costs	11,882	9,417	2,465	21

FINANCE & PROPERTY COMMITTEE

Tuesday 28 May 2024



INFRASTRUCTURE

7 (ii) ESTATES UPDATE

PAPER E

BOARD OF MANAGEMENT
Finance & Property Committee
Tuesday 28 May 2024



Estates Update

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

There has been a 2.2% reduction from the previous year in Capital Funding for Maintenance for the period 1 April 2024 – 31 March 2025.

The level of funding for Capital Funding for Maintenance for the period is **£2,587,725.00** for the following elements –

- Backlog Maintenance Works
- Infrastructure Improvement Works
- IT infrastructure
- Lifecycle Maintenance
- Loan Repayment

£1.22m of the allocation will be used to tackle a range of Backlog Maintenance and Infrastructure Improvement projects.

The Estates Project team has identified and developed a programme of priority projects around mechanical and electrical infrastructure, road resurfacing, internal and external building fabric, energy controls, lifts, CCTV systems.

There are also a number of Infrastructure Change requests that academic and support teams are invited to submit for improvements to their facilities along with the rationale around the impact of doing the works. These applications are that considered by the Infrastructure Change Group which is made up of mainly SLT members representing the curriculum and the infrastructure team and decisions are taken to either approve, reject or defer.

These projects are detailed below-

Estates Priority Backlog Maintenance Projects

Project	Campus	Estimated Value (inc VAT)
Pump replacement in Kingsway boiler houses	KC	£72k
Science Annexe Internal Fabric refurb – Painting and Ceilings	KC	£40k
Science Annexe LED Lighting replacement	KC	£9k
Horticulture path replacement	KC	£15k
Engineering Staff Workroom Refurb	KC	£12k
CLOVA Building Roof repairs	AC	£30k
CALC Building Gas Boiler replacement	AC	£36k
CSW Building Gas Boiler replacement	AC	£36k
CALC Building Lift Replacement	AC	£70k
CALC Building Internal Fabric refurb – Levels 2 & 3– Floorcoverings, Painting, Ceilings	AC	£120k
CALC Building LED Lighting replacement	AC	£12k
General road repairs / resurfacing	GC	£50k
Pool plant Upgrade	GC	£75k
New Sports Block lift	GC	£40k
Gardyne Smoking Shelter	GC	£10k
CCTV Review	KC/AC	£50k
Campus Signage	All	£35k
Furniture Investment	All	£50k
General LED lighting replacements	All	£50k
Hardwire testing (electrical)	AC/GC	£50k
Building Management System Upgrade	All	£50k
Eniscope – real time energy monitoring system upgrade	All	£20k
Equipment replacement	All	£30k
Contingencies	All	£20k
Total Costs		£997k

Infrastructure Change Group Approved Projects

Project	Campus	Estimated Value (inc VAT)
Creation of new Supported Education Facility in the CALC	AC	£48k
Creation of new LEAP facilities in the Clova – create office, new kitchen space, flooring, new ceiling, new lighting and power, painting	AC	£30k
Refurb new Essential Skills spaces in the Esk – 1.05 to become staff workroom Esk 1.04 to revert back to a classroom with Esk 1.06	AC	£12k
Create new Prayer room in the Isla Building	AC	£6k
Split CALC 2.02/2.03 into 2 classrooms	AC	£15k
Science Annexe – creation of Clean Lab – storage units, flooring, lighting and power, painting	KC	£6k
New carpet ground floor Space building	KC	£12k

General Painting in the Space	KC	£5k
Additional lockers for Hair and Beauty students	KC	£3k
Y108 to be made into a staff workroom. Y106 to be an ICT classroom. All computers from Y103 and Y105 to be used.	GC	£12k
Convert NA22a and/or NA22b into purely ICT rooms.	GC	£12k
Removal of Office in Y327 to increase capacity to 24	GC	£10k
PE Staff Workroom refurb – flooring and painting	GC	£4k
Y248 – install additional circular table with power and data.	GC	£10k
Contingencies	All	£20k
Total		£216k

The majority of the works will be completed prior to the start of the new 2024/25 academic session with the remaining works completed by the end of 2025.

4. Scottish Green Public Sector Estate Decarbonisation Scheme

The 2 projects that the College received funding for have now been completed -

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

The completion of the Energy Audit and Feasibility project across all 3 campuses has identified opportunities for the College to apply for further funding via the Scottish Green Public Sector Estate Decarbonisation Scheme. Future applications will focus on building fabric improvements, energy controls, LED lighting and sustainable technologies to further reduce our reliance on fossil fuels for heating and hot water.

5. 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 28 May 2024



GARDYNE THEATRE REVIEW

PAPER F

BOARD OF MANAGEMENT
Finance & Property Committee
Tuesday 28 May 2024



Gardyne Theatre Ltd Review – Spotlight to Success

Paper for approval

1. Introduction

This report updates Members on the on-going work to identify options for the future management arrangements of GTL, as well as progress with development of the business case. The Spotlight to Success project aims to support the future strategy and operational needs of GTL and the College in respect of the theatre operation.

2. Review of Legal Structure

Henderson Loggie was engaged to provide advice to the Theatre on the most advantageous type of organisation that the Theatre should be and in particular advise on the potential direct tax and VAT implications of the legal form of the options available. The report (Appendix A) also outlines the implications of potential charitable status and the key requirements for determining whether the Theatre can meet the charity test.

The Henderson Loggie Report (section 5.12 to 5.23) sets out the advantages and disadvantages for the following legal entity options:

- Become a Scottish Charitable Incorporated Organisation (SCIO)
- Become a charitable company
- Transfer the activities of the Theatre back to the College
- Remain a Company limited by guarantee (no change).

After discussion with Henderson Loggie, their recommendation is for the Theatre to become a charitable company.

Charity status offers the ability to attract additional arts charity income, without the restriction on converting to an alternative legal form in future which is a restriction on SCIOs. Charitable status also means that admission charges would be exempt from VAT. Remaining a limited company means that any profits from non-charitable activities made by the theatre may be able to be gift aided to the College. This would not be possible with a SCIO.

The options to transfer the activities of the Theatre back to the College and remain a limited company both mean that the Theatre could not attract additional arts grants which we consider fundamental to the Theatre reaching a financially stable position.

In order to become a registered charity, the Theatre must meet the charity test and the public benefit test (section 5.2). To do this we will require completion of the business plan and we will also need to review the Theatre's trading and other activities, for which we may need further advice and support from Henderson Loggie or our legal advisors, Thorntons.

3. Timescales

We anticipate the work on the business case and obtaining charitable status will take place by the end of the current calendar year. This work will be undertaken concurrently with the creation of a sustainable business plan, implementation of a marketing strategy and identification of cost savings and further income generation opportunities. It is anticipated that this business plan will be completed for September 2024.

A further review of the business position will be undertaken and brought to the Committee in September 2025.

4. Recommendation

Members are asked to note the contents of this report and approve the recommended proposal for the theatre to become a charitable company. This will also be subject to approval from the GTL Board.

5. Link to Strategic Risk Register

Consideration of the options suggested in this report will support the mitigation of our financial risk identified within the Strategic Risk Register namely;

2.2 – failure to achieve institutional sustainability

Author: Nicky Anderson, Director of Finance
Executive Sponsor: Simon Hewitt, Principal

FINANCE & PROPERTY COMMITTEE

Tuesday 28 May 2024



PROCUREMENT UPDATE

PAPER G

BOARD OF MANAGEMENT

Finance & Property Committee

Quarter 3 – February 2024 to April 2024



Procurement Update

Paper G 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 30th April 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 1st February 2024 and 30th April 2024.

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

This section outlines requests exceeding £25K excluding VAT for Approval and retrospective 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 retrospective 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:

Contract name	Electrical Supply
Route to Market	Framework
Successful Bidders	EDF Energy
Contract Value	£710,000 (per annum) £3,550,000
Owner	Head of Estates
Award Date	1 April 2024
Start Date	1 April 2024
Contract Period	60 Months

Contract name	Water and Wastewater Services
Route to Market	Framework
Successful Bidders	Business Stream Ltd (a Scottish Water Company)
Contract Value	£130,000 (per annum) £520,000
Owner	Head of Estates
Award Date	1 April 2024
Start Date	1 April 2024
Contract Period	48 Months

Section B – Non-Competitive Actions

Requiring Approval:

Contract name	Finance Systems Licence Maintenance
Proposed Supplier	Kick ICT
Estimated Contract Value	£75,000
Owner	Director of Finance
Intended Contract Start Date	1 July 2024
Proposed Contract Period	36 Months

Contract name	Development of an Estate Visioning Plan for Dundee & Angus College
Proposed Supplier	BDP (Building Design Partnership)

Estimated Contract Value	£40,000
Owner	Head of Estates / Principal
Intended Contract Start Date	1 January 2024
Proposed Contract Period	6 Months

Section C – Planned Contracting

Requiring Approval:

None during this period

Section D – Other Procurement Activities

For Noting:

1. Procurement Strategy

Our procurement strategy aims to align the purchasing activities with the College's mission, goals, and values while maximising efficiency, minimising risk, and delivering value for money. As our current strategy is outdated, we are conducting a comprehensive review and update to enhance operational excellence and maximise value. Through close collaboration with key stakeholders, we will ensure that the procurement strategy remains responsive to the evolving needs of the college community.

Once completed, the procurement strategy will be presented to the Finance and Property Committee for approval.

Non-Competitive Award (NCA) Request Form

SECTION 1: NOTES

- 1.1 This form is to be completed where a competitive quotation or tendering procedures are proposed to be waived.
- 1.2 Please contact the Procurement Manager to discuss any proposal to make a request for a Non-Competitive Award (NCA).
- 1.3 Sections 2, 3 and the name of the requestor should be completed before submitting to Procurement. Supporting documentation should be included with this request form.
- 1.4 Completed NCA forms should be emailed to procurement@dundeeandangus.ac.uk

SECTION 2: DETAILS OF THE PROPOSED CONTRACT	
Proposed Supplier:	BDP (Building Design Partnership)
Service/Department:	Estates
Budget/Contract Owner:	Head of Estates / Principal
Description of Goods, Services or Works requested:	Development of an Estate Visioning Plan for Dundee & Angus College
Estimated Value (over the whole life of the proposed engagement; normally 4 years):	£40,000
Length/Period of proposed contract:	6 Months
Is this an extension or variation to an existing contract?	No

SECTION 3: INFORMATION TO SUPPORT THE NCA REQUEST (Please attach supporting documentation)
<p>The choice to appoint BDP to lead the Estates Visioning exercise was based on their prior status as preferred supplier via the Scottish Funding Council and through the extensive information bank and knowledge they already hold in respect of the College and Kingsway campus in particular. This decision was driven by the fact that a significant amount of context and detailed information from the STEM centre outline business case funded by SFC remained relevant to the Estates Visioning project. By engaging BDP, the College sought to leverage their expertise and familiarity with the College estate, ensuring a smooth transition and alignment between the projects.</p> <p>Continuity of BDP's involvement also facilitates efficient knowledge transfer and utilisation of established methodologies and processes. The key staff involved are already familiar with the College's estate, can offer valuable insights and perspectives to the Estates Visioning exercise, and have significant detailed information already available. It is believed that this would enhance the quality and relevance of the outcomes whilst significantly reducing the consultancy time required to complete the work.</p>

Working alongside BDP staff who have previously collaborated with the College reduces the need to develop new relationships and understanding of the College, our services, students, curriculum and future infrastructure needs. This enables more efficient and effective communication and collaboration, enabling the project team to more quickly and effectively address challenges and align the vision for the Estates with the College's strategic objectives, thus reducing the overall duration and cost of the work undertaken.

Given that timescales were driven by a range of partners including Dundee City Council (DCC) and Angus Council (AC) and the potential to access very substantive UK levelling up funds, a rapid turnaround was required. This drove the urgency of timely and comprehensive planning to ensure the opportunity of funding could be maximised. The process with DCC and AC was fast paced, demanding a detailed proposal within a short timeframe. By utilising a recognised supplier that has worked closely with the College and SFC in the recent past it is felt that BDP provided a best value option.

SECTION 4: SUBMISSION & APPROVAL OF THE NCA REQUEST

Request submitted by:	Simon Hewitt
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Date:	9 May 2024
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Submission Approved by Budget Holder:	Billy Grace – Head of Estates
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Date:	9 May 2024
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Procurement Review and Comments

Given the projected contract value this Procurement falls below the regulated Procurement Threshold of £50,000, it is important to recognise that this specific procurement process will be subject to the governance outlined in the College's internal Procurement standing orders and guidance.

While urgency has been identified as a critical factor, there was the potential to access several framework agreements that may have facilitated timely procurement, including the Crown Commercial Services - Construction Professional Services Framework (Reference: RM6165) and Scotland Excel – Building and Construction Consultancy (Reference SXL0920). These frameworks provide call-off options such as Direct Award and Mini-Competition, allowing for the acceleration of the procurement process.

The College's preference to engage with BDP stems from their appointment by the Scottish Funding Council, based on the high-quality service received, familiarity and reliability. Unfortunately, there is no recognised route to engage directly with this supplier under any viable public procurement framework.

The College could have conducted a Quick Quote on Public Contract Scotland (PCS), inviting a minimum of three suppliers to bid. This approach would have been in alignment with the College's standing orders. While it would have provided BDP the opportunity to submit a bid, there is no assurance that BDP would be the College's preferred choice following an evaluation based on the most economically advantageous tender.

Not adhering to a compliant procurement process introduces the following risks for the College:

- **Lack of Value for Money:** In the absence of competition, there is a risk of not securing the most cost-effective solution. Competitive bidding encourages suppliers to present more favourable prices, ensuring better value for the college.
- **Limited Supplier Options:** Non-competitive processes constrain the pool of available suppliers, restricting the exploration of expertise, innovations, and capabilities in the market.
- **Potential for Bias or Favouritism:** The lack of competition increases the likelihood of bias in supplier selection, undermining transparency, and fairness, and could raise concerns about the integrity of the procurement process.
- **Legal and Compliance Risks:** Failing to adhere to proper procurement procedures, exposes the College to legal and compliance risks, potentially resulting in challenges, fines, or contract disputes.
- **Negative Impact on Reputation:** Non-competitive procurement practices can damage the College's reputation. Stakeholders may perceive the process as unfair or lacking transparency, leading to reputational harm.
- **Limited Negotiation Power:** In a non-competitive environment, the College may experience limited negotiation power. Competitive bids offer leverage for negotiating favourable terms, including price, quality, and contractual conditions.
- **Missed Cost Savings:** Competitive procurement often results in cost savings as suppliers vie to provide the best prices. Without competition, the College may miss opportunities to negotiate lower prices and achieve overall cost savings.

These risks are recognised through the procurement route adopted and it was identified by the College that the benefits in contracting directly with BDP for this work outweighed to potential risks.

Verified by Procurement Manager:	Amanda Walsh	
Date:	9 May 2024	
Accept <input type="checkbox"/>	Reject <input type="checkbox"/>	Board Management <input type="checkbox"/> Approval Required
Approved by Head of Finance (<£5,000)		
Approved by Vice Principal (<£25,000)		
Finance & Property Committee + SFC (>£25,000):		
Date:		

Non-Competitive Award (NCA) Request Form

SECTION 2: DETAILS OF THE PROPOSED CONTRACT	
Proposed Supplier:	Kick ICT Group
Service/Department:	Finance
Budget/Contract Owner:	Finance
Description of Goods, Services or Works requested:	Finance Systems – Annual Licence & Maintenance
Estimated Value (over the whole life of the proposed engagement; normally 4 years):	£34,620 per annum Total £103,860 (Three Years)
Length/Period of proposed contract:	36 months
Is this an extension or variation to an existing contract?	Yes

SECTION 3: INFORMATION TO SUPPORT THE NCA REQUEST (Please attach supporting documentation)
<p>SUN Accounts Annual Licence & Maintenance:</p> <p>The annual licensing, maintenance, and support of the SUN financials software package comprises of core SUN Systems 6.3 and supplementary tools, incorporating add-on products such as the Power BI Connector by Professional Advantage, Spindle Remittances by Draycir, and P2P/FinDocs, the purchase-to-pay solution by Document Centric Solutions (DCS).</p> <p>SUN Financials stands as a comprehensive software solution designed to manage and streamline the college's financial operations. As one of the key systems, it has been used successfully alongside core modules since the college's inception and has been renewed annually. Please note that any proposed change to this system would require a detailed planning exercise, which could take up to two years to fully implement. Such an undertaking would demand substantial resources, including significant financial investment and staffing capacity.</p> <p>At present, the college is considering the prospect of this change. However, given the ongoing implementation of a new student record system, the commencement of any transition to a new financial system is improbable before the renewal of the current SUN Financials contract on 1st July 2024.</p> <p>SUN products are facilitated through Kick ICT Group (formerly Castle Computers). However, the competitive landscape in this sector is constrained, with pricing predominantly influenced by the system authors, Infor Global Solutions. Consequently, the College has limited opportunities to reduce annual costs by transitioning support providers, and such a change could introduce disruptive risks. Another crucial consideration is the support provided for our key bolt-on purchase-to-pay system, P2P/FinDocs. Unlike some competitors, Kick has the capability to offer this support on the</p>

behalf of the system authors, DCS. This aspect is highly valuable based on the College's extensive integration with SUN.

Furthermore, even if it were feasible to implement a new finance system within this short timeframe, failing to serve the appropriate notice by 1st April 2024, would result in potential financial penalties for the college.

SECTION 4: SUBMISSION & APPROVAL OF THE NCA REQUEST

Request submitted by:	Brian Ferguson - Head of Finance
Date:	6 March 24

Submission Approved by Budget Holder:	Nicky Anderson – Director of Finance
Date:	16 May 2024

Procurement Review and Comments

An exhaustive evaluation of the Finance Systems at Dundee & Angus College is deemed imperative to ascertain the adequacy of the current system. However, this typically spans a duration of up to 18 months for comprehensive assessment, with an additional 18-month timeline required for procurement implementation should a decision be made to transition to another system. With the imminent expiration of the current contract next month, this is not an option. Therefore, the proposed course of action is to proceed with a direct award to our incumbent supplier, Kick ICT, who provide the SUN system along with supplementary modules. This interim measure will allow necessary time for a thorough review to be undertaken. This decision has been carefully considered and endorsed by the Director of Finance, following consultations with the Head of Procurement and the Director of Infrastructure. The consensus is that a direct award to Kick ICT is the most practical solution under the current circumstances. It is agreed that this direct award shall be effective for a term of three years. This timeframe allows for a comprehensive evaluation of the finance systems and, if deemed necessary, facilitates the planning and execution of a transition to a new system without compromising the quality of the outcome. By taking this approach, the College ensures that its financial operations remain uninterrupted and that informed, strategic decisions are made about future finance systems.

Furthermore, this review aligns with the Scottish Government's assessment of e-commerce systems, specifically PECOS, and its integrations with Public Contracts Scotland (PCS) and Public Contracts Scotland – Tender (PCS-T). This comprehensive review ensures that our procurement processes are in harmony with national standards and leverage the latest advancements in e-commerce technologies. By aligning with these systems, we aim to enhance our efficiency, transparency, and compliance in procurement activities, thereby supporting the broader objectives of public sector procurement in Scotland.

Verified by Procurement Manager:	Kerri McWilliams
Date:	16/05/2024

Accept <input type="checkbox"/>	Reject <input type="checkbox"/>	Board Management <input type="checkbox"/> Approval Required
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Approved by Head of Finance (<£5,000)	
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Approved by Vice Principal (<£25,000)	
Finance & Property Committee + SFC >£25,000):	
Date:	

FINANCE & PROPERTY COMMITTEE

Tuesday 28 May 2024



STRATEGIC RISK REGISTER

PAPER H

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

BOARD OF MANAGEMENT
Finance and Property Committee
Tuesday 28 May 2024



Strategic Risk Register Update

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 May 2024 Strategic Risk Register is enclosed with minor update as detailed below.

Risk		Changes Made
2.2	Failure to achieve institutional sustainability	Additional mitigations identified to reflect national discussions around the utilisation capital and recurrent (CDEL and RDEL) for estates and infrastructure improvement works.

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 and 2024/2025 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.

Discussions progressed with College auditors since the previous meeting have given significant comfort in respect of the ability of the College to continue to utilise capital funds (CDEL) to support estates maintenance activities. A further update on this will be provided at the meeting.

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

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	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"> Ability of the College to meet key regional strategies/objectives Financial loss or unmanageable financial risk Reputational loss 	4	3	12	<ul style="list-style-type: none"> Effective project/activity management in place Clear governance structures Project/initiative finances clearly incorporated within College financial strategy and plans End of project and exit/contingency planning 	3	2	6	<ul style="list-style-type: none"> Regular project updates at Executive/Board level Monitoring of project activities, plans and outcomes Clear project Management arrangements in place Budget reporting and management 	Principal, 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"> Negotiation/influence at national level Review of activities/projects and response to new opportunities 	4	1	4	<ul style="list-style-type: none"> Robust monitoring via ROA Amendment of strategic direction/plans Rolling curriculum review 	Principal

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	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"> Robust CEAP in place Multiple strands of activity/action Embedding sustainable practices in normal activity and ways of working Clear links between strategy and practice Planned investment in carbon reduction Sustainable procurement 	4	2	8	<ul style="list-style-type: none"> Robust monitoring and reporting of CEAP at SLT and Board level Clear performance metrics Amendment of strategic direction/plans Monitoring of scope 3 emissions 	VPSO, DirInf, HoE

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	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Responsibility
2	Financial									

2.1 F&P	Change in Funding Body and/or Funding Methodology and Allocation – Reduction or restriction in Funding	3	4	12	<ul style="list-style-type: none"> Negotiation/influence at national level Contingency plans for amended funding levels or requirements 	3	3	9 ↔	<ul style="list-style-type: none"> Advance modelling of new funding requirements, methodologies, and allocations Monitoring impact of changes Amendment of strategic or operational direction / plans Financial strategy sensitivities 	VPSO
2.2 F&P	Failure to achieve institutional sustainability Revised wording to incorporate CDEL/RDEL element	5	4	20	<ul style="list-style-type: none"> Protection of funding through dialogue with SFC and SG Input to create sector ‘flexibilities’ Robust annual budget-setting and multi-year financial strategic planning Effective budgetary control Where required, swift action to implement savings 	4	4	16 ↔	<ul style="list-style-type: none"> Monthly monitoring of budgets Regular review of financial strategy and non-core income sensitivity Effective use of sector ‘flexibilities’ to support sustainability Amendment of strategic priorities and timing to align with funding levels Review and amendment of activity and budget planning to address over/under performance against activity (credit) target Detailed monitoring of savings programmes Detailed monitoring & management of CDEL/RDEL risks 	VPSO

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2	Financial (cont)									

2.3 F&P	National outcomes on salaries and conditions of service outstrip ability to pay	4	4	16	<ul style="list-style-type: none"> Influence within Employers Association Management of staffing expenditures 	4	3	12 ↔	<ul style="list-style-type: none"> Expenditure modelling On-going discussions with staff Financial strategy sensitivities Workforce planning 	VPSO
2.4 A&R	Financial Fraud	4	3	12	<ul style="list-style-type: none"> Strong financial controls: segregation of duties and review of transactions. Review of impact of any changes in structure or duties Whistleblowing arrangements 	3	2	6 ↔	<ul style="list-style-type: none"> Continuous review of financial controls Internal Audit programme 	VPSO
2.5 F&P	D&A Foundation refuses/withholds funding for key College priorities	5	3	15	<ul style="list-style-type: none"> On-going dialogue with Foundation Trustees Appropriate bid arrangements in place 	3	2	6 ↔	<ul style="list-style-type: none"> Monitor and advise Board of Management 	Prin & VPSO
2.6 F&P	Demands of capital developments / maintenance impacts on financial sustainability or delivery of learning and/or services	3	2	6	<ul style="list-style-type: none"> Multi-year estates strategy and capital planning Lobbying of SFC on capital and backlog maintenance funding Planning for D&A Foundation bids 	2	2	4 ↔	<ul style="list-style-type: none"> Monitoring of capital plans and expenditures Regular review of capital plans/timescales relative to funds 	VPSO

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

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

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

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

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3	People and Performance (cont.)									

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

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3	People and Performance (cont.)									

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

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

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4	Infrastructure									

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	4	4	16	<ul style="list-style-type: none"> Creation of long-term infrastructure principles and vision Multi-year estates strategy and capital planning Lobbying of SG and SFC on capital and backlog maintenance funding Identification of alternative funding routes Planning for D&A Foundation bids 	3	4	12 ↔	<ul style="list-style-type: none"> Lobbying of SG and SFC on campus vision and needs Prioritization of capital plans and expenditures Regular review of capital plans/timescales relative to funds 	Principal VPSO
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FINANCE & PROPERTY COMMITTEE

Tuesday 28 May 2024



CORPORATE SERVICES REPORT

PAPER I

BOARD OF MANAGEMENT

Finance & Property Committee

Tuesday 28 May 2024



Corporate Services Report

Paper 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 27th February 2024.

Publication	Topic	Allocation
SFC/AN/04/2024	College indicative Funding Allocations 2024-25	
	Indicative student activity (credit) threshold	98,307
	Indicative teaching funding	£31.371m
	Indicative student support funding	£7.390m
	Indicative capital maintenance	£2.530m
SFC/AN/02/2024	In-year redistribution of student support funds 2023/24	£0.750m
SFC/CI/02/2024	College mid-year financial forecast return (MYR) 2023/24	

4. Supporting Our Learners

Recruitment for Session 2024/25 full-time courses is progressing well. Currently, 4,000 offers have been made to candidates with a further 1,300 applicants progressing through the selection/interview process. Applications for part-time and commercial courses are now also open for bookings.

A new application system (REMs) has been introduced for Session 2024/25 which has required a significant amount of work by the project team to ensure a smooth implementation. Early feedback on the system from staff and applicants has been positive. Training has been delivered to external partners including SDS Careers Advisors and schools' guidance staff to enable them to support applicants to use the new system.

Our "Hey@D&A" newsletters and "Connect 2" sessions for applicants will continue during the

recruitment period and preparation work has started with all support and curriculum teams. The newsletters and sessions offer prospective students access to funding and learning support, information on wider college activities, the opportunity to meet peers and staff and to get to know the department and campus facilities. This early support has been invaluable to our past students and helps support early retention.

Work is underway to open our student funding applications for 2024/25. We still await the SFC policies to allow awards to be issued. We have also not received our HE Discretionary allocation from SAAS therefore we cannot set our accommodation rates until we know our allocation, with current recruitment numbers and basing funding applications on similar trends as previous years any cut in allocation may require support from core college funds.

Currently, our credit target for 2024/25 has been achieved, work is 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 customised projects

The Quality Assurance Agency (QAA) for the tertiary education sector has commissioned SDA to deliver a workshop for Colleges and Universities on the 20th May to explore ways to tackle human trafficking and exploitation on Scottish campuses.

Our partnership with Dumfries and Galloway Council continues to grow with more community consultant training taking place May - July and Dumfries and Galloway Parental Employability Lived Experience panel being trained for participatory budgeting May – June

A self-service circular economy game has now been designed and produced for Zero Waste Scotland (ZWS) to run with regional groups. A second pilot programme for ZWS is close to completion with SDA consultants taking small start-ups through the design process to develop their circular economy business proposals. Both elements of this contract have strong potential to raise SDA's profile and reputation in the circular and green economy space for businesses.

23/24 Open Courses

Open courses now follow a streamlined pathway from awareness to practitioner level and are planned for the 24/25 session.

Discover Service Design Competitive pricing continues to be used tactically as an engagement tool for prospective corporate customers.

- Introduction to Tools and Methods has been introduced with a first cohort joining in June

- 5-day Practical Service Design March and June cohorts includes learners from Edinburgh Napier University and Tay Cities funded places for Carolina House

- 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. Applications are increasing from self-funding students who are withdrawing due to financial pressures. We have planned 2 PDA cohorts in 24/25 to improve efficiency. Shorter accredited qualifications are being explored with Quality.

Data Skills for Work at The Data Lab through the Tay Cities Deal Digital Skills Project – a third funding application has been submitted for 24/25.

Management Accounts: The following shows the draft management accounts to March 2024. The revised Q4 forecast has been proposed but not confirmed by the College executive.

	Prior Year	Year to Date Cumulative	Full Year	
	Actual	Actual	Budget	Forecast
	£	£	£	£
Income	571,390	376,489	568,704	444,441
Pay Costs	354,083	279,217	361,182	417,534
Total non-pay costs	9,467	6,292	21,818	21,870
Contribution/ (net cost)	207,840	90,980	185,704	5,337

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

Non-pay costs will increase from 22/23 spends to include marketing materials to get the team “event ready” and investment in profile-raising events.

Team

The increase of 5.9 consultants v 4.9 consultants in 22/23 has not achieved the anticipated impact of improved capacity because of long-term sickness. An interim lead consultant was appointed in March and is making an impact already by putting systems and processes in place to improve working practices and efficiencies in the development phases of customised and open courses.

Business Development:

A new short and user-friendly course has been designed for SME’s with the support of the Business Partnership team. “Sparkling Solutions” will support businesses to understand problems to then develop plans for better ways of working. This course will be funded by Tay Cities SME Skills fund and has potential to benefit a market beyond.

BM has been invited to join South Ayrshire Council’s Service Event on 22nd May to deliver a service design taster and presentation to 40 colleagues. This relationship has been built from an initial pitch to the council’s SLT and points towards a capability building partnership.

An investment is being made to raise our profile as a provider of digital skills and capability in the public sector, and also non-specialist audiences for meta-skills including problem-solving. SDA is sponsoring UX (Digital and Design) Scotland in May and the CHeRries (HR event and awards) June in Aberdeen.

The strategy to build our profile as thought leaders includes speaker proposals submitted to SOLACE (Society Local Authority Chief Executives) and a speaker place has been confirmed at the Scottish Digital Summit in November.

The new Digital Programme from Scottish Government offers opportunity with SDA being recognised as specialists in the digital transformation space. Transformation projects will be required to use internal resources, rather than external consultancies, opening up opportunities to build capacity to meet skills shortages. The team met Lee Dunn, Head of the Scottish Digital Academy to understand the Programme and plan future collaborations.

Your Due North continues to improve reach and engagement on social media with new collateral and support with planning. The team will also be supported to build SDA's profile through expert insights and messaging.

6. Gardyne Theatre

We have 28 shows booked for the remainder of this year to 31 July 2024. This will bring the total number of shows in 2023/24 to 133 shows in 2023/24 (107 shows 2022/23).

We already have 95 shows booked or in negotiation for 2024/25 and there are another 12 booking requests in hand.

7. Business Partnership Team

SME Skills (D&A delivery Income)

- **2023/24 - Year 4 (year 1 operational delivery)**

The Fund launched 1st February 2024 with the end of year financial reports having to be submitted by mid-March 2024 giving us only 6 weeks of operational delivery in year 4. Despite the fact we only had 6 weeks we supported 11 Companies investing £51,245 of the fund into local businesses.

- **2024/25 – Year 5 Delivery (Year 2 Operational delivery)**

A total of £400,000 in grant funds is available, allocated equally across four regions, providing £100,000 to each. This funding will support 20 businesses within every region. This means that Dundee and Angus will receive £200,000.

As of April 1st, 2024, ten applications have been approved, amounting to £47,110.31, with distribution as follows: Angus (4), Dundee (2), Fife (2), and Perth (2).

Additionally, 18 applications are currently being processed. 'In progress' indicates that a training needs analysis is complete, and our advisors, trainers, and business owners are collaboratively developing action plans, crafting training programs, and scheduling activities pending approval. The breakdown of these applications is: Angus (5), Perth (4), Fife (2), and Dundee (7).

Additional Income Opportunities

At present we have £600k worth of tenders currently submitted with strong likelihood of approval. These are:

- **UKSPF – Dundee City Council - £100,000 – Decarbonisation of transport.**

This bid has been written to allow us secure investment for businesses to access our Hydrogen, electric vehicle and Electric Chargepoint Installation courses whilst also driving footfall to the Skills Academy

This bid will see us run the following:

Course	Cost per place £	No of places	Places Cost £	Funded Courses in year	Total £	No of individuals upskilled
Hydrogen	185	6	1110	4	4440	24
Level 1 EV	180	12	2160	6	12960	72
Level 2 EV	450	6	2700	6	16200	36
Level 3 EV	450	6	2700	6	16200	36
Level 2/3 EV	550	6	3300	7	23100	42
CP Installation	350	6	2100	7	14700	42
SDA Decarbonise your fleet	5000	1	5000	3	15000	18
Total					102600	270

- **UKSPF Dundee City Council - £200,000 SME Upskilling**

This bid has been written to secure money in place of the Flexible Workforce Development. Administered in the same way, we will offer £5,000 grant to SME businesses to access fully funded training delivered by Dundee and Angus College.

The grant will be split into:

F/T Skills Advisor	£35,000
Management, Admin, Co-ordination	£15,000
30 x £5000 Grant Funds	£150,000

Within each £5,000 allocation we will have a min 30% mark-up meaning a minimum of £95,000 will come directly to Dundee and Angus College with the remainder paying for the lecturer or associate trainer time.

- **UKSPF – Angus Council - £100,000 – Decarbonisation of transport**

The same as above but delivered in Angus within our Arbroath Academy.

We have tried to mirror activity to offer the same service to both Dundee and Angus Businesses.

- **UKSPF Angus Council - £200,000 Business Upskilling**

This bid is very similar to Dundee however we have also incorporated a grant offer for Levy paying companies offering them access to £10,000 worth of training alongside the £5,000 offer to SME's.

The financial breakdown is as follows:

£30,000 admin, management and financial
£170,000 training fund

This will support:

7 organisations with 250+ members of staff = £70,000
20 organisations with less than 250 members of staff = £100,000

We will ensure a minimum 30% markup in each £5,000 grant allocation which means we will see a minimum **£81,000** to Dundee and Angus College.

- **Commercial Bespoke Courses**

In quarter 2, the Business Partnership Team have supported the academic departments to secure, cost and co-ordinate the following:

Macintyre's Chocolate Systems	HNC Engineering Systems One delegate	£780
Dover Fuelling Solutions	Abrasive Wheels for 5 delegates	£750
Don & Low	Power BI - Two cohorts for 10 delegates per cohort	£1552
MSIP	MHFA Awareness - One cohort for up to 10 delegates	£977
Dundee City Council	Food Safe Bespoke Course - One cohort for up to 10 delegates	£751
GM85 22	SVQ2 in Carpentry and Joinery (Construction) at SCQF level 5 - One delegate	£2650
D&A	Emergency First Aid at Work -Two cohorts, 10 delegates per cohort	£2072
JTC Furniture	MS Project Professional Introduction one cohort for 12 delegates per cohort MS Project Professional Intermediate one cohort for 12 delegates per cohort	£2496
Angus Housing Association	SMHFA one cohort for 12 delegates	£1942
Angus Housing Association	Child & Adult Protection - 2 Cohorts - 12 Delegates each cohort	£1862
Angus Housing Association	Trauma Informed Practice One cohort - 12 delegates	£478
Angus Housing Association	Mental Health Awareness - 2 cohorts - 15 delegates each cohort	£986.50
	Total:	£18,273.50

8. Regular Updates

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

Subject	Comment
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Bad debt reporting and debt write-off	No individual bad debts over £3,000 were written off during the period 1 February 2024 to 30 April 2024.
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9. Link to Strategic Risk Register

Consideration of the topics included in this 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

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

FINANCE & PROPERTY COMMITTEE

Tuesday 28 May 2024



DATE OF NEXT MEETING

Tuesday 10 September 2024 at 5.00pm in Room A625, Kingsway Campus